



SHAHMURAD SUGAR MILLS LIMITED

Half Yearly Results for the period
1st October 2023 to 31st March, 2024

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 (Independent Director)

MR. SHEIKH ASIM RAFIQ (Independent Director)

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
www.shahmuradsugar.co

REGISTRAR & SHARES REGISTRATION OFFICE
C & K Management Associates (Pvt) Ltd.
M-13, Progressive Plaza, Civil Lines Quarter
Near P.I.D.C., Beaumont Road, Karachi-75530

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

DIRECTORS' REPORT

Asslamu-o- Alaikum

With great pleasure, I present to you, on behalf of the Board, the unaudited financial statements of your company for the period ended March 31, 2024. 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:

<u>PRODUCTION DATA</u>	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Sugarcane crushed (M Tons)	654,604	567,913
Sugar produced (M Tons)	71,905	60,303
Sugar recovery percentage	10.98	10.60
Molasses produced (M Tons)	30,450	26,720
Ethanol Production (M Tons)	28,734	34,537

FINANCIAL DATA

(Rupees in thousands)

Sales revenue	10,930,915	9,578,117
Cost of sales	(9,555,970)	(7,145,690)
Gross profit	1,374,945	2,432,427
Distribution cost	(59,135)	(81,170)
Administrative expenses	(233,099)	(184,500)
Other expenses	(78,965)	(122,824)
Other income	372,845	412,561
Financial cost	(767,894)	(407,192)
Profit before taxation	608,697	2,049,302
Provision for taxation	(183,620)	(152,775)
Profit after taxation	425,077	1,896,527
Earnings per share	Rs. 20.13	Rs. 89.80

Segment wise performance is elaborated as under:

SUGAR DIVISION

The sugarcane crop was comparatively better than in the corresponding period last year. For the crushing season, the Government set the minimum support price of sugarcane at Rs. 425 of cane, compared to Rs. 302 per 40 kgs last year. This reflects a 40.73% increase in the cost of raw materials, which has impacted the cost of sugar production.

The mill crushed 654,604 metric tons of cane compared to 567,913 metric tons last year. Sugar production increased to 71,905 metric tons from 60,303 metric tons last year, a rise of 11,602 metric tons or 19.24%. This increase was primarily due to the greater availability of raw material in the mill's vicinity. The recovery rate improved from 10.60% to 10.98%.

Due to increased sugar production and carryover stock from the previous year, sugar prices remain under pressure. It is crucial for the Government to allow sugar exports to sustain the minimum support price of sugarcane paid to farmers in the current year and protect the future of the industry as a whole.

ETHANOL DIVISION

During the period under review, the Ethanol Division produced 28,734 metric tons of ethanol, compared to 34,537 metric tons last year. The Company exported 29,272 metric tons of ethanol, down from 33,463 metric tons in 2023. The decline in sales volume was due to higher inventory levels in European markets, supply chain disruptions caused by conflicts in the Middle East, and increased sea freight costs. The ethanol sale price has also shown a declining trend since the last quarter.

Additionally, the cost of molasses rose by 17% per ton compared to the previous year. Financial charges increased substantially due to higher interest rates. These factors have contributed to a higher cost of production, which has adversely affected the company's profitability.

FUTURE OUTLOOK

In the current crushing season, the Government of Sindh increased the raw material cost from Rs. 302 to Rs. 425 per 40 kgs. This has benefited growers with higher returns on their crops, which is expected to boost sugarcane cultivation in the next season.

It is very important for the Government of Pakistan to note that due to the favorable support price of sugarcane, Pakistan has evolved into a surplus sugar-producing country. Prudent and positive export policies are required to ensure the sustainability of the sugar industry and the farmers, as well as to gain valuable foreign exchange for the country.

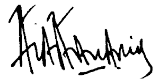
However, there are significant internal and external uncertainties affecting the future outlook. Global recessionary trends, declining demand, supply chain disruptions due to the prolonged Russia-Ukraine conflict, and Middle East tensions are major concerns. Domestically, Pakistan faces financial challenges, higher financial costs, and increased taxation.

The Company's management is aware of these challenges and is taking necessary measures to mitigate negative impacts and enhance the contributions of the ethanol and sugar divisions to the company's overall performance.

BOARD OF DIRECTORS

There was no change in the composition of the Board of Directors during the period under review.

May Allah SWT grant His blessings and mercy for the continued success and growth of Shahmurad Sugar Mills Limited. Ameen.



ZIA ZAKARIA
Managing Director & CEO



ABDUL AZIZ AYOOB
Director

Karachi:
Dated: May 27, 2024



**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, 2024, 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 then 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, 2024 and March 31, 2023 have not been reviewed, as we were required to review only the cumulative figures for the half year ended March 31, 2024.

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 Taswar Hussain.

Kreston Hyderabad

Chartered Accountants
Karachi
Dated: May 27, 2024
UDIN: RR202410729KxubweFkz

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**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024**

		Un-audited March 2024	Audited September 2023
	Note	(Rupees in thousand)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	10,879,025	10,859,038
Intangible asset	5	-	-
Long term investment in associate	6	973	973
Long term loans to employees		2,078	1,867
Long term deposits		3,149	3,149
		10,885,225	10,865,027
CURRENT ASSETS			
Stores, spare parts and loose tools		579,035	356,283
Stock-in-trade		16,039,429	4,562,106
Trade debts		1,194,422	870,395
Loans and advances		1,646,383	710,205
Trade deposits and short term prepayments		15,569	1,168
Other receivables		6,424	109,064
Short term investment		24,277	24,242
Cash and bank balances		473,541	5,099,535
		19,979,080	11,732,998
		30,864,305	22,598,025
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital			
25,000,000 ordinary shares of Rs. 10 each		250,000	250,000
		211,187	211,187
Issued, subscribed and paid-up capital			
Revenue reserve			
General reserve		80,000	80,000
Unappropriated profit		7,710,505	7,563,144
Share of associate's unrealized loss on re-measurement of its investment at fair value through other comprehensive income		(2,268)	(2,268)
Revaluation surplus on property, plant and equipment		5,821,798	5,966,455
		13,821,222	13,818,518
NON CURRENT LIABILITIES			
Long term financing		299,542	388,654
Deferred taxation		958,055	956,059
		1,257,597	1,344,713
CURRENT LIABILITIES			
Trade and other payables		2,268,808	2,437,950
Accrued finance cost		451,801	127,089
Short term borrowings		12,754,475	4,562,307
Loan from related parties		-	8,032
Unclaimed dividend		24,643	22,330
Current portion of long term financing		178,223	178,223
Income tax provision-net of payments		107,536	98,863
		15,785,486	7,434,794
CONTINGENCIES AND COMMITMENTS			
	7	-	-
		30,864,305	22,598,025

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOUB
DIRECTOR


ZAID ZAKARIA
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2024**

	Note	For the half year October to March		For the Quarter January to March	
		2024	2023	2024	2023
		(Rupees in thousand)			
Sales		10,930,915	9,578,117	3,937,506	5,494,987
Cost of sales	8	(9,555,970)	(7,145,690)	(3,908,635)	(4,057,110)
Gross profit		1,374,945	2,432,427	28,871	1,437,877
Profit from trading activities		2,076	1,432	889	548
		1,377,021	2,433,859	29,760	1,438,425
Distribution cost		(59,135)	(81,170)	(24,092)	(40,846)
Administrative expenses		(233,099)	(184,500)	(111,065)	(104,292)
Other expenses		(78,965)	(122,824)	12,396	(83,022)
		(371,199)	(388,494)	(122,761)	(228,160)
Operating profit		1,005,822	2,045,365	(93,001)	1,210,265
Other income		370,769	411,129	61,483	242,607
		1,376,591	2,456,494	(31,518)	1,452,872
Finance cost		(767,894)	(407,192)	(539,964)	(292,814)
Profit /(loss) before taxation		608,697	2,049,302	(571,482)	1,160,058
Taxation					
-Current		(181,624)	(118,609)	(16,126)	(66,616)
-Deferred		(1,996)	(34,166)	46,139	(38,716)
		(183,620)	(152,775)	30,013	(105,332)
Profit /(loss) for the period		425,077	1,896,527	(541,469)	1,054,726
Earning / (loss) per share					
- Basic and diluted - Rupees		20.13	89.80	(25.64)	49.94

The annexed notes from 1 to 17 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, 2024**

	For the half year October to March		For the Quarter January to March	
	2024	2023	2024	2023
(Rupees in thousand)				
Profit / (loss) for the period	425,077	1,896,527	(541,469)	1,054,726
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>425,077</u>	<u>1,896,527</u>	<u>(541,469)</u>	<u>1,054,726</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOOB
DIRECTOR


ZAID ZAKARIA
Chief Financial Officer

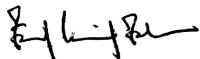
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2024**

	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, 2022 (Audited)	211,187	80,000	(2,195)	4,513,440	1,212,117	6,014,549
During the half year ended March 31, 2023						
Transactions with owners						
Final Dividend for 30-September-2022 @ Rs. 10.00 Per Share	-	-	-	(211,187)	-	(211,187)
Total Comprehensive income for the half year ended March 31, 2023						
Profit for the period	-	-	-	1,896,527	-	1,896,527
Other comprehensive income	-	-	-	-	-	-
	-	-	-	1,896,527	-	1,896,527
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	34,274	(34,274)	-
Balances at March 31, 2023	<u>211,187</u>	<u>80,000</u>	<u>(2,195)</u>	<u>6,233,054</u>	<u>1,177,843</u>	<u>7,699,889</u>
Balances as at October 01, 2023 (Audited)	211,187	80,000	(2,268)	7,563,144	5,966,455	13,818,518
During the half year ended March 31, 2024						
Transactions with owners						
Final Dividend for 30-September-2023 @ Rs. 20.00 Per Share	-	-	-	(422,373)	-	(422,373)
Total Comprehensive Income for the half year ended March 31, 2024						
Profit for the period	-	-	-	425,077	-	425,077
Other comprehensive income	-	-	-	-	-	-
	-	-	-	425,077	-	425,077
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	144,657	(144,657)	-
Balances at March 31, 2024	<u>211,187</u>	<u>80,000</u>	<u>(2,268)</u>	<u>7,710,505</u>	<u>5,821,798</u>	<u>13,821,222</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOOB
DIRECTOR


ZAIID ZAKARIA
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2024**

	March 2024	March 2023
	(Rupees in thousand)	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	608,697	2,049,302
Adjustment for :		
Depreciation	276,250	175,289
Gain on disposal of property, plant and equipment	(481)	(764)
Provision for obsolescence and slow moving items	-	5,150
Finance cost	767,894	407,192
	<u>1,043,663</u>	<u>586,867</u>
	1,652,360	2,636,169
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(222,752)	(120,256)
Stock in trade	(11,477,323)	(7,359,664)
Trade debts	(324,027)	10,550
Loans and advances	(936,178)	(599,724)
Trade deposits and short term prepayments	(14,401)	(7,746)
Other receivables	102,640	8,713
	<u>(12,872,041)</u>	<u>(8,068,127)</u>
(Decrease) / increase in current liabilities		
Trade and other payables	(169,142)	244,660
	<u>(11,388,823)</u>	<u>(5,187,298)</u>
(Increase) in long term loan to employees	(211)	(1,339)
(Increase) in long term deposits	-	(551)
Income tax paid	(172,951)	(137,300)
Finance cost paid	(443,182)	(216,308)
	<u>(616,344)</u>	<u>(355,498)</u>
Net cash (outflows) from operating activities	<u>(12,005,167)</u>	<u>(5,542,796)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(296,702)	(218,100)
Sale proceeds from disposal of property, plant and equipment	946	840
Net cash (outflows) from investing activities	<u>(295,756)</u>	<u>(217,260)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(89,112)	(119,112)
Loan repaid to related parties	(8,032)	(23,103)
Short term borrowings	8,142,372	4,269,505
Dividend paid	(420,060)	(209,121)
Net cash inflows from financing activities	<u>7,625,168</u>	<u>3,918,169</u>
Net (decrease) in cash and cash equivalent (A+B+C)	<u>(4,675,755)</u>	<u>(1,841,887)</u>
Cash and cash equivalent at the beginning of the period	5,069,470	2,016,677
Cash and cash equivalent at the end of the period	<u>393,715</u>	<u>174,790</u>
Cash and cash equivalent comprise:		
- Cash and bank balances	473,541	205,742
- Short term investment	24,277	24,200
- Short term borrowings - running finance	(104,103)	(55,152)
	<u>393,715</u>	<u>174,790</u>

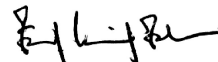
The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



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, 2024

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.

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, 2023.

2.3 These condensed Interim financial statements comprise the condensed Interim Statement of Financial Position as at March 31, 2024 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, 2024. The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the audited financial statements of the Company for the year ended September 30, 2023, 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, 2023.

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, 2024 and 2023 are not subject to review by the auditor.

3. MATERIAL ACCOUNTING POLICY INFORMATION

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, 2023 except as disclosed in Note 3.4

- 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, 2023 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, 2023 except that during the period, the management has reassessed the useful life and recoverable amount of plant and machinery of ethanol division and has reduced depreciation rate from 7.5% to 5% and charged depreciation on the said plant and machinery during the period accordingly at reduced rate of 5%. Had there been no change in depreciation rate the depreciation expense would have been higher by Rs 79.019 million and profit after tax and carrying value of property, plant & equipment would have been lower by the said amount.

	Note	Un-Audited March 31, 2024 (Rupees in thousand)	Audited September 30, 2023
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	10,732,103	10,715,513
Capital work in progress	4.2	146,922	143,525
		10,879,025	10,859,038
4.1 OPERATING FIXED ASSETS			
Opening book value		10,715,513	5,179,482
Direct additions during the period / year			
Furniture, fixture and fittings		-	243
Office equipment		2,629	4,146
Vehicle		15,914	45,375
		18,543	49,764
Transfer from CWIP during the period / year			
Factory building		-	14,698
Plant and machinery		274,763	436,561
		274,763	451,259

	Un-Audited March 31, 2024	Audited September 30, 2023
(Rupees in thousand)		
Surplus arising of revaluation during the period		
Freehold land	-	186,669
Factory building	-	144,631
Non Factory building	-	274,315
Residential Quarter for labour	-	12,563
Plant and machinery	-	4,777,179
	-	5,395,357
Disposals - Operating assets (net book value)		
Vehicle	(466)	(935)
Depreciation Charged for the period / year	(276,250)	(359,414)
Closing book value	10,732,103	10,715,513

4.2 Capital work in progress

Opening balance	143,525	371,665
Additions during the period / year		
Civil Works	21,750	14,698
Plant and Machinery	256,409	208,421
	278,159	223,119
Capitalization during the period/year		
Civil Works	-	(14,698)
Plant and Machinery	(274,763)	(436,561)
	(274,763)	(451,259)
Closing balance	146,921	143,525

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 2023: 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 reported in note 26(a) of the annual financial statements of the Company for the year ended September 30, 2023.

	Un-Audited March 31, 2024	Audited September 30, 2023
(Rupees in thousand)		
7.2 Commitments		
- Commitments for capital expenditure	-	32,031
- Commitments for stores and spares	-	31,810
	-	63,841
Bank Guarantees		
- in favor of Excise and Taxation Department	500	500
- in favor of Nazir of High Court of Sindh in the pending matter of levy of Super Tax (secured against lien over term deposits)	23,763	23,763
	24,263	24,263

For the half year October to March 2024		For the Quarter January to March 2024	
2024	2023	2024	2023

(Rupees in thousand)

8. COST OF SALES	For the half year October to March 2024		For the Quarter January to March 2024	
Opening stock of finished goods	3,015,849	1,823,918	2,160,690	1,901,263
Cost of goods manufactured	14,425,296	10,381,949	9,803,145	7,322,096
	17,441,145	12,205,867	11,963,835	9,223,359
Closing stock of finished goods (Note 8.1)	(8,288,716)	(5,321,708)	(8,288,716)	(5,321,708)
	9,152,429	6,884,159	3,675,119	3,901,651
Export and related expenses	403,541	261,531	233,516	155,459
	9,555,970	7,145,690	3,908,635	4,057,110

8.1 Finished goods costing Rs. 211.027 million (March 2023:Rs. Nil) have been written down to their net reliazable value of Rs. 154.204 million (March 2023: Rs. Nil). At period end stock pledged against short term borrowings amounted to Rs. 4,342 million (March 2023 :Rs. 3,844 million).

9. TAXATION

Provision for current taxation is made on the basis of minimum and final taxation.

10. 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.

11. 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,	March 31,
Relationship with the Company	Nature of Transactions	2024	2023
(Rupees in thousand)			
Associates			
Al-Noor Sugar Mills Limited	-Purchase of Goods	1,141,439	908,718
	-Sales of Goods	10,925	-
Al-Noor Sugar Mills Limited	-Dividend paid	65,996	32,998
Reliance Insurance Company Limited	-Insurance premium	31,642	30,198
Reliance Insurance Company Limited	-Insurance claim	-	1,115
Related Parties - Directors and their family members	-Loan repayment	8,032	23,103
Other related parties			
Directors' and key management personnel	-Directors remuneration	19,343	15,529
	-Executive remuneration	38,445	36,587
	-Non-executive directors' meeting fee	400	150
Staff provident fund	-Company's Contribution during the period	6,267	5,663
		March 31,	September 30,
		2024	2023
Balances:			
Relationship with the Company	Nature of Transactions	(Rupees in thousand)	
Associates			
Al-Noor Sugar Mills Limited	Loan and advances- advance against purchase	242,311	-
	Receivables	10,925	-
Reliance Insurance Company Limited	Trade and other payables - Premium	14,130	-
Reliance Insurance Company Limited	Receivables - Insurance claim	202	-
Staff provident fund	Trade and other payables		
	- Contribution payable	2,500	1,372
Related Parties - Directors and their family members	Loan from related parties	-	8,032

12. RELATIONSHIP WITH THE ISLAMIC AND CONVENTIONAL FINANCIAL INSTITUTION

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

	As at March 31, 2024 (Un-audited)			As at September 30, 2023 (Audited)		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Long term financing-Musharka and other finances	-	299,542	299,542	50,000	338,654	388,654
Current portion of long term finance	100,000	78,223	178,223	100,000	78,223	178,223
	100,000	377,765	477,765	150,000	416,877	566,877
Accrued finance cost	344,660	107,141	451,801	85,263	41,826	127,089
Short term borrowings	8,098,778	4,655,697	12,754,475	2,350,000	2,212,307	4,562,307
Short term investment	(24,277)	-	(24,277)	(24,242)	-	(24,242)
Cash at banks	(208,113)	(265,428)	(473,541)	(5,034,342)	(65,193)	(5,099,535)
	8,311,048	4,875,175	13,186,223	(2,473,321)	2,605,817	132,496

	Half year ended March 31, 2024			Half year ended March 31, 2023		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Finance cost	478,843	289,051	767,894	179,674	227,518	407,192
Profit from PLS bank account and short term investment	(370,249)	(39)	(370,288)	(104,282)	(22)	(104,304)
	108,594	289,012	397,606	75,392	227,496	302,888

13. 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, 2024 and March 31, 2023 and assets and liabilities information regarding business segments as at March 31, 2024 and September 30, 2023.

	Sugar		Ethanol		Total	
	Half year ended March 31, 2024		Half year ended March 31, 2023		Half year ended March 31, 2023	
(Rupees in thousand)						
REVENUE						
External Sales	2,913,710	1,159,329	8,017,205	8,418,788	10,930,915	9,578,117
Inter segment transfer	1,210,360	1,029,345	-	-	1,210,360	1,029,345
Total	4,124,070	2,188,674	8,017,205	8,418,788	12,141,275	10,607,462
RESULTS						
Profit from operation	145,312	(150,348)	937,399	2,317,105	1,082,711	2,166,757
Profit from trading activity	2,076	1,432	-	-	2,076	1,432
	147,388	(148,916)	937,399	2,317,105	1,084,787	2,168,189
Other expenses					(78,965)	(122,824)
Other income					370,769	411,129
Finance cost					(767,894)	(407,192)
Profit before tax					608,697	2,049,302
Taxation					(183,620)	(152,775)
Profit for the period					425,077	1,896,527

SEGMENT ASSETS AND LIABILITIES

					(Un-Audited)	(Audited)
	March 2024	September 2023	March 2024	September 2023	March 2024	September 2023
(Rupees in thousand)						
Assets						
Segment assets	11,701,696	6,372,639	18,408,995	15,824,413	30,110,691	22,197,052
Un-allocated assets					752,641	400,000
Long term investment					973	973
Total assets					30,864,305	22,598,025
Liabilities						
Segment liabilities	9,347,720	2,860,571	7,618,611	5,831,223	16,966,331	8,691,794
Unallocated liabilities					76,753	87,713
					17,043,084	8,779,507

	Half year ended March 31, 2024		Half year ended March 31, 2023		Half year ended March 31, 2023	
	OTHER INFORMATION					
Additions to property, plant and equipment	114,824	108,239	181,878	109,861	296,702	218,100
Depreciation	96,578	57,451	179,672	117,838	276,250	175,289

Revenue from major customers

During the period external sales to major customers amounted to Rs. 5,925 million. (2023: Rs. 4,712 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,	
	2024	2023
	----- (Rupees in thousand) -----	
Pakistan	2,913,710	1,159,329
Netherlands	1,570,146	2,958,386
Tanzania	1,295,261	-
Ghana	1,123,715	559,409
Angola	880,163	73,997
Japan	522,558	254,008
South Korea	429,976	194,625
Taiwan	250,373	827,460
Philippines	236,379	98,400
Congo	178,831	-
Singapore	177,118	215,145
Kenya	148,577	-
Ivory Coast	145,460	-
United Arab Emirates	115,170	1,091,531
Saudi Arabia	110,452	-
Cameroon	110,041	-
Australia	97,494	-
Lebanon	94,167	74,428
Jordan	73,724	79,762
Thailand	64,466	466,533
New Zealand	45,222	86,556
Iraq	40,640	133,844
Turkey	7,511	16,204
Others	299,761	255,889
Italy	-	584,843
Indonesia	-	447,768
	10,930,915	9,578,117

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. CORRESPONDING FIGURES

- 15.1 In the preceding half year, the Company classified all its short term borrowing as a part of operating cashflows in the statement of cashflow . However , during the year ended September 30, 2023, the Company classified its running finance as part of cash and cash equivalent to meet the criteria of cash and cash equivalent as per the requirement of IAS-7 "Statement of Cash Flows" and other short term borrowing were presented as part of financing activities in the statement of cashflows. Accordingly adjustment in comparative figures in the statement of cashflows for the half year ended March 31, 2023 is also made and are detailed as follows .

Statement of cash flows	As Previously Reported	Restatement	As Restated
	Rs'000'		
Cash flows from financing activities	(351,336)	4,269,505	3,918,169
Net (decrease) in cash and cash equivalent	(810,464)	(1,031,423)	(1,841,887)
Cash and cash equivalent at the end of the period	205,742	(30,952)	174,790
Cash and cash equivalent at the beginning of the period	1,016,206	1,000,471	2,016,677

- 15.2 The above adjustments do not have any impact on the condensed interim statement of financial position, condensed interim statement of profit or loss, condensed interim other comprehensive income and condensed interim statement of changes in equity.

16. AUTHORIZATION

These condensed interim financial statements were authorized for issue on May 27, 2024 by the Board of Directors of the Company.

17. GENERAL

Figures have been rounded off nearest to thousand rupees.


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOUB
DIRECTOR


ZAID ZAKARIA
Chief Financial Officer

مستقبل کا جائزہ

موجودہ کرشنک سیزن میں حکومت سندھ نے خام مال کی قیمت =/302 روپے سے بڑھا کر =/425 روپے فی 40 کلوگرام کر دی ہے۔ اس سے کاشتکاروں کو ان کی فصلوں پر زیادہ منافع حاصل ہوا ہے، جس سے اگلے سیزن میں گنے کی کاشت کو فروغ دینے کی امید ہے۔

حکومت پاکستان کے لیے یہ نوٹ کرنا بہت ضروری ہے کہ گنے کی مناسب امدادی قیمت کی وجہ سے پاکستان ایک فاضل چینی پیدا کرنے والے ملک میں تبدیل ہو چکا ہے۔ چینی کی صنعت اور کسانوں کی پائیداری کو یقینی بنانے کے ساتھ ساتھ ملک کے لیے قیمتی زرمبادلہ حاصل کرنے کے لیے دانشمندانہ اور مثبت برآمدی پالیسیوں کی ضرورت ہے۔

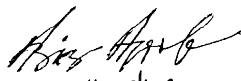
تاہم، مستقبل کے نقطہ نظر کو متاثر کرنے والی اہم اندرونی اور بیرونی غیر یقینی صورتحال موجود ہیں۔ عالمی کساد بازاری کے رجحانات، مانگ میں کمی، روس اور یوکرین کے طویل تنازعے کی وجہ سے سپلائی چین میں رکاوٹیں اور مشرق وسطیٰ میں کشیدگی بڑے خدشات ہیں۔ ملکی طور پر، پاکستان کو مالیاتی چیلنجز، زیادہ مالی اخراجات، اور ٹیکسوں میں اضافہ کا سامنا ہے۔

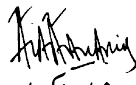
کھیتی کی انتظامیہ ان چیلنجز سے آگاہ ہے اور منفی اثرات کو کم کرنے اور کھیتی کی مجموعی کارکردگی میں استحصال اور شوگر ڈویژن کے تعاون کو بڑھانے کے لیے ضروری اقدامات کر رہی ہے۔

بورڈ آف ڈائریکٹرز

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

اللہ تعالیٰ شاہ مراد شوگر مل 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: 27 مئی 2024ء

شعبہ جات کی کارکردگی کو اس طرح بیان کیا گیا ہے:

شوگر ڈویژن

گنے کی فصل گزشتہ سال کی اسی مدت کے مقابلے میں نسبتاً بہتر رہی۔ کرشنگ ییزن کے لیے حکومت نے گنے کی کم از کم امدادی قیمت =/425 روپے فی 40 کلو مٹر کی ہے۔ پچھلے سال =/302 روپے فی 40 کلو گرام تھی۔ یہ خام مال کی قیمت میں 40.73 فیصد اضافے کی عکاسی کرتا ہے، جس نے چینی کی پیداوار کی لاگت کو متاثر کیا ہے۔

مل نے گزشتہ سال 567,913 میٹرک ٹن کے مقابلے میں 654,604 میٹرک ٹن گنے کی پائی کی۔ چینی کی پیداوار گزشتہ سال 60,303 میٹرک ٹن سے بڑھ کر 71,905 میٹرک ٹن ہو گئی، جو کہ 11,602 میٹرک ٹن یا 19.24 فیصد زیادہ ہے۔ یہ اضافہ بنیادی طور پر مل کے آس پاس کے علاقے میں خام مال کی زیادہ دستیابی کی وجہ سے ہوا۔ بحالی کی شرح %10.60 سے %10.98 تک بہتر ہوئی۔

گزشتہ سال کی نسبت چینی کی پیداوار میں اضافہ اور کیری اور اسٹاک کی وجہ سے چینی کی قیمتیں دباؤ میں رہتی ہیں۔ حکومت کے لیے یہ ضروری ہے کہ وہ چینی کی برآمدات کو رواں سال میں کسانوں کو ادا کی گئی گنے کی کم از کم امدادی قیمت کو برقرار رکھے اور مجموعی طور پر صنعت کے مستقبل کی حفاظت کے لیے اجازت دے۔

اتھنول ڈویژن

زیر جائزہ مدت کے دوران، اتھنول ڈویژن نے 28,734 میٹرک ٹن اتھنول کی پیداوار کی۔ گزشتہ سال 34,537 میٹرک ٹن کے مقابلے میں۔ کمپنی نے 29,272 میٹرک ٹن اتھنول برآمد کیا۔ جو 2023 میں 33,463 میٹرک ٹن سے کم ہے۔ فروخت کے حجم میں کمی تھی۔ یورپی منڈیوں میں اعلیٰ انوینٹری کی سطح کی وجہ سے، سپلائی چین میں رکاوٹوں کی وجہ سے مشرق وسطیٰ میں تنازعات، اور سمندری مال برداری کے اخراجات میں اضافہ۔ اتھنول کی فروخت کی قیمت پچھلی سہ ماہی کے بعد سے کمی کا رجحان رہا۔

مزید برآں، راب کی قیمت میں پچھلے سال کے مقابلے میں 17 فیصد فی ٹن اضافہ ہوا۔ زیادہ شرح سود کی وجہ سے مالیاتی چارجز میں کافی اضافہ ہوا۔ ان عوامل کی وجہ سے پیداوار کی زیادہ لاگت نے کمپنی کے منافع کو بری طرح متاثر کیا۔

ڈائریکٹرز رپورٹ


محترم ممبران.....! السلام علیکم!

بڑی خوشی کے ساتھ مجھے بورڈ کی جانب سے آپ کے سامنے 31 مارچ 2024 کو ختم ہونے والی مدت کے لیے آپ کی کمپنی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی ہو رہی ہے۔ ان حسابات کا قانونی آڈیٹرز نے جائزہ لیا ہے جیسا کہ کوڈ آف کارپوریٹ گورننس کے تحت ضرورت ہے۔

پیداوار اور مالی بیانات کی نمایاں خصوصیات حسب ذیل ہیں:

<u>31 مارچ 2023</u>	<u>31 مارچ 2024</u>	<u>معلومات بابت پیداوار</u>
567,913	654,604	گنے کی پیمائی (میٹرک ٹن)
60,303	71,905	پیداوار برائے چینی (میٹرک ٹن)
10.60	10.98	ریکوری برائے چینی (فیصد)
26,720	30,450	پیداوار برائے راب (میٹرک ٹن)
34,537	28,734	پیداوار برائے استھانول (میٹرک ٹن)
<u>(روپے ہزاروں میں)</u>	<u>(روپے ہزاروں میں)</u>	<u>مالیاتی معلومات</u>
9,578,117	10,930,915	فروختگی
(7,145,690)	(9,555,970)	لاگت برائے فروختگی
2,432,427	1,374,945	خام منافع
(81,170)	(59,135)	اخراجات برائے ترسیلات
(184,500)	(233,099)	انتظامی اخراجات
(122,824)	(78,965)	دیگر اخراجات
412,561	372,845	دیگر آمدن
(407,192)	(767,894)	مالیاتی اخراجات
2,049,302	608,697	منافع قبل از ٹیکس
(152,775)	(183,620)	ٹیکس کے لئے فراہمی
1,896,527	425,077	منافع بعد از ٹیکس
Rs. 89.80	Rs. 20.13	منافع فی حصص (بنیادی)

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