



SHAHMURAD SUGAR MILLS LIMITED

Half Yearly Results for the period
1st October 2020 to 31st March, 2021

Company Information

BOARD OF DIRECTORS

MR. NOOR MOHAMMAD ZAKARIA
MR. ZIA ZAKARIA
MR. ABDUL AZIZ AYOOB
MRS. SANOBAR HAMID ZAKARIA
MR. ASAD AHMED MOHIUDDIN
MR. NAEEM AHMED SHAFI
MR. KHURRAM AFTAB

BOARD AUDIT COMMITTEE

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

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 Society, Karachi-74400 Tel: 34550161-63 Fax: 34556675

REGISTRAR & SHARES REGISTRATION OFFICE

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

FACTORY

Jhok Sharif,
Taluka Mirpur Bathoro,
District Sujawal (Sindh)

DIRECTORS' REPORT

Asslamu-o- Alaikum

On behalf of the Board, I take this opportunity to present before you the un-audited accounts of your company for the period ended March 31, 2021. The financial statements have been reviewed by the Auditors as required under the Listing Regulations of Pakistan Stock Exchange and Code of Corporate Governance.

Salient features of production and Financial Statements are as under:

PRODUCTION DATA	March 31, 2021	March 31, 2020
Sugarcane crushed (M Tons)	441,293	444,430
Sugar produced (M Tons)	47,220	48,786
Sugar recovery percentage	10.70	11.00
Molasses produced (M Tons)	19,740	19,715
Ethanol Production (M Tons)	19,118	24,230

FINANCIAL DATA

(Rupees in thousands)

Sales revenue	3,558,720	5,064,331
Cost of sales	(3,266,550)	(4,504,646)
Gross profit	292,170	559,685
Distribution cost	(7,014)	(8,928)
Administrative expenses	(123,081)	(133,637)
Other operating charges	(50,371)	(27,964)
Other income	217,531	106,742
Financial cost	(154,453)	(189,631)
Profit before taxation	174,782	306,267
Provision for taxation	(43,989)	(57,740)
Profit after taxation	130,793	248,527
Earnings per share	Rs. 6.19	Rs.11.77

Segment wise performance is elaborated as under:

SUGAR DIVISION

During the period under review the mill crushed 441,293 metric tons of cane and produced 47,220 metric tons of sugar. During the same period last year, the mill crushed 444,430 metric tons of cane and produced 48,786 metric tons of sugar. During the current period the production is slightly lower than last year by 3.21 percent or 1,566 metric tons. The decrease in production of sugar was low mainly due to non-availability of raw material in the adjoining area of the mill and decline in the recovery rate from 11.00 to 10.70 percent. The poor condition of crop in the province was due to non-availability of water in the early stage of cane growing. For the crushing season the Government notified minimum support price of sugarcane at Rs. 202/= per forty kgs of cane but the Mill had to pay higher price of cane in order to secure raw material from far distance.

ETHANOL DIVISION

During the period under consideration the Ethanol Division produced 19,118 metric tons of ethanol as against 24,230 metric tons produced in the same period of last year. The production was less as compared with the output of the last year which was due to non-availability of raw material. The sales revenue of ethanol division has declined due to rupee appreciation and supply chain disruptions on account of the third wave of covid all over the world. It is anticipated that the production during the remaining period of the year would hopefully be increased INSHA ALLAH.

FUTURE OUTLOOK

It is expected that during the next crushing season, cane crop in country would improve 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 is expected to increase due to normalization of economies globally. The company is taking strong measures to improve the contribution of ethanol division towards overall performance of the company.

May Allah SWT grant His Blessing and Rehmat for the continued success and growth of Shahmurad Sugar Mills Limited. (Ameen)



ZIA ZAKARIA
Managing Director & CEO



ABDUL AZIZ AYOOB
Director

Karachi:
Dated: May 26, 2021



**Independent Auditor's Review Report
To the members of Shahmurad Sugar Mills Limited
Report 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, 2021, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and notes to the condensed interim financial statements for the half year ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended March 31, 2021 and March 31, 2020 have not been reviewed, as we were required to review only the cumulative figures for the half year ended March 31, 2021.

Scope of Review:

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed Interim financial statements consists of making inquiries primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion:

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

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

Chartered Accountants
Karachi
Dated: May 26, 2021

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Website: www.krestonhb.com E-mail: hyderbhimji@yahoo.com, hyderbhimji@gmail.com

OTHER OFFICES LAHORE - FAISALABAD - ISLAMABAD

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**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021**

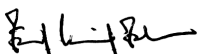
AS AT MARCH 31, 2021

		Un-audited March 2021	Audited September 2020
	Note	(Rupees in thousand)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	5,250,439	5,386,952
Intangible asset	5	-	-
Long term investment in associate	6	1,006	1,006
Long term loans		1,822	1,224
Long term deposits		2,429	2,429
		5,255,696	5,391,611
CURRENT ASSETS			
Stores, spare parts and loose tools		307,297	247,329
Stock-in-trade		8,413,132	1,603,448
Trade debts		434,892	207,178
Loans and advances		358,184	1,467,802
Trade deposits and short term prepayments		19,181	457
Other receivables		176,933	176,689
Short term investment		1,715	2,103,781
Income tax refundable-Net		74,265	76,852
Cash and bank balances		496,998	36,389
		10,282,597	5,919,925
		15,538,293	11,311,536
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		(2,501)	(2,501)
Unappropriated profit		3,018,323	3,100,705
Capital reserve			
Revaluation surplus on property, plant and equipment		1,349,401	1,389,650
		4,656,410	4,779,041
NON CURRENT LIABILITIES			
Long term financing		1,013,250	1,163,612
Deferred taxation		20,692	17,212
		1,033,942	1,180,824
CURRENT LIABILITIES			
Trade and other payables		839,700	1,328,710
Accrued finance cost		75,093	31,816
Short term borrowings		8,543,092	3,641,288
Loan from related parties		48,135	48,135
Current portion of long term financing		329,985	292,123
Unclaimed dividend		11,936	9,599
		9,847,941	5,351,671
CONTINGENCIES AND COMMITMENTS			
	7	-	-
		15,538,293	11,311,536

The annexed notes from 1 to 15 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 PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2021**

Note	For the half year October to March		For the Quarter January to March	
	2021	2020	2021	2020
(Rupees in thousand)				
Sales	3,558,720	5,064,331	1,581,608	2,370,346
Cost of sales	(3,266,550)	(4,504,646)	(1,552,743)	(2,270,219)
Gross profit	292,170	559,685	28,865	100,127
Profit from trading activities	429	1,125	159	423
	292,599	560,810	29,024	100,550
Distribution cost	(7,014)	(8,928)	(4,286)	(7,642)
Administrative expenses	(123,081)	(133,637)	(64,548)	(64,348)
Other operating charges	(50,371)	(27,964)	(29,981)	(7,813)
	(180,466)	(170,529)	(98,815)	(79,803)
Operating profit	112,133	390,281	(69,791)	20,747
Other income	217,102	105,617	171,330	68,770
	329,235	495,898	101,539	89,517
Finance cost	(154,453)	(189,631)	(105,047)	(119,324)
Profit/(loss) before taxation	174,782	306,267	(3,508)	(29,807)
Taxation				
- Current	(40,509)	(57,041)	(16,600)	(24,772)
- Deferred	(3,480)	(699)	10,664	(4,461)
	(43,989)	(57,740)	(5,936)	(29,233)
Profit / (loss) after taxation	130,793	248,527	(9,444)	(59,040)
Earning/(loss) per share				
-Basic and diluted - Rupees	6.19	11.77	(0.45)	(2.80)

The annexed notes from 1 to 15 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, 2021**

	For the half year October to March		For the Quarter January to March	
	2021	2020	2021	2020
(Rupees in thousand)				
Profit/(loss) after taxation	130,793	248,527	(9,444)	108,290
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	130,793	248,527	(9,444)	108,290

The annexed notes from 1 to 15 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 CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2021**

	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, 2019 (Audited)	211,187	80,000	(2,441)	2,612,860	1,476,197	4,377,803
<u>During the half year ended March 31, 2020</u>						
Transactions with owners						
Final Dividend for 30-September-2019 @ Rs. 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	<u>211,187</u>	<u>80,000</u>	<u>(2,441)</u>	<u>2,545,643</u>	<u>1,432,924</u>	<u>4,267,313</u>
Balances as at October 01, 2020 (Audited)	211,187	80,000	(2,501)	3,100,705	1,389,650	4,779,041
<u>During the half year ended March 31, 2021</u>						
Transactions with owners						
Final Dividend for 30-September-2020 @ Re. 12.00 Per Share	-	-	-	(253,424)	-	(253,424)
Total Comprehensive Income for the half year ended March 31, 2021	-	-	-	130,793	-	130,793
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation -net of deferred tax	-	-	-	40,249	(40,249)	-
Balances at March 31, 2021	<u>211,187</u>	<u>80,000</u>	<u>(2,501)</u>	<u>3,018,323</u>	<u>1,349,401</u>	<u>4,656,410</u>

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


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOOB
DIRECTOR

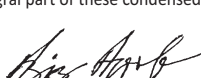

ZAID ZAKARIA
Chief Financial Officer

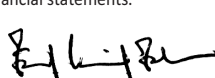
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2021**

	March 2021	March 2020
	(Rupees in thousand)	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	174,782	306,267
Adjustment for :		
Depreciation	175,485	183,027
Gain on disposal of property, plant and equipment	(3,285)	(469)
Provision for obsolescence and slow moving items	3,500	7,500
Reversal of provision of prior year liability	(149,000)	-
Finance cost	154,453	189,631
	181,153	379,689
	355,935	685,956
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(63,468)	20,828
Stock in trade	(6,809,684)	(3,624,147)
Trade debts	(227,714)	(98,040)
Loans and advances	1,109,618	1,081,235
Short term prepayments	(18,724)	(9,694)
Short term investment	2,102,066	200,714
Other receivables	(244)	342
	(3,908,150)	(2,428,762)
(Decrease) / Increase in current liabilities		
Trade and other payables	(340,010)	243,716
Short term borrowings	4,901,804	2,508,624
	4,561,794	2,752,340
	1,009,579	1,009,534
(Increase) / Decrease in long term loan		
Income tax paid	(598)	699
	(37,922)	(59,883)
Finance cost paid	(111,176)	(149,025)
	(149,696)	(208,209)
Net cash inflow from operating activities	859,883	801,325
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(40,077)	(246,991)
Sale proceeds from disposal of property, plant and equipment	4,390	839
Net cash outflow from investing activities	(35,687)	(246,152)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term financing	(112,500)	(179,244)
Dividend paid	(251,087)	(355,324)
Net cash (outflows) from financing activities	(363,587)	(534,568)
Net increase in cash and bank balances (A+B+C)	460,609	20,605
Cash and bank balance at the beginning of the period	36,389	62,249
Cash and bank balance at the end of the period	496,998	82,854

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


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOORB
DIRECTOR


ZAID ZAKARIA
Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED MARCH 31, 2021

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, 2020.

2.2 These condensed Interim financial statements comprise of the condensed Interim Statement of Financial Position as at March 31, 2021 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, 2021. 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, 2020, 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, 2020.

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, 2021 and 2020 are not subject to review by the auditor.

3. Significant accounting policies and disclosures

3.1 The accounting policies and methods of computation followed for the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the company's annual financial statements for the year ended September 30, 2020.

- 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, 2020 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, 2020.

		Un-Audited March 31, 2021	Audited September 30, 2020
		(Rupees in thousand)	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	5,196,209	5,372,447
Capital work in progress	4.2	54,230	14,505
		5,250,439	5,386,952
4.1 OPERATING FIXED ASSETS			
Opening book value		5,372,447	5,342,921
Direct additions during the period / year			
Office Equipment		352	864
Vehicle		-	10,942
		352	11,806
Transfer from CWIP during the period / year			
Owned			
Non Factory building		-	253
Plant and Machinery		-	390,557
		-	390,810
Disposals - Operating assets (net book value)		(1,105)	(805)
Depreciation Charged for the period / year		(175,485)	(372,285)
Closing book value		5,196,209	5,372,447

Un-Audited
March 31,
2021
Audited
September 30,
2020
(Rupees in thousand)

4.2 CAPITAL WORK IN PROGRESS

Opening balance	14,505	155,778
Additions during the period / year		
Civil Works	695	-
Plant and Machinery	39,030	249,537
	39,725	249,537
Capitalization during the period/year		
Civil Works	-	(253)
Plant and Machinery	-	(390,557)
	-	(390,810)
Closing balance	54,230	14,505

5. INTANGIBLE ASSET

The cost of software of Rs. 5.917 million has already 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.

6. LONG TERM INVESTMENT IN ASSOCIATE

The company holds 14.285% (September 2020: 14.285%) interest in Al-Noor Modaraba Management (Pvt) Limited and this is carried under equity method. Since the financial statements of Al Noor Modaraba Management (Pvt) Limited are not prepared except on year ended June 30; and also 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 these status of contingencies as disclosed in note No. 26 (a) of the annual financial statements for the year ended September 30, 2020. However the Company has reversed the provision of Rs. 149 million as disclosed in Note 26.10 of the annual financial statements for the year ended September 30, 2020, since no decision has yet been made by the court and the likelihood of further payment is remote. A brief history of the case is that against the sugarcane purchase price of Rs. 172 per 40 Kgs as fixed for the season 2013-2014, the company had filed a Constitutional Petition, dated 21 January 2014, before the Honourable High Court of Sindh for linkage with prevailing market sugar price which was dismissed and the matter was taken up with the Honourable Supreme Court of Pakistan on 05 January 2015. In the due course of time, the Government of Sindh fixed the price of sugarcane at Rs. 182 per 40 kgs for the season 2014-15 in pursuance of which the Sindh Chamber of Agriculture filed a petition in the Honourable High Court of Sindh. The

Honourable High Court disposed of the case upon settlement with the consent of all the stake holders whereby it was settled that Sugar Mills shall purchase the sugarcane from growers at Rs. 160 per 40 kgs for crushing season 2014-15 whereas Rs. 12 per 40 kgs will be paid by the Government of Sindh. The Honourable High Court has subjected this interim arrangement to the decision of Civil appeal No 48 of 2015, dated 20 January 2015, which is pending before the Honourable Supreme Court of Pakistan and also have ordered that the fate of remaining Rs. 10 i.e., difference of Rs. 182 and 172 (which in the case of the Company amount to Rs. 149 million) will also be dependent on upon the decision of Honourable Supreme Court of Pakistan for which the Company now expect that the same is not likely to crystallise.

	Un-Audited March 31, 2021	Audited September 30, 2020
	(Rupees in thousand)	
7.2 Commitments		
Commitments for capital expenditure	-	34,114
Commitments for stores and spares	-	14,056
	-	48,170
Bank Guarantees		
in favor of Excise and Taxation Department	500	500

	For the half year October to March		For the Quarter January to March	
	2021	2020	2021	2020
	(Rupees in thousand)			
8. COST OF SALES				
Opening stock of finished goods	1,116,774	1,387,030	1,156,918	240,679
Cost of goods manufactured	5,952,900	5,541,482	4,333,707	4,668,196
	7,069,674	6,928,512	5,490,625	4,908,875
Closing stock of finished goods (Note 8.1)	(4,058,655)	(2,964,365)	(4,058,655)	(2,964,365)
	3,011,019	3,964,147	1,431,970	1,944,510
Export and related expenses	255,531	540,499	120,773	325,709
	3,266,550	4,504,646	1,552,743	2,270,219

- 8.1** Finished goods costing Rs.123.234 million (March 2020: nil) have been written down to their net realizable value of Rs. 105.247 million (March 2020: nil) . At period end stock pledged against short term borrowings amounted to Rs. 2,850 million (March 2020 : 2,043 million).

9. 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:

Transactions:		March 31, 2021	March 31, 2020
Relationship with the Company	Nature of Transactions	(Rupees in thousand)	
Associates			
Al-Noor Sugar Mills Limited	-Purchase of Goods	486,483	482,446
Al-Noor Sugar Mills Limited	-Dividend paid	39,597	56,096
Reliance Insurance Company Ltd	-Insurance premium	23,078	22,213
Reliance Insurance Company Ltd	-Insurance claim receivables	716	-
Other related parties			
Directors' and key management personnel	-Directors remuneration	10,595	8,772
	-Executive remuneration	21,997	28,382
	-Non-executive directors' meeting fee	160	120
Staff provident fund excluding Directors	-Company's Contribution during the period	4,610	3,396
		March 31, 2021	September 30, 2020
Balances:		(Rupees in thousand)	
Relationship with the Company	Nature of Transactions		
Associates			
Al-Noor Sugar Mills Limited	Loan and advances	18,784	150,000
Reliance Insurance Company Ltd	Trade & other payables	12,460	-
Reliance Insurance Company Ltd	Receivables	826	-
Staff provident fund	Trade & other payables	1,941	333

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 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, 2021			As at September 30, 2020		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Long term financing-Musharka and other finances	480,000	533,250	1,013,250	591,250	572,362	1,163,612
Current portion of long term finance	253,750	76,235	329,985	255,000	37,123	292,123
	733,750	609,485	1,343,235	846,250	609,485	1,455,735
Accrued finance cost	35,828	39,265	75,093	22,100	9,716	31,816
Short term borrowings	2,700,000	5,843,092	8,543,092	1,300,000	2,341,288	3,641,288
Short term investment	(1,715)	-	(1,715)	(2,103,781)	-	(2,103,781)
Cash at banks	(301,568)	(195,430)	(496,998)	(10,104)	(26,285)	(36,389)
	3,166,295	6,296,412	9,462,707	54,465	2,934,204	2,988,669

	Half year ended March 31, 2021			Half year ended March 31, 2020		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Finance cost	74,945	79,508	154,453	103,504	86,127	189,631
Income from PLS bank account and short term investment	(45,336)	(145)	(45,481)	(34,604)	(52)	(34,656)
	29,609	79,363	108,972	68,900	86,075	154,975

11. 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, 2021 and March 31, 2020 and assets and liabilities information regarding business segments as at March 31, 2021 and September 30, 2020.

	Sugar		Ethanol		Total	
	Half year ended March 31, 2021 2020		Half year ended March 31, 2021 2020		Half year ended March 31, 2021 2020	
----- (Rupees in thousand) -----						
REVENUE						
External Sales	1,003,314	1,465,745	2,555,406	3,598,586	3,558,720	5,064,331
Inter segment transfer	495,108	367,335	-	-	495,108	367,335
Total	1,498,422	1,833,080	2,555,406	3,598,586	4,053,828	5,431,666
RESULTS						
Profit from operation	46,856	(143,461)	115,219	560,581	162,075	417,120
Profit from trading activity	429	1,125	-	-	429	1,125
	47,285	(142,336)	115,219	560,581	162,504	418,245
Other operating charges					(50,371)	(27,964)
Other income					217,102	105,617
Finance cost					(154,453)	(189,631)
Profit before tax					174,782	306,267
Taxation					(43,989)	(57,740)
Profit for the period					130,793	248,527

SEGMENT ASSETS AND LIABILITIES

	March 2021	September 2020	March 2021	September 2020	March 2021	September 2020
	(Rupees in thousand)					
Assets						
Segment assets	5,400,044	2,886,010	9,761,580	8,134,341	15,161,624	11,020,351
Un-allocated assets					375,663	290,179
Long term investment					1,006	1,006
Total assets					15,538,293	11,311,536
Liabilities						
Segment liabilities	5,699,426	1,746,292	5,138,229	4,707,071	10,837,655	6,453,363
Unallocated liabilities					44,228	79,132
					10,881,883	6,532,495

	Half year ended March 31, 2021 2020		Half year ended March 31, 2021 2020		Half year ended March 31, 2021 2020	
OTHER INFORMATION						
Additions to property, plant and equipment	6,924	203,957	33,153	43,034	40,077	246,991
Depreciation	47,646	46,738	127,839	136,289	175,485	183,027

Revenue from major customers

During the period external sales to major customers amounted to Rs. 1,558 million. (2020: Rs. 1,868 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,	
	2021	2020
Pakistan	1,003,314	1,107,570
Ghana	869,900	621,599
Indonesia	674,228	-
Philippines	234,877	141,087
Thailand	112,525	225,180
Australia	96,040	-
Taiwan	91,772	44,786
Jordan	74,023	166,835
Cameroon	65,999	182,740
Lebanon	61,365	-
Turkey	60,926	97,686
Sri Lanka	45,021	-
Ivory Coast	26,762	191,995
Unied Arab Emirates	13,653	110,767
Saudia Arabia	5,925	79,538
Angola	-	453,549
Afghanistan	-	358,175
South Korea	-	280,692
Sierra Leone	-	207,579
Tanzania	-	158,030
Kuwait	-	136,112
Singapore	-	109,687
Liberia	-	80,926
Nigeria	-	10,792
Others	122,390	299,006
	3,558,720	5,064,331

12. 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.

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

These condensed interim financial statements were authorized for issue on May 26, 2021 by the Board of Directors of the Company.

15. GENERAL

Figures have been rounded off nearest to thousand rupees.



ZIA ZAKARIA
Managing Director & CEO





AZIZ AYOOB
DIRECTOR



ZAID ZAKARIA
Chief Financial Officer

اللہ سبحانہ و تعالیٰ شاہ مراد شوگر ملز لمیٹڈ کی مسلسل کامیابی اور نمو کیلئے ان کی برکت اور رحمت عطا فرمائے۔ (آمین)


عبدالعزیز ایوب
ڈائریکٹر


ضیاء زکریا
مینجنگ ڈائریکٹر اینڈ چیف ایگزیکٹو آفیسر

کراچی: 26 مئی 2021ء

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

شوگر ڈویژن

جائزہ لینے کے عرصے کے دوران مل نے 441,293 میٹرک ٹن گنے کو کرش کیا اور 47,220 میٹرک ٹن چینی پیدا کی۔ گزشتہ سال اسی عرصے کے دوران مل نے 444,430 میٹرک ٹن گنے کو کرش کیا اور 48,786 میٹرک ٹن چینی پیدا کی۔ موجودہ مدت کے دوران پیداوار 3.12 فیصد یا 1,566 میٹرک ٹن گزشتہ سال سے کم ہے۔ چینی کی پیداوار میں کمی بنیادی طور پر مل کے ملحقہ علاقے میں خام مال کی عدم دستیابی اور ریکوری کی شرح میں 11.00 سے کم ہو کر 10.70 فیصد کی وجہ سے کم تھی۔ صوبے میں فصل کی خراب حالت کین کے ابتدائی مرحلے میں پانی کی عدم دستیابی کی وجہ سے تھی۔ کرشنگ سیزن کے لئے حکومت نے گنے کی کم سے کم امدادی قیمت کو 202/ روپے فی چالیس کلوگرام مقرر کی لیکن مل کو دروازے سے خام مال حاصل کرنے کے لئے گنے کی زیادہ قیمت ادا کرنا پڑی۔

اتھنول ڈویژن

زیر غور عرصے میں اتھنول ڈویژن نے گزشتہ سال کے اسی عرصے میں 24,230 میٹرک ٹن پیدا ہونے کے مقابلے میں اتھنول ڈویژن نے 19,118 میٹرک ٹن پیدا کیا۔ پیداوار گزشتہ سال کی پیداوار کے مقابلے میں کم تھی جو خام مال کی عدم دستیابی کی وجہ سے تھی۔ دنیا بھر میں کوویڈ کی تیسری لہر کی وجہ سے روپیہ کی قدر اور سپلائی چین میں خلل پڑنے کی وجہ سے اتھنول ڈویژن کے محاصل میں کمی واقع ہوئی ہے۔ امید ہے کہ اس سال کے باقی عرصے کے دوران پیداوار میں ان شاء اللہ اضافہ ہوگا۔

مستقبل کا جائزہ

توقع کی جا رہی ہے کہ اگلے کرشنگ سیزن کے دوران ملک میں گنے کی فصل میں بہتری آئے گی کیونکہ قدرتی بارش میں اضافہ 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۔ مستقبل میں اتھنول کا نقطہ نظر مثبت ثابت ہوتا ہے کیونکہ عالمی سطح پر معیشتوں کے معمول پر لانے کی وجہ سے ہماری پریمیم مصنوعات کی طلب میں اضافہ متوقع ہے۔ کمپنی اتھنول ڈویژن کی مجموعی کارکردگی کی شراکت میں بہتری لانے کے لئے سخت اقدامات کر رہی ہے۔

ڈائریکٹرز رپورٹ

السلام علیکم!

میں بورڈ آف ڈائریکٹرز کی جانب سے، آپ کی کمپنی کے 31 مارچ 2021 کو ختم ہونے والی مدت کے غیر آڈٹ شدہ 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 آڈیٹرز کے ذریعہ پاکستان کے اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز اور کارپورٹ گورننس کے تحت مالی حسابات کا جائزہ لیا گیا ہے۔

پیداوار اور مالیاتی حسابات کی نمایاں خصوصیات درج ذیل ہیں:

معلومات بابت پیداوار	31 مارچ 2021	31 مارچ 2020
گنے کی پٹائی (میٹرک ٹن)	441,293	444,430
پیداوار برائے چینی (میٹرک ٹن)	47,220	48,786
ریکوری برائے چینی (فیصد)	10.70	11.00
پیداوار برائے راب (میٹرک ٹن)	19,740	19,715
پیداوار برائے استھانول (میٹرک ٹن)	19,118	24,230
مالیاتی معلومات	(روپے ہزاروں میں)	(روپے ہزاروں میں)
فروختگی	3,558,720	5,064,331
لاگت برائے فروختگی	(3,266,550)	(4,504,646)
خام منافع	292,170	559,685
اخراجات برائے ترسیلات	(7,014)	(8,928)
انتظامی اخراجات	(123,081)	(133,637)
دیگر اخراجات	(50,371)	(27,964)
دیگر آمدن	217,531	106,742
مالیاتی اخراجات	(154,453)	(189,631)
منافع قبل از ٹیکس	174,782	306,267
ٹیکس کے لئے فراہمی	(43,989)	(57,740)
منافع بعد از ٹیکس	130,793	248,527
آمدن فی حصص (بنیادی)	Rs. 6.19	Rs. 11.77

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