



SHAHMURAD SUGAR MILLS LIMITED

Half Yearly Results for the period
1st October 2019 to 31st March, 2020

SHAHMURAD SUGAR MILLS LTD.

COMPANY INFORMATION

BOARD OF DIRECTORS

MR. ISMAIL H. ZAKARIA	Chairman
MR. ZIA ZAKARIA	Managing Director & CEO
MR. ABDUL AZIZ AYOOB	
MR. NOOR MOHAMMAD ZAKARIA	
MRS. SANOBAR HAMID ZAKARIA	
MR. NAEEM AHMED SHAFI	Independent Director
MR. KHURRAM AFTAB	Independent Director

BOARD AUDIT COMMITTEE

MR. NAEEM AHMED SHAFI	Chairman
MR. NOOR MOHAMMAD ZAKARIA	Member
MRS. SANOBAR HAMID ZAKARIA	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

MR. KHURRAM AFTAB	Chairman
MR. NOOR MOHAMMAD ZAKARIA	Member
MR. ZIA ZAKARIA	Member

CHIEF FINANCIAL OFFICER

MR. ZAID ZAKARIA

COMPANY SECRETARY

MR. MOHAMMAD YASIN MUGHAL
FCMA

AUDITORS

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

LEGAL ADVISOR

MR. IRFAN
Advocate

REGISTERED OFFICE

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

FACTORY

JHOK SHARIF,
TALUKA MIRPUR BATHORO,
DISTRICT SUJAWAL (SINDH)

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.shahmuradsugar.co

SHAHMURAD SUGAR MILLS LTD.

DIRECTORS' REPORT

Dear Members Asslamu Alaikum

On behalf of Board, I take the opportunity to present before you with great pleasure the un-audited financial statements of your company for the period ended March 31, 2020. The financial statements have been reviewed by the Auditors as required under the Code of Corporate Governance.

Salient features of production and Financial Statements are as under:

PRODUCTION DATA	March 31, 2020	March 31, 2019
Sugarcane crushed (M Tons)	444,430	500,270
Sugar produced (M Tons)	48,786	55,425
Sugar recovery percentage	11.00	11.08
Molasses produced (M Tons)	19,715	23,100
Ethanol Production (M Tons)	24,230	34,897

FINANCIAL DATA

(Rupees in thousands)

Sales revenue	5,064,331	4,543,954
Cost of sales	(4,504,646)	(3,665,337)
Gross profit	559,685	878,617
Distribution cost	(8,928)	(54,526)
Administrative expenses	(133,637)	(124,044)
Other operating charges	(27,964)	(47,943)
Other income	106,742	71,632
Financial cost	(189,631)	(168,701)
Profit before taxation	306,267	555,035
Provision for taxation	(57,740)	(3,687)
Profit after taxation	248,527	551,348
Earnings per share	Rs.11.77	Rs.26.11

Segment wise performance is elaborated as under:

SUGAR DIVISION

During the period under review the mill crushed 444,430 metric tons of cane and produced 48,786 metric tons of sugar. During the same period last year, the mill crushed 500,270 metric tons of cane and produced 55,425 metric tons of sugar. Production during the current period is lower than last year by 12 percent or 6,639 metric tons. The decrease in production of sugar was low mainly due to non-availability of raw material. The poor condition of crop in the province due to non-availability of water. For the crushing season the Government notified support price of sugarcane at Rs. 192/- per forty kgs of cane but Mill has to pay higher price of cane in order to run the mill without interruption.

During the current period the business activities remained suspended due to lock down on account of corona virus in the country which has been reflected in our sales volumes.

ETHANOL DIVISION

During the period under consideration the Ethanol Division produced 24,230 metric tons of ethanol as against 34,897 metric tons produced in the same period of last year. The production is substantially low when compared with the output of the last year which was due to non-availability of raw material and interruption due to lock down on account of corona virus. It is anticipated that the production during the remaining period of the year would hopefully be maintained.

FUTURE OUTLOOK

It is expected that during the next crushing season cane crop in country would be good as natural rain fall and canal water is expected to be available in upper part of the country. We hope that the Government would take timely decision to ensure availability of water in lower part of the province by judicious distribution thereof. Future outlook of ethanol appear to be positive as the demand of our premium product increased. The company is taking strong measures to improve the contribution of ethanol division.

BOARD OF DIRECTORS

There is no change in the composition of Board of Directors during the period under consideration.

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 and help us to achieve the desired goals. (Ameen)



ZIA ZAKARIA
Managing Director & CEO



ABDUL AZIZ AYOOB
Director

Karachi:
Dated: May 28, 2020



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 **SHAHMURAD SUGAR MILLS LIMITED** ("the Company") as of March 31, 2020, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and notes to the financial statements for the half year ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for quarters ended March 31, 2020 and March 31, 2019 have not been reviewed, as we were required to review only the cumulative figures for the half year ended March 31, 2020.

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 these condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner of the review resulting in this independent auditor's report is Shaikh Mohammad Tanvir.

Chartered Accountants
Karachi
Dated: May 28, 2020

Suite No. 1601, 16th Floor, Kashif Centre, Shahr-e-Faisal, Karachi. Phone: 92-21-35640050 to 52
Website: www.krestonhb.com E-mail: hyderbhimji@yahoo.com, hyderbhimji@gmail.com

OTHER OFFICES LAHORE - FAISALABAD - ISLAMABAD

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

SHAHMURAD SUGAR MILLS LTD.

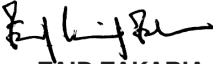
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2020

AS AT MARCH 31, 2020		Un-audited March 2020	Audited September 2019
	Note	(Rupees in thousand)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	5,562,293	5,498,699
Intangible asset	5	-	-
Long term investment in associate	6	1,351	1,351
Long term loans		1,515	2,214
Long term deposits		2,429	2,429
Deferred taxation		25,027	25,726
		5,592,615	5,530,419
CURRENT ASSETS			
Stores, spare parts and loose tools		215,262	243,590
Stock-in-trade		5,592,006	1,967,859
Trade debts		557,611	459,571
Loans and advances		505,099	1,586,334
Trade deposits and short term prepayments		10,789	1,095
Other receivables		234,788	235,130
Short term investment		-	200,714
Income tax refundable-Net		106,738	103,896
Cash and bank balances		82,854	62,249
		7,305,147	4,860,438
		12,897,762	10,390,857
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital 25,000,000 ordinary shares of Rs. 10 each		250,000	250,000
Issued, subscribed and paid-up capital		211,187	211,187
Revenue reserve			
General reserve		80,000	80,000
Share of associate's unrealized loss on re-measurement of its investment at fair value through other comprehensive income		(2,441)	(2,441)
Unappropriated profit		2,545,643	2,612,860
Capital reserve			
Revaluation surplus on property, plant and equipment		1,432,924	1,476,197
		4,267,313	4,377,803
NON CURRENT LIABILITIES			
Long term financing		1,160,441	1,340,813
CURRENT LIABILITIES			
Trade and other payables		1,350,480	1,106,764
Accrued finance cost		80,422	39,816
Short term borrowings		5,621,454	3,112,830
Loan from related parties		48,135	48,135
Current portion of long term financing		359,688	358,560
Unclaimed dividend		9,829	6,136
		7,470,008	4,672,241
CONTINGENCIES AND COMMITMENTS			
	7	-	-
		12,897,762	10,390,857

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


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOOB
DIRECTOR

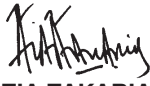

ZAID ZAKARIA
Chief Financial Officer

SHAHMURAD SUGAR MILLS LTD.

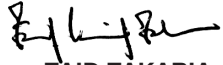
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2020**

Note	For the half year October to March		For the Quarter January to March	
	2020	2019	2020	2019
(Rupees in thousand)				
Sales	5,064,331	4,543,954	2,370,346	1,937,597
Cost of sales	(4,504,646)	(3,665,337)	(2,270,219)	(1,617,897)
Gross profit	559,685	878,617	100,127	319,700
Profit from trading activities	1,125	1,353	423	866
	560,810	879,970	100,550	320,566
Distribution cost	(8,928)	(54,526)	(7,642)	(33,273)
Administrative expenses	(133,637)	(124,044)	(64,348)	(68,080)
Other operating charges	(27,964)	(47,943)	(7,813)	(16,591)
	(170,529)	(226,513)	(79,803)	(117,944)
Operating profit	390,281	653,457	20,747	202,622
Other income	105,617	70,279	68,770	35,836
	495,898	723,736	89,517	238,458
Finance cost	(189,631)	(168,701)	(119,324)	(99,425)
Profit/(loss) before taxation	306,267	555,035	(29,807)	139,033
Taxation				
- Current	(57,041)	-	(24,772)	-
- Deferred	(699)	(3,687)	(4,461)	20,701
	(57,740)	(3,687)	(29,233)	20,701
Profit after taxation	248,527	551,348	(59,040)	159,734
Earning/(loss) per share				
- Basic and diluted - Rupees	11.77	26.11	(2.80)	7.56

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


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOOB
DIRECTOR


ZAID ZAKARIA
Chief Financial Officer

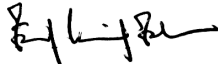
**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2020**

	For the half year October to March		For the Quarter January to March	
	2020	2019	2020	2019
(Rupees in thousand)				
Profit/(loss) after taxation	248,527	551,348	(59,040)	159,734
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	248,527	551,348	(59,040)	159,734

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


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOOB
DIRECTOR

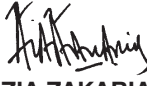

ZAID ZAKARIA
Chief Financial Officer

SHAHMURAD SUGAR MILLS LTD.

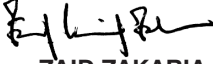
CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2020

	March 2020	March 2019
	(Rupees in thousand)	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	306,267	555,035
Adjustment for :		
Depreciation	183,027	167,698
Gain on disposal of property, plant and equipment	(469)	(231)
Provision for obsolescence and slow moving items	7,500	6,500
Finance cost	189,631	168,701
	379,689	342,668
	685,956	897,703
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	20,828	(40,526)
Stock in trade	(3,624,147)	(2,054,340)
Trade debts	(98,040)	(197,879)
Loans & advances	1,081,235	(22,565)
Short term prepayments	(9,694)	(8,305)
Short term investment	200,714	-
Other receivables	342	138,769
	(2,428,762)	(2,184,846)
Increase in current liabilities		
Trade and other payables	243,716	209,003
Short term borrowings	2,508,624	1,858,133
	2,752,340	2,067,136
	1,009,534	779,993
Decrease in long term loan	699	50
Income tax paid	(59,883)	(45,067)
Finance cost paid	(149,025)	(145,277)
	(208,209)	(190,294)
Net cash inflow from operating activities	801,325	589,699
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(246,991)	(344,838)
Sale proceeds from disposal of property, plant and equipment	839	714
Net cash outflow from investing activities	(246,152)	(344,124)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long term finance received	-	39,687
Repayment of long term financing	(179,244)	(124,589)
Dividend paid	(355,324)	(145,371)
Net cash (outflows) from financing activities	(534,568)	(230,273)
Net increase in cash and bank balances (A+B+C)	20,605	15,302
Cash and bank balance at the beginning of the period	62,249	45,452
Cash and bank balance at the end of period	82,854	60,754

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


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOOB
DIRECTOR


ZAID ZAKARIA
Chief Financial Officer

SHAHMURAD SUGAR MILLS LTD.

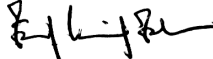
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2020

	Issued, Subscribed & paid up capital	General reserves	Share of Associate's unrealised (loss)/gain on remeasurement of investment	Un- appropriated profit	Capital Reserve Surplus on revaluation of Property Plant & Equipment	Total
	----- (Rupees in thousand) -----					
Balances as at October 01, 2018 (Audited)	211,187	80,000	(2,501)	1,462,075	1,582,959	3,333,720
During the half year ended March 31, 2019						
Transactions with owners						
Final Dividend for 30-September-2018 @ Rs. 7.00 Per Share	-	-	-	(147,831)	-	(147,831)
Total Comprehensive Income for the half year ended March 31, 2019	-	-	-	551,348	-	551,348
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation -net of deferred tax	-	-	-	46,890	(46,890)	-
Balances at March 31, 2019	211,187	80,000	(2,501)	1,912,482	1,536,069	3,737,237
Balances as at October 01, 2019 (Audited)	211,187	80,000	(2,441)	2,612,860	1,476,197	4,377,803
During the half year ended March 31, 2020						
Transactions with owners						
Final Dividend for 30-September-2019 @ Re. 17.00 Per Share	-	-	-	(359,017)	-	(359,017)
Total Comprehensive Income for the half year ended March 31, 2020	-	-	-	248,527	-	248,527
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation -net of deferred tax	-	-	-	43,273	(43,273)	-
Balances at March 31, 2020	211,187	80,000	(2,441)	2,545,643	1,432,924	4,267,313

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


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOUB
DIRECTOR


ZAID ZAKARIA
Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED MARCH 31, 2020

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 Limited. The registered office of the Company is located at 96-A, Sindhi Muslim Cooperative Housing Society, Karachi, Sindh. The Company owns and operates Sugar 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, 2019.

2.2 These condensed Interim financial statements comprise of the condensed Interim Statement of Financial Position as at March 31, 2020 and the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and the condensed interim statement of cash flows together with notes forming part thereof for the half year then ended which have been subjected to review and are not audited. This also includes the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarter ended March 31, 2020. The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the audited financial statements of the company as at September 30, 2019, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows figures have been extracted from the unaudited condensed interim financial statements for the half year ended March 31, 2019.

2.3 The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarter ended March 31, 2020 and 2019 are not subject to review by the auditor.

SHAHMURAD SUGAR MILLS LTD.

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, 2019.
- 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, 2019 are either not relevant or do not have material impact on the condensed interim financial statements, and are therefore not disclosed.
- 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, 2019.
- 3.5** The Company has assessed that the Company's accounting policies with respect to revenue recognition and disclosures are already line with IFRS 15 except that direct export freight, packing and related charges of Rs. 399.196 million previously classified in distribution cost are now classified as part of cost of sales (note 8).

Un-Audited	Audited
March 31,	September 30,
2020	2019
(Rupees in thousand)	

4. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	4.1	5,525,161	5,342,921
Capital work in progress	4.2	37,132	155,778
		<u>5,562,293</u>	<u>5,498,699</u>

SHAHMURAD SUGAR MILLS LTD.

	Un-Audited March 31, 2020 (Rupees in thousand)	Audited September 30, 2019
4.1 OPERATING FIXED ASSETS		
Opening book value	5,342,921	5,073,393
Direct additions during the period / year		
Furniture, Fixture and Fittings	-	90
Office Equipment	332	2,539
Vehicle	7,627	28,860
	7,959	31,489
Transfer from CWIP during the period / year		
Owned		
Factory building	-	4,274
Non Factory building	254	3,993
Plant and Machinery	357,424	588,665
	357,678	596,932
Disposals - Operating assets (net book value)	(370)	(1,182)
Depreciation Charged for the period / year	(183,027)	(357,711)
Closing book value	5,525,161	5,342,921
4.2 CAPITAL WORK IN PROGRESS		
Opening balance	155,778	241,928
Additions during the period / year		
Civil Works	-	8,520
Plant and Machinery	239,032	502,262
	239,032	510,782
Capitalization during the period/year		
Civil Works	(254)	(8,267)
Plant and Machinery	(357,424)	(588,665)
	(357,678)	(596,932)
Closing balance	37,132	155,778
5. INTANGIBLE ASSET		

The cost of software of Rs. 5.917 million has has been fully amortised over a period of three years in accordance with the Company's accounting policy. However the software is still in use of the Company.

SHAHMURAD SUGAR MILLS LTD.

6. LONG TERM INVESTMENT IN ASSOCIATE

The company holds 14.285% (September 2018: 14.285%) interest in Al-Noor Modaraba Management (Pvt) Limited. Since the financial statements of Al Noor Modaraba Management (Pvt) Limited are not prepared except on year ended June 30; and are not material hence no effect of results of Al-Noor Modaraba Management (Pvt) Limited has been taken in these condensed interim financial statements.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There is no material change in status of contingencies as disclosed in note No. 26 (a) of the annual financial statements for the year ended September 30, 2019.

	Un-Audited March 31, 2020	Audited September 30, 2019
	(Rupees in thousand)	
7.2 Commitments		
Commitments for capital expenditure	-	185,838
Commitments for stores and spares	-	3,846
	-	189,684
Bank Guarantees		
in favor of Excise and Taxation Department	500	500

	For the half year October to March		For the Quarter January to March	
	2020	2019	2020	2019
	(Rupees in thousand)			
8. COST OF SALES				
Opening stock of finished goods	1,387,030	1,539,616	240,679	841,093
Cost of goods manufactured	5,541,482	4,760,335	4,668,196	3,614,005
	6,928,512	6,299,951	4,908,875	4,455,098
Closing stock of finished goods (Note 8.1)	(2,964,365)	(3,033,810)	(2,964,365)	(3,033,810)
	3,964,147	3,266,141	1,944,510	1,421,288
Export and related expenses	540,499	399,196	325,709	196,609
	4,504,646	3,665,337	2,270,219	1,617,897

- 8.1** At period end stock pledged against short term borrowings amounted to Rs. 2,043 million (March 2019 : 2,524 million).

SHAHMURAD SUGAR MILLS LTD.

9. TAXATION

Provision for current taxation is made on the basis of minimum and final taxation. Deferred tax asset of Rs 146 million has not been recorded in view of uncertainties related to availability of future taxable profit against which unabsorbed losses may be adjusted.

10. TRANSACTION WITH RELATED PARTIES

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

		March 2020	March 2019
Transactions: Relationship with the Company	Nature of Transactions	(Rupees in thousand)	
Associates			
Al-Noor Sugar Mills Limited	-Purchase of Goods	482,446	284,854
Reliance Insurance Company Limited	-Insurance premium	22,213	20,130
Other related parties			
Directors' and key management personnel	-Directors remuneration	8,772	14,735
	-Executive remuneration	28,382	22,591
	-Non-executive directors' meeting fee	120	72
Staff provident fund excluding Directors	-Company's Contribution during the period	3,396	2,969
Other related parties	Loan repaid during the period	-	22,853

		March 2020	September 2019
Balances:			
Relationship with the Company	Nature of Transactions	(Rupees in thousand)	
Associates			
Al-Noor Sugar Mills Limited	Loan and advances	-	105,000
Al-Noor Sugar Mills Limited	Trade & other payables	40,638	-
Reliance Insurance Company Limited	Trade & other payables	22,213	-
Staff provident fund	Trade & other payables	1,721	150

SHAHMURAD SUGAR MILLS LTD.

11. RELATIONSHIP WITH THE ISLAMIC AND CONVENTIONAL FINANCIAL INSTITUTION

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

	As at March 31, 2020			As at September 30, 2019		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Long term financing-Musharka and other finances	623,750	536,691	1,160,441	766,250	574,563	1,340,813
Current portion of long term finance	285,000	74,688	359,688	285,000	73,560	358,560
	908,750	611,379	1,520,129	1,051,250	648,123	1,699,373
Accrued finance cost	42,824	37,598	80,422	28,359	11,457	39,816
Short term borrowings	1,350,000	4,271,454	5,621,454	750,000	2,362,830	3,112,830
Short term investment	-	-	-	200,714	-	200,714
Cash at banks	(12,215)	(70,639)	(82,854)	(9,624)	(52,625)	(62,249)
	2,289,359	4,849,792	7,139,151	2,020,699	2,969,785	4,990,484

	Half year ended March 31, 2020			Half year ended March 31, 2019		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Finance cost	103,504	86,127	189,631	71,946	96,755	168,701
Income from PLS bank account	(34,604)	(52)	(34,656)	-	(25)	(25)
	68,900	86,075	154,975	71,946	96,730	168,676

SHAHMURAD SUGAR MILLS LTD.

12. SEGMENT INFORMATION

The Company's operating businesses are organized and managed separately according to the nature of products produced with each segment representing a strategic business unit that offer different products and serves different markets. The sugar segment is engaged in manufacturing and sale of the sugar and its by products whereas ethanol segment is engaged in manufacturing and sale of ethanol. The following tables represents revenue and profit information regarding business segment for the half year ended March 31, 2020 and March 31, 2019 and assets and liabilities information regarding business segments as at March 31, 2020 and September 30, 2019.

	Sugar		Ethanol		Consolidated	
	Half year ended March 31,		Half year ended March 31,		Half year ended March 31,	
	2020	2019	2020	2019	2020	2019
(Rupees in thousand)						
REVENUE						
External Sales	1,465,745	1,245,475	3,598,586	3,298,479	5,064,331	4,543,954
Inter segment transfer	367,335	272,175	-	-	367,335	272,175
Total	1,833,080	1,517,650	3,598,586	3,298,479	5,431,666	4,816,129
RESULTS						
Profit from operation	(143,461)	(146,713)	560,581	846,760	417,120	700,047
Profit from trading activity	1,125	1,353	-	-	1,125	1,353
	(142,336)	(145,360)	560,581	846,760	418,245	701,400
Other operating charges					(27,964)	(47,943)
Other income					105,617	70,279
Finance cost					(189,631)	(168,701)
Profit before tax					306,267	555,035
Taxation					(57,740)	(3,687)
Profit for the period					248,527	551,348

SEGMENT ASSETS AND LIABILITIES

	March 2020	September 2019	March 2020	September 2019	March 2020	September 2019
(Rupees in thousand)						
Assets						
Segment assets	5,156,785	3,649,910	7,181,737	6,192,247	12,338,522	9,842,157
Un-allocated assets					557,889	547,349
Long term investment					1,351	1,351
Total assets					12,897,762	10,390,857
Liabilities						
Segment liabilities	4,123,270	1,782,667	4,467,149	4,133,766	8,590,419	5,916,433
Unallocated liabilities					40,030	96,621
					8,630,449	6,013,054

	Half year ended March 31,		Half year ended March 31,		Half year ended March 31,	
	2020	2019	2020	2019	2020	2019
OTHER INFORMATION						
Additions to property, plant and equipment	203,957	93,913	43,034	250,925	246,991	344,838
Depreciation	46,738	43,783	136,289	123,915	183,027	167,698

SHAHMURAD SUGAR MILLS LTD.

Revenue from major customers

During the period external sales to major customers amounted to Rs. 1,868 million. (2019: Rs. 2,245 million)

Geographical information

All non-current assets of the Company are located in Pakistan. Company's local external sales represent sales to various external customers in Pakistan as well as outside Pakistan as follows:

	For the period ended March 31,	
	2020	2019
Pakistan	1,107,570	1,245,475
Ghana	621,599	468,982
Angola	453,549	312,324
Afghanistan	358,175	-
South Korea	280,692	87,704
Thailand	225,180	87,765
Sierra Leone	207,579	66,119
Ivory Coast	191,995	109,311
Cameroon	182,740	100,459
Jordan	166,835	-
Tanzania	158,030	6,399
Philippines	141,087	242,091
Kuwait	136,112	-
Unied Arab Emirates	110,767	25,123
Singapore	109,687	273,448
Turkey	97,686	263,481
Liberia	80,926	-
Saudia Arabia	79,538	15,020
Taiwan	44,786	44,023
Nigeria	10,792	333,548
Italy	-	239,391
Netherlands	-	124,327
Spain	-	105,038
India	-	35,389
Others	299,006	358,537
	5,064,331	4,543,954

13. WORKERS PROFIT PARTICIPATION FUND, WORKERS WELFARE FUND AND TAXATION

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

14. FAIR VALUES

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

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

- Level 1: Quoted prices in active markets for identical assets or liabilities that can be assessed at measurement.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3: Inputs are unobservable inputs for the asset or liability. Inputs for the asset or liability that are not based on observation market data (that is, unobservable inputs).

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

15. AUTHORIZATION

These condensed interim financial statements were authorized for issue on May 28, 2020 by the Board of Directors of the Company.

16. GENERAL

16.1 Figures have been rounded off nearest to thousand rupees.



ZIA ZAKARIA
Managing Director & CEO



AZIZ AYOOB
DIRECTOR



ZAID ZAKARIA
Chief Financial Officer

شعبہ جات کے لحاظ کارکردگی درج ذیل کے مطابق رہی۔

شوگر ڈویژن:

جائزہ لینے کے اس عرصے کے دوران مل نے 444,430 میٹرک ٹن گنے کو کرش کیا اور 48,786 میٹرک ٹن چینی پیدا کی۔ گزشتہ سال اسی عرصے کے دوران مل نے 500,270 میٹرک ٹن گنے کو کرش کیا اور 55,425 میٹرک ٹن چینی پیدا کی۔ موجودہ مدت پیداوار 12 فیصد یا 6,639 میٹرک ٹن گزشتہ سال سے کم ہے۔ چینی کی پیداوار میں کمی کی بنیادی طور پر خام مال کی عدم فراہمی کی وجہ سے تھی۔ پانی کی عدم فراہمی کی وجہ سے صوبے میں فصل کی خراب حالت ہے۔ کرشنک سیزن کے لئے حکومت نے گنے کی امدادی قیمت کو =/Rs.192 فی چالیس کلوگرام یکن مل کو بغیر کسی مداخلت کے چلانے کے لئے گنے کی زیادہ قیمت ادا کرنا پڑی۔ موجودہ مدت کے دوران ملک میں کورونا وائرس کی وجہ سے کاروباری سرگرمیاں معطل رہیں جس کی عکاسی ہماری فروخت میں ہوئے ہیں۔

استھمول ڈویژن:

زیر غور عرصے استھمول ڈویژن نے گزشتہ سال کے اسی عرصے میں پیدا شدہ 34,897 میٹرک ٹن کے مقابلے میں استھمول ڈویژن نے 24,230 میٹرک ٹن پیدا کیا۔ گزشتہ سال کے پیداوار کے مقابلے میں پیداوار کافی حد تک کم ہے جو خام مال کی عدم دستیابی اور کورونا وائرس کی وجہ سے لاک ڈاون ہوا۔ یہ توقع کی جا رہے ہے کہ سال کی باقی مدت کے دوران پیداوار کو برقرار رکھنے کی امید ہے۔

مستقبل کا جائزہ:

توقع کی جا رہی ہے کہ اگلے کرشنک سیزن کے دوران ملک میں گنے کی فصل اچھی ہوگی کیونکہ قدرتی بارش کی کمی اور نہر کا پانی ملک کے بالائی حصے میں دستیاب ہونے کی امید ہے۔ ہمیں امید ہے کہ حکومت صوبے کے نچلے حصے میں پانی کی منصفانہ تقسیم کے ذریعے پانی کی دستیابی کو یقینی بنانے کے لئے بروقت فیصلہ کرے گی۔ ہمارے پریمیم مصنوعات کی طلب میں اضافہ ہونے کی ساتھ ساتھ استھمول کا مستقبل کا نظریہ مثبت معلوم ہوتا ہے۔ استھمول ڈویژن کی شراکت کو بہتر بنانے کے لئے کمپنی سخت اقدامت کر رہی ہے۔

بورڈ آف ڈائریکٹرز:

زیر غور مدت کے دوران بورڈ آف ڈائریکٹرز کی تشکیل میں کوئی تبدیلی نہیں کی گئی ہے۔ بورڈ آف ڈائریکٹرز اپنے معزز اسٹیک ہولڈرز کو یقین دہانی کرانا چاہے ہیں کہ کامیابی کو حاصل کرنے کے لئے سرشار کوششوں پر قابو پانے کے لئے بہتر منصوبہ بندی کے ساتھ، ان شاء اللہ، ملک کی چینی کی صنعت کو اس وقت درپیش صورتحال کا سامنا کرنا پڑتا ہے وہ حل ہو جائے گا۔ براہ کرم مطلوبہ اہداف کے حصول میں ہماری رہنمائی اور مدد کرنے کے لئے اللہ رب العزت سے دُعا مانگیں۔ (آمین)


عبد العزیز ایوب
ڈائریکٹر


ضیاء زکریا
منیجنگ ڈائریکٹر اینڈ چیف ایگزیکٹو آفیسر

ڈائریکٹرز رپورٹ برائے ممبران

محترم ممبران!.....السلام علیکم!

مجھے بورڈ آف ڈائریکٹرز کی جانب سے، آپ کی کمپنی کے 31 مارچ 2020 کو ختم ہونے والی مدت کے غیر آڈٹ مالیاتی حسابات کے بارے میں آپ کے سامنے پیش کرنے میں بڑی خوشی محسوس ہو رہی ہے، ضابطہ اخلاق کے تحت ضرورت کے مطابق ان حسابات کا قانونی جائزہ لینے والوں نے جائزہ لیا ہے۔ کارپورٹ گورننس پیداوار اور مالیاتی حسابات کی نمایاں خصوصیات درج ذیل ہیں:

معلومات بابت پیداوار	31 مارچ 2020	31 مارچ 2019
گئے کی سپائی (میٹرک ٹن)	444,430	500,270
پیداوار برائے چینی (میٹرک ٹن)	48,786	55,425
ریکوری برائے چینی (فیصد)	11.00	11.08
پیداوار برائے راب (میٹرک ٹن)	19,715	23,100
پیداوار برائے استھانول (میٹرک ٹن)	24,230	34,897
مالیاتی معلومات	(روپے ہزاروں میں)	(روپے ہزاروں میں)
فروختگی	5,064,331	4,543,954
لاگت برائے فروختگی	(4,504,646)	(3,665,337)
خام منافع	559,685	878,617
اخراجات برائے ترسیلات	(8,928)	(54,526)
انتظامی اخراجات	(133,637)	(124,044)
دیگر اخراجات	(27,964)	(47,943)
دیگر آمدن	106,742	71,632
مالیاتی اخراجات	(189,631)	(168,701)
منافع قبل از ٹیکس	306,267	555,035
ٹیکس کے لئے فراہمی	(57,740)	(3,687)
منافع بعد از ٹیکس	248,527	551,348
آمدن فی حصص (بنیادی)	Rs.11.77	Rs.26.11

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