



## **SHAHMURAD SUGAR MILLS LIMITED**

Half Yearly Results for the period  
1st October 2021 to 31st March, 2022

# 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. RUMI MOIZ  
MR. SHEIKH ASIM RAFIQ

### BOARD AUDIT COMMITTEE

MR. RUMI MOIZ  
MR. NOOR MOHAMMAD ZAKARIA  
MRS. SANOBAR HAMID ZAKARIA

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

MR. RUMI MOIZ  
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](http://www.shahmuradsugar.co)

### FACTORY

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

## DIRECTORS' REPORT

Asslamu-o- Alaikum

With great pleasure, I take this opportunity to present before you on behalf of the Board un-audited financial statements of your company for the period ended March 31, 2022.

Salient features of production and Financial Statements are as under:

<b>PRODUCTION DATA</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Sugarcane crushed (M Tons)	<b>601,695</b>	441,293
Sugar produced (M Tons)	<b>66,683</b>	47,220
Sugar recovery percentage	<b>11.08</b>	10.70
Molasses produced (M Tons)	<b>25,810</b>	19,740
Ethanol Production (M Tons)	<b>34,150</b>	19,118

### **FINANCIAL DATA**

(Rupees in thousands)

Sales revenue	<b>6,913,322</b>	3,558,720
Cost of sales	<b>(5,960,032)</b>	(3,266,550)
Gross profit	<b>953,290</b>	292,170
Distribution cost	<b>(59,189)</b>	(7,014)
Administrative expenses	<b>(149,738)</b>	(123,081)
Other operating charges	<b>(46,607)</b>	(50,371)
Other income	<b>37,433</b>	217,531
Financial cost	<b>(193,893)</b>	(154,453)
Profit before taxation	<b>541,296</b>	174,782
Provision for taxation	<b>(85,778)</b>	(43,989)
Profit after taxation	<b>455,518</b>	130,793
Earnings per share	<b>Rs.21.57</b>	Rs.6.19

Segment wise performance is elaborated as under:

### **SUGAR DIVISION**

During the period under review, the sugarcane crop was better than in the corresponding period of last year. For the crushing season the Government notified minimum support price of sugarcane at Rs.250/= per forty kgs of cane as against Rs.202/= per forty kgs notified last year.

The mill crushed 601,695 metric tons against 441,293 metric tons of cane crushed last year. Sugar produced was 66,683 metric tons as against 47,220 metric tons produced last year. During the current period, the production of sugar is higher than last year by 41.22 percent. The increase in production of sugar was mainly due to the availability of raw material in the adjoining area of the mill as required during the season. The recovery rate also increased from 10.70 percent to 11.08 percent during the current year. The condition of crops in the province was good due to natural rainfalls during the period. It is estimated that production of sugar during the current year would be approximately 8 million tons. The production is expected to be more than the requirement of the country and as a result, the price, of sugar has declined in the domestic market.

### **ETHANOL DIVISION**

During the period under consideration, the Ethanol Division produced 34,150 metric tons of ethanol as against 19,118 metric tons produced in the same period of last year. The production is substantially higher than last year. This was due to the availability of raw materials and improvement in demand from foreign buyers. The sales revenue of the ethanol division has also increased due to higher volume of export during the period under review. The company exported 35,567 metric tons as against 15,921 metric tons exported last year. It is anticipated that the production during the remaining period of the year would increase resulting in greater export of ethanol INSHA ALLAH.

### **FUTURE OUTLOOK**

The future outlook is uncertain due to the Russia-Ukraine war, high inflation in food and oil products, interest rates hike, and China's lockdown of major cities due to coronavirus are the major concern factors for global peace and economy. The internal political and economic condition is also a major concern.

It is expected that during the next crushing season, cane crop in the country would improve as the area under cultivation is expected to increase as the return to the growers was higher during the current season but water shortage is a major concern. Expected timely natural rainfall and canal water would be major factors to help improve the situation. We hope that the Government would take timely decision to ensure the availability of water in the lower part of the province by judicious distribution thereof. Future outlook of ethanol appears to be positive as the demand of our product is expected to increase due to the normalization of economies globally.

The company's management is well aware of the internal and global situation and taking all necessary measure to improve the contribution of ethanol division towards overall performance of the company.

### **ELECTION OF BOARD OF DIRECTORS**

The tenure of current Board was completed on March 29, 2022 and the shareholders in their Extra Ordinary General Meeting held on the said date elected the following persons as directors of your Company for a period of three years.

1. Mr. Noor Muhammad Zakaria
2. Mr. Zia Zakaria
3. Mr. Abdul Aziz Ayoob
4. Mrs. Sanobar Hamid Zakaria
5. Mr. Asad Ahmed Mohiuddin
6. Mr. Rumi Moiz
7. Mr. Sheikh Asim Rafiq

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



**ZIA ZAKARIA**  
Managing Director & CEO



**ABDUL AZIZ AYOOB**  
Director

Karachi:  
Dated: May 25, 2022



**Independent Auditor's Review Report  
To the member 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, 2022, 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 quarters ended March 31, 2022 and March 31, 2021 have not been reviewed, as we were required to review only the cumulative figures for the half year ended March 31, 2022.

**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 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 25, 2022

UDIN: AR202210225Zaj1QKEWx

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Suite No. 1601, 16th Floor, Kashif Centre, Shahrah-e-Faisal, Karachi. Phone: 92-21-35640050 - 52  
Website: [www.krestonhb.com](http://www.krestonhb.com) E-mail: [hyderbhimji@krestonhbco.com](mailto:hyderbhimji@krestonhbco.com) [info@krestonhbco.com](mailto:info@krestonhbco.com)

**OTHER OFFICES LAHORE - FAISALABAD - ISLAMABAD**

A member of Kreston Global

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2022**

AS AT MARCH 31, 2022		Un-audited March 2022	Audited September 2021	
		(Rupees in thousand)		
Note				
<b>ASSETS</b>				
<b>NON CURRENT ASSETS</b>				
	Property, plant and equipment	4	5,369,285	5,260,906
	Intangible asset	5	-	-
	Long term investment in associate	6	958	958
	Long term loans		1,616	1,395
	Long term deposits		2,600	2,429
			5,374,459	5,265,688
<b>CURRENT ASSETS</b>				
	Stores, spare parts and loose tools		332,638	297,350
	Stock-in-trade		9,797,326	3,574,691
	Trade debts		480,022	415,500
	Loans and advances		596,510	155,596
	Trade deposits and short term prepayments		12,606	1,442
	Other receivables		117,398	117,555
	Short term investment		408	376
	Income tax refundable-Net		70,892	49,297
	Cash and bank balances		128,393	53,761
			11,536,193	4,665,568
			16,910,652	9,931,256
<b>EQUITY AND LIABILITIES</b>				
<b>SHARE CAPITAL AND RESERVES</b>				
	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
	General reserve - Revenue		80,000	80,000
	Share of associate's unrealized loss on re-measurement of its investment at fair value through other comprehensive income		(2,381)	(2,381)
	Unappropriated profit		3,493,053	3,063,446
	Revaluation surplus on property, plant and equipment		1,271,706	1,309,151
			5,053,565	4,661,403
<b>NON CURRENT LIABILITIES</b>				
	Long term financing		775,988	895,100
	Deferred taxation		83,585	70,279
			859,573	965,379
<b>CURRENT LIABILITIES</b>				
	Trade and other payables		1,891,270	798,875
	Accrued finance cost		115,872	30,270
	Short term borrowings		8,691,400	3,176,979
	Loan from related parties		48,135	48,135
	Current portion of long term financing		238,223	238,223
	Unclaimed dividend		12,614	11,992
			10,997,514	4,304,474
<b>CONTINGENCIES AND COMMITMENTS</b>				
		7	-	-
			16,910,652	9,931,256

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, 2022**

	Note	For the half year October to March		For the Quarter January to March	
		2022	2021	2022	2021
(Rupees in thousand)					
Sales	8	6,913,322	3,558,720	3,297,338	1,581,608
Cost of sales		(5,960,032)	(3,266,550)	(2,606,799)	(1,552,743)
Gross profit		953,290	292,170	690,539	28,865
Profit from trading activities		1,230	429	37	159
		954,520	292,599	690,576	29,024
Distribution cost		(59,189)	(7,014)	(32,664)	(4,286)
Administrative expenses		(149,738)	(123,081)	(79,213)	(64,548)
Other operating charges		(46,607)	(50,371)	(35,615)	(29,981)
		(255,534)	(180,466)	(147,492)	(98,815)
Operating profit / (loss)		698,986	112,133	543,084	(69,791)
Other income		36,203	217,102	17,181	171,330
		735,189	329,235	560,265	101,539
Finance cost		(193,893)	(154,453)	(145,853)	(105,047)
Profit / (loss) before taxation		541,296	174,782	414,412	(3,508)
Taxation					
- Current		(72,472)	(40,509)	(33,674)	(16,600)
- Deferred		(13,306)	(3,480)	(16,417)	10,664
		(85,778)	(43,989)	(50,091)	(5,936)
Profit / (loss) after taxation		455,518	130,793	364,321	(9,444)
Earning / (loss) per share					
- Basic and diluted - Rupees		21.57	6.19	17.25	(0.45)

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, 2022**

	For the half year October to March		For the Quarter January to March	
	2022	2021	2022	2021
(Rupees in thousand)				
Profit / (loss) after taxation	455,518	130,793	364,321	(9,444)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	455,518	130,793	364,321	(9,444)

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, 2022**

	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, 2020 (Audited)	211,187	80,000	(2,501)	3,100,705	1,389,650	4,779,041
<b>During the half year ended March 31, 2021</b>						
Transactions with owners						
Final Dividend for 30-September-2020 @ Rs. 12.00 Per Share	-	-	-	(253,424)	-	(253,424)
<b>Total Comprehensive Income for the half year ended March 31, 2021</b>	-	-	-	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)	-
<b>Balances at March 31, 2021</b>	<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>
Balances as at October 01, 2021 (Audited)	211,187	80,000	(2,381)	3,063,446	1,309,151	4,661,403
<b>During the half year ended March 31, 2022</b>						
Transactions with owners						
Final Dividend for 30-September-2021 @ Re. 3.00 Per Share	-	-	-	(63,356)	-	(63,356)
<b>Total Comprehensive Income for the half year ended March 31, 2022</b>	-	-	-	455,518	-	455,518
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation -net of deferred tax	-	-	-	37,445	(37,445)	-
<b>Balances at March 31, 2022</b>	<u>211,187</u>	<u>80,000</u>	<u>(2,381)</u>	<u>3,493,053</u>	<u>1,271,706</u>	<u>5,053,565</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, 2022**

	March 2022	March 2021
	(Rupees in thousand)	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	541,296	174,782
<b>Adjustment for :</b>		
Depreciation	173,511	175,485
Gain on disposal of property, plant and equipment	(1,705)	(3,285)
Provision for obsolescence and slow moving items	4,100	3,500
Reversal of provision of prior year liability	-	(149,000)
Finance cost	193,893	154,453
	369,799	181,153
	911,095	355,935
<b>(Increase) / decrease in current assets</b>		
Stores, spare parts and loose tools	(39,388)	(63,468)
Stock in trade	(6,222,635)	(6,809,684)
Trade debts	(64,522)	(227,714)
Loans and advances	(440,914)	1,109,618
Trade deposits and short term prepayments	(11,164)	(18,724)
Short term investment	(32)	2,102,066
Other receivables	157	(244)
	(6,778,498)	(3,908,150)
<b>(Decrease) / Increase in current liabilities</b>		
Trade and other payables	1,092,395	(340,010)
Short term borrowings	5,514,421	4,901,804
	6,606,816	4,561,794
	739,413	1,009,579
(Increase) in long term loan	(221)	(598)
(Increase) in long term deposits	(171)	-
Income tax paid	(94,067)	(37,922)
Finance cost paid	(108,291)	(111,176)
	(202,750)	(149,696)
<b>Net cash inflow from operating activities</b>	536,663	859,883
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions in property, plant and equipment	(286,644)	(40,077)
Sale proceeds from disposal of property, plant and equipment	6,459	4,390
<b>Net cash (outflow) from investing activities</b>	(280,185)	(35,687)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing	(119,112)	(112,500)
Dividend paid	(62,734)	(251,087)
<b>Net cash (outflows) from financing activities</b>	(181,846)	(363,587)
<b>Net increase in cash and bank balances (A+B+C)</b>	74,632	460,609
<b>Cash and bank balance at the beginning of the period</b>	53,761	36,389
<b>Cash and bank balance at the end of the period</b>	128,393	496,998

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED MARCH 31, 2022

### 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 Jhok, District Sujawal in the province of Sindh. The total area of factory 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.

#### 2.2 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, 2021.

#### 2.3 These condensed Interim financial statements comprise of the condensed Interim Statement of Financial Position as at March 31, 2022 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, 2022. 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, 2021, 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, 2021.

#### 2.4 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, 2022 and 2021 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, 2021.

- 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, 2021 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, 2021.
- 3.5** The Company's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended September 30, 2021.

**Un-Audited**                      **Audited**  
**March 31,**                      **September 30,**  
**2022**                              **2021**  
**(Rupees in thousand)**

**4. PROPERTY, PLANT AND EQUIPMENT**

Operating fixed assets	4.1	<b>5,351,502</b>	5,140,258
Capital work in progress	4.2	<b>17,783</b>	120,648
		<b>5,369,285</b>	5,260,906

**4.1 OPERATING FIXED ASSETS**

Opening book value	<b>5,140,258</b>	5,372,447
Direct additions during the period / year		
Office Equipment	<b>3,121</b>	1,942
Vehicle	<b>19,822</b>	15,985
	<b>22,943</b>	17,927
Transfer from CWIP during the period / year		
Owned		
Non Factory building	<b>10,965</b>	-
Plant and Machinery	<b>355,601</b>	108,524
	<b>366,566</b>	108,524
Disposals - Operating assets (net book value)	<b>(4,754)</b>	(2,994)
Depreciation Charged for the period / year	<b>(173,511)</b>	(355,646)
Closing book value	<b>5,351,502</b>	5,140,258

Un-Audited  
March 31,  
2022  
Audited  
September 30,  
2021  
(Rupees in thousand)

#### 4.2 CAPITAL WORK IN PROGRESS

Opening balance	120,648	14,505
Additions during the period / year		
Civil Works	-	10,965
Plant and Machinery	263,701	203,702
	263,701	214,667
Capitalization during the period/year		
Civil Works	(10,965)	-
Plant and Machinery	(355,601)	(108,524)
	(366,566)	(108,524)
Closing balance	17,783	120,648

#### 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 2021: 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 change in contingencies as disclosed in note 26(a) of the annual financial statements except as follows;

- a) In the matter of tax audits for tax year 2015 to 2019 commenced by Inland Revenue Department of Federal Board of Revenue as reported in note 26.14 of the financial statements for the year ended September 30, 2021, the department has further concluded audits for the tax years 2017, 2018 and 2019 and after based on these orders total frivolous tax demand aggregates to Rs. 23,454.977 million in respect of tax years 2015 to 2019. The Company believes that the demand is based on arbitrary and illogical observations against which the Company has preferred appeals to the Commissioner Inland Revenue [Appeals-I], Karachi which is pending for hearing. In the meanwhile, the Company also got stay orders from the Honorable Sindh High Court restraining the department to take coercive measures for recovery of the demand during the pendency of the Appeal. Since the demanded tax is not based on fact and records and the Company expects favourable outcome in the appeal, hence no provision has been made in the financial statements against said demands.

- b) During the period the Assistant / Deputy Commissioner Inland Revenue issued show cause notice under section 161 (1A) of the Income Tax Ordinance 2002 for tax year 2016, 2017, 2019 and 2020, and has passed order there under that the Company should have to charge and deposit tax u/s 236 H of the Income Tax Ordinance 2001 on the sale to unregistered buyers treating them as non-filers retailers instead of depositing tax u/s 236 G by treating unregistered buyers as whole sellers/distributors/dealers. The officer has created aggregate demand of Rs. 80.577 million in respect of the above mentioned tax years. However the Company has filed Appeal before the Commissioner Inland Revenue Appeals (CIRA) and the Company is confident that the matter will be decided in favour of the Company hence no provision is made in this respect.

	Un-Audited March 31, 2022	Audited September 30, 2021
(Rupees in thousand)		
<b>7.2 Commitments</b>		
Commitments for capital expenditure	-	61,997
Commitments for stores and spares	-	4,729
	-	66,726
<b>Bank Guarantees</b>		
in favor of Excise and Taxation Department	500	500

	For the half year October to March 2022 2021		For the Quarter January to March 2022 2021	
	(Rupees in thousand)			
<b>8. COST OF SALES</b>				
Opening stock of finished goods	1,604,549	1,116,774	1,014,178	1,156,918
Cost of goods manufactured	8,741,757	5,952,900	6,111,873	4,333,707
	10,346,306	7,069,674	7,126,050	5,490,625
Closing stock of finished goods (Note 8.1)	(4,699,626)	(4,058,655)	(4,699,626)	(4,058,655)
	5,646,680	3,011,019	2,426,424	1,431,970
Export and related expenses	313,352	255,531	180,374	120,773
	5,960,032	3,266,550	2,606,799	1,552,743

- 8.1 Finished goods costing Rs. 144.722 million (March 2021:Rs. 123.234 million) have been written down to their net realizable value of Rs. 136.543 million (March 2021: Rs. 105.247 million) . At period end stock pledged against short term borrowings amounted to Rs. 2,948 million (March 2021 :Rs. 2,850 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, 2022	March 31, 2021
Relationship with the Company	Nature of Transactions	(Rupees in thousand)	
Associates due to common directorship / shareholding			
Al-Noor Sugar Mills Limited	-Purchase of Goods	445,979	486,483
Al-Noor Sugar Mills Limited	-Dividend paid	9,899	39,597
Reliance Insurance Company Ltd	-Insurance premium	25,308	23,078
Reliance Insurance Company Ltd	-Insurance claim receivables	4,970	716
Other related parties			
Directors' and key management personnel	-Directors remuneration	12,923	10,595
	-Executive remuneration	28,282	21,997
	-Non-executive directors' meeting fee	120	160
Staff provident fund	-Company's Contribution during the period	4,830	4,610
		March 31, 2022	September 30, 2021
Balances:			
Relationship with the Company	Nature of Transactions	(Rupees in thousand)	
Associates			
Al-Noor Sugar Mills Limited	Loan and advances	43,021	-
Reliance Insurance Company Ltd	Trade & other payables	6,482	-
Reliance Insurance Company Ltd	Receivables	-	-
Staff provident fund	Trade & other payables	2,538	1,891

#### 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, 2022			As at September 30, 2021		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Long term financing-Musharka and other finances	320,000	455,988	775,988	400,000	495,100	895,100
Current portion of long term finance	160,000	78,223	238,223	160,000	78,223	238,223
	480,000	534,211	1,014,211	560,000	573,323	1,133,323
Accrued finance cost	59,110	56,762	115,872	9,932	20,338	30,270
Short term borrowings	3,650,000	5,041,400	8,691,400	1,050,000	2,126,979	3,176,979
Short term investment	(408)	-	(408)	(376)	-	(376)
Cash at banks	(80,326)	(48,067)	(128,393)	(12,864)	(40,897)	(53,761)
	4,108,376	5,584,306	9,692,682	1,606,692	2,679,743	4,286,435

	Half year ended March 31, 2022			Half year ended March 31, 2021		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Finance cost	87,698	106,195	193,893	74,945	79,508	154,453
Income from PLS bank account and short term investment	(1,338)	(150)	(1,488)	(45,336)	(145)	(45,481)
	86,360	106,045	192,405	29,609	79,363	108,972



## 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, 2022 and March 31, 2021 and assets and liabilities information regarding business segments as at March 31, 2022 and September 30, 2021.

	Sugar		Ethanol		Total	
	Half year ended March 31,		Half year ended March 31,		Half year ended March 31,	
	2022	2021	2022	2021	2022	2021
(Rupees in thousand)						
<b>REVENUE</b>						
External Sales	1,161,741	1,003,314	5,751,581	2,555,406	6,913,322	3,558,720
Inter segment transfer	636,795	495,108	-	-	636,795	495,108
Total	1,798,536	1,498,422	5,751,581	2,555,406	7,550,117	4,053,828
<b>RESULTS</b>						
Profit from operation	154,009	46,856	590,354	115,219	744,363	162,075
Profit from trading activity	1,230	429	-	-	1,230	429
	155,239	47,285	590,354	115,219	745,593	162,504
Other operating charges					(46,607)	(50,371)
Other income					36,203	217,102
Finance cost					(193,893)	(154,453)
Profit before tax					541,296	174,782
Taxation					(85,778)	(43,989)
Profit for the period					455,518	130,793

### SEGMENT ASSETS AND LIABILITIES

	March 2022	September 2021	March 2022	September 2021	March 2022	September 2021
(Rupees in thousand)						
<b>Assets</b>						
Segment assets	6,434,854	2,979,334	10,038,614	6,687,999	16,473,468	9,667,333
Un-allocated assets					436,226	262,965
Long term investment					958	958
Total assets					16,910,652	9,931,256
<b>Liabilities</b>						
Segment liabilities	6,557,950	1,469,955	5,246,663	3,772,089	11,804,613	5,242,044
Unallocated liabilities					52,474	27,809
					11,857,087	5,269,853

	Half year ended March 31,		Half year ended March 31,		Half year ended March 31,	
	2022	2021	2022	2021	2022	2021
<b>OTHER INFORMATION</b>						
Additions to property, plant and equipment	231,476	6,924	55,168	33,153	286,644	40,077
Depreciation	51,683	47,646	121,828	127,839	173,511	175,485

#### Revenue from major customers

During the period external sales to major customers amounted to Rs. 3,896 million. (2021: Rs.1,558 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,	
	2022	2021
Pakistan	1,161,741	1,003,314
Netherlands	2,332,210	-
Indonesia	711,278	674,228
Ghana	689,280	869,900
Unied Arab Emirates	324,665	13,653
Italy	288,780	-
Angola	204,559	-
Thailand	108,926	112,525
Taiwan	107,132	91,772
Ivory Coast	105,947	26,762
South Korea	104,351	-
Lebanon	77,053	61,365
Philippines	76,224	234,877
Eritrea	61,160	-
Cameroon	58,225	65,999
Jordan	56,707	74,023
Singapore	53,188	-
South Africa	50,313	-
Japan	43,531	-
Kuwait	39,217	-
Tanzania	28,447	-
Nigeria	22,771	-
Turkey	11,296	60,926
Australia	-	96,040
Sri lanka	-	45,021
Saudi Arabia	-	5,925
Others	196,321	122,390
	<b>6,913,322</b>	<b>3,558,720</b>

**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 25, 2022 by the Board of Directors of the Company.

**15. GENERAL**

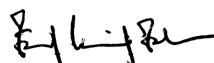
Figures have been rounded off nearest to thousand rupees.



**ZIA ZAKARIA**  
Managing Director & CEO



**AZIZ AYOOB**  
DIRECTOR




**ZAID ZAKARIA**  
Chief Financial Officer


بورڈ آف ڈائریکٹرز کا انتخاب :

موجودہ بورڈ کی میعاد 29 مارچ 2022 کو مکمل ہوئی اور حصص یافتگان نے مذکورہ تاریخ کو منعقدہ غیر معمولی جنرل اجلاس میں درج ذیل افراد کو تین سال کی مدت کے لیے آپ کی کمپنی کے ڈائریکٹرز کے طور پر منتخب کیا۔

- 1۔ جناب نور محمد زکریا
- 2۔ جناب ضیاء زکریا
- 3۔ جناب عبدالعزیز ایوب
- 4۔ سر منوہر حامد زکریا
- 5۔ جناب اسد اسماعیل الدین
- 6۔ جناب رومی معیر
- 7۔ جناب شیخ عاصم رفیق

اللہ تعالیٰ شاہ مراد شوگر ملز لمیٹڈ کی مسلسل کامیابی اور ترقی کے لیے اپنی رحمتیں اور برکتیں عطا فرمائے۔ (آمین)

  
عبدالعزیز ایوب  
ڈائریکٹر

  
ضیاء زکریا  
مینیجنگ ڈائریکٹر اینڈ چیف ایگزیکٹو آفیسر

کراچی: 25 مئی 2022ء

### شوگر ڈویژن:

زیر جائزہ مدت کے دوران، گنے کی فصل گزشتہ سال کی اسی مدت کے مقابلے میں بہتر رہی۔ کرشنک سیزن کے لیے حکومت نے گنے کی کم از کم امدادی قیمت =/250 فی چالیں کلوگرام مقرر کی جبکہ =/202 روپے پچھلے سال مقرر کی گئی تھی۔ مل نے 601,695 میٹرک ٹن کرشنک کی جبکہ گزشتہ سال 441,293 میٹرک ٹن کرشن کی گئی۔ چینی کی پیداوار گزشتہ سال 47,220 میٹرک ٹن کے مقابلے میں 66,683 میٹرک ٹن رہی۔ موجودہ عرصے کے دوران چینی کی پیداوار گزشتہ سال کے مقابلے میں 41.22 فیصد زیادہ ہے۔ چینی کی پیداوار میں اضافے کی بنیادی وجہ مل کے ملحقہ علاقے میں سیزن کے دوران ضرورت کے مطابق خام مال کی دستیابی ہے۔ رواں سال کے دوران ریکوری کی شرح بھی 10.70 فیصد سے بڑھ کر 11.08 فیصد ہو گئی۔ اس عرصے کے دوران قدرتی بارشوں کی وجہ سے فصل کا معیار اچھا تھا۔ ایک اندازے کے مطابق رواں سال چینی کی پیداوار تقریباً 8 ملین ٹن رہے گی۔ پیداوار ملکی ضرورت سے زیادہ ہونے کی توقع ہے جس کے نتیجے میں مقامی مارکیٹ میں چینی کی قیمت میں کمی ہوئی ہے۔

### استھنول ڈویژن :

زیر غور مدت کے دوران استھنول ڈویژن نے 34,150 میٹرک ٹن استھنول کی پیداوار کی جو کہ گزشتہ سال کی اسی مدت میں 19,118 میٹرک ٹن کی پیداوار تھی۔ پیداوار گزشتہ سال کے مقابلے میں کافی زیادہ ہے۔ غیر ملکی خریدار۔ زیر جائزہ مدت کے دوران برآمدات کے زیادہ حجم کی وجہ سے استھنول ڈویژن کی سٹور میں بھی اضافہ ہوا ہے۔ کمپنی نے گزشتہ سال 15,921 میٹرک ٹن کے مقابلے میں 35,567 میٹرک ٹن برآمد کیا۔ یہ توقع ہے کہ سال کے بقیہ عرصے کے دوران پیداوار میں اضافہ ہوگا جس کے نتیجے میں استھنول کی برآمدات میں اضافہ ہوگا انشاء اللہ۔

### مستقبل کا جائزہ :

روس۔ یوکرین جنگ، خوراک اور تیل کی مصنوعات میں بلند افراط زر، شرح سود میں اضافہ اور چین کی جانب سے کورونا وائرس کی وجہ سے بڑے شہروں کا لاک ڈاؤن کی وجہ سے مستقبل کا نقطہ نظر غیر یقینی ہے، عالمی امن اور معیشت کے لیے تشویشناک عوامل ہیں۔ اندرونی سیاسی اور معاشی حالت بھی ایک بڑی تشویش ہے۔

توقع ہے کہ اگلے کرشنک سیزن کے دوران ملک میں گنے کی فصل میں بہتری آئے گی کیونکہ زیر کاشت رقبہ میں اضافہ متوقع ہے کیونکہ موجودہ سیزن کے دوران کاشتکاروں کو زیادہ منافع ہوا لیکن پانی کی کمی ایک بڑی تشویش ہے۔ متوقع بروقت قدرتی بارش اور نہری پانی صورتحال کو بہتر بنانے میں مدد دینے کے اہم عوامل ہوں گے۔ ہمیں امید ہے کہ حکومت صوبے کے نچلے حصے میں پانی کی منصفانہ تقسیم کے ذریعے دستیابی کو یقینی بنانے کے لیے بروقت فیصلہ کرے گی۔ استھنول کا مستقبل کا نقطہ نظر مثبت دکھائی دیتا ہے کیونکہ عالمی سطح پر معیشتوں کے معمول پر آنے کی وجہ سے ہماری مصنوعات کی مانگ میں اضافہ متوقع ہے۔

کمپنی کی انتظامیہ اندرونی اور عالمی صورتحال سے بخوبی واقف ہے اور کمپنی کی مجموعی کارکردگی میں استھنول ڈویژن کے تعاون کو بہتر بنانے کے لیے تمام ضروری اقدامات اٹھا رہی ہے۔

## ڈائریکٹرز رپورٹ

محترم ممبران!..... السلام علیکم!

مجھے بورڈ آف ڈائریکٹرز کی جانب سے، آپ کی کمپنی کے 31 مارچ 2022 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، پیداوار اور مالیاتی حسابات کی نمایاں خصوصیات حسب ذیل ہیں:

31 مارچ 2021	31 مارچ 2022	معلومات، بابت پیداوار
441,293	601,695	گنے کی پسائی (میٹرک ٹن)
47,220	66,683	پیداوار برائے چینی (میٹرک ٹن)
10.70	11.08	ریکوری برائے چینی (فیصد)
19,740	25,810	پیداوار برائے راب (میٹرک ٹن)
19,118	34,150	پیداوار برائے استھانول (میٹرک ٹن)
(روپے ہزاروں میں)	(روپے ہزاروں میں)	مالیاتی معلومات
3,558,720	6,913,322	فروختگی
(3,266,550)	(5,960,032)	لاگت برائے فروختگی
292,170	953,290	خام منافع
(7,014)	(59,189)	اخراجات برائے ترسیلات
(123,081)	(149,738)	انتظامی اخراجات
(50,371)	(46,607)	دیگر اخراجات
217,531	37,433	دیگر آمدن
(154,453)	(193,893)	مالیاتی اخراجات
174,782	541,296	منافع قبل از ٹیکس
(43,989)	(85,778)	ٹیکس کے لئے فراہمی
130,793	455,518	منافع بعد از ٹیکس
Rs.6.19	Rs.21.57	آمدن فی حصص (بنیادی)

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