



SHAHMURAD SUGAR MILLS LIMITED

Half Yearly Results for the period
1st October 2022 to 31st March, 2023

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

CHIEF FINANCIAL OFFICER

MR. ZAID ZAKARIA

COMPANY SECRETARY

MR. MOHAMMAD YASIN MUGHAL
FCMA

HUMAN RESOURCE AND

REMUNERATION COMMITTEE

MR. RUMI MOIZ

MR. NOOR MOHAMMAD ZAKARIA

MR. ZIA ZAKARIA

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.
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

Aslamu-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, 2023. 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, 2023</u>	<u>March 31, 2022</u>
Sugarcane crushed (M Tons)	567,913	601,695
Sugar produced (M Tons)	60,303	66,683
Sugar recovery percentage	10.60	11.08
Molasses produced (M Tons)	26,720	25,810
Ethanol Production (M Tons)	34,537	34,150

FINANCIAL DATA

(Rupees in thousands)

Sales revenue	9,578,117	6,913,322
Cost of sales	(7,145,690)	(5,960,032)
Gross profit	2,432,427	953,290
Distribution cost	(81,170)	(59,189)
Administrative expenses	(184,500)	(149,738)
Other operating charges	(122,824)	(46,607)
Other income	412,561	37,433
Financial cost	(407,192)	(193,893)
Profit before taxation	2,049,302	541,296
Provision for taxation	(152,775)	(85,778)
Profit after taxation	1,896,527	455,518
Earnings per share	Rs.89.80	Rs.21.57

Segment wise performance is elaborated as under:

SUGAR DIVISION

During the period under review, the sugarcane crop was not good as it was in the corresponding period of last year. For the crushing season, the Government notified the minimum support price of sugarcane at Rs.302/= per forty kgs of cane as against Rs.250/= per forty kgs notified last year.

The mill crushed 567,913 metric tons of cane against 601,695 metric tons crushed last year. Sugar produced was 60,303 metric tons as against 66,683 metric tons produced last year. During the current period, the production of sugar is lower than last year by 6,380 metric tons or 9.57 percent. The decrease in the production of sugar was mainly due to the non-availability of raw material in the adjoining area of the mill as required to continue the crushing. The recovery rate also declined from 11.08 percent to 10.60 percent during the current year. The condition of crops in the province was not good due to the scarcity of water during the maturing period of sugarcane. It is estimated that production of sugar during the current year would be lower than last year but expected to meet the requirement of the country.

ETHANOL DIVISION

During the period under consideration, the Ethanol Division produced 34,537 metric tons of ethanol as against 34,150 metric tons produced last year which is slightly higher than produced in the same period of last year. This was due to the timely procurement of raw material. The sales revenue of the ethanol division has also increased due to higher prices in terms of foreign currency and deterioration in the value of local currency which increased the sale revenue in terms of Pak Rupees. The company exported 33,463 metric tons as against 35,567 metric tons exported last year. It is anticipated that the production during the remaining period of the year would be maintained as compared to the previous year INSHA ALLAH.

FUTURE OUTLOOK

The future outlook is still uncertain due to global as well as internal challenges. Globally major economies going toward recessionary trends, lower demands, and higher interest rates along with the Russian-Ukrain prolonged conflict are still major factors. Internally our country faces political uncertainty, unstable financial policies, restrictions on trade imports, and delaying IMF program are major concerns for internal economic stability.

The Company's management is well aware of the internal and global challenges and taking all necessary measures to reduce the negative impacts and improve the contribution of ethanol and sugar divisions towards the overall performance of the company.

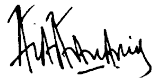
SUBSEQUENT EVENT AND DIVIDEND

The Board of Directors in their meeting held on May 23, 2023 has declared an interim cash dividend of Rs. 15.00 per shares i.e. 150% for the period ended March 31, 2023. These condensed interim financial statements do not include the effect of interim dividend.

BOARD OF DIRECTORS

During the period under consideration, there was no change in the composition of the Board of directors.

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 23, 2023



**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, 2023, 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, 2023 and March 31, 2022 have not been reviewed, as we were required to review only the cumulative figures for the half year ended March 31, 2023.

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 24, 2023
UDIN: RR202310225vlsGViXAH

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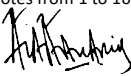
OTHER OFFICES LAHORE - FAISALABAD - ISLAMABAD

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CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

		Un-audited March 2023	Audited September 2022
	Note	(Rupees in thousand)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	5,593,882	5,551,147
Intangible asset	5	-	-
Long term investment in associate	6	1,094	1,094
Long term loans		2,479	1,140
Long term deposits		3,150	2,599
		<u>5,600,605</u>	<u>5,555,980</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		356,839	241,733
Stock-in-trade		10,897,359	3,537,695
Trade debts		1,048,598	1,059,148
Loans and advances		1,167,944	568,220
Trade deposits and short term prepayments		13,667	5,921
Other receivables		6,650	15,363
Short term investment		24,200	1,050,410
Income tax refundable-Net		8,606	-
Cash and bank balances		205,742	1,016,206
		<u>13,729,605</u>	<u>7,494,696</u>
		<u>19,330,210</u>	<u>13,050,676</u>
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		(2,195)	(2,195)
Unappropriated profit		6,233,054	4,513,440
Capital reserve			
Revaluation surplus on property, plant and equipment		1,177,843	1,212,117
		<u>7,699,889</u>	<u>6,014,549</u>
NON CURRENT LIABILITIES			
Long term financing		537,765	656,877
Deferred taxation		196,276	162,110
		<u>734,041</u>	<u>818,987</u>
CURRENT LIABILITIES			
Trade and other payables		1,564,576	1,319,916
Accrued finance cost		252,095	61,211
Short term borrowings		8,806,857	4,532,139
Loan from related parties		18,032	41,135
Current portion of long term financing		238,223	238,223
Unclaimed dividend		16,497	14,431
Income tax provision-net of payments		-	10,085
		<u>10,896,280</u>	<u>6,217,140</u>
CONTINGENCIES AND COMMITMENTS			
	7	-	-
		<u>19,330,210</u>	<u>13,050,676</u>

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


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOOB
DIRECTOR


ZAID ZAKARIA
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2023**

	Note	For the half year October to March		For the Quarter January to March	
		2023	2022	2023	2022
(Rupees in thousand)					
Sales		9,578,117	6,913,322	5,494,987	3,297,338
Cost of sales	8	(7,145,690)	(5,960,032)	(4,057,110)	(2,606,799)
Gross profit		2,432,427	953,290	1,437,877	690,539
Profit from trading activities		1,432	1,230	548	37
		2,433,859	954,520	1,438,425	690,576
Distribution cost		(81,170)	(59,189)	(40,846)	(32,664)
Administrative expenses		(184,500)	(149,738)	(104,292)	(79,213)
Other operating expenses		(122,824)	(46,607)	(83,022)	(35,615)
		(388,494)	(255,534)	(228,160)	(147,492)
Operating profit		2,045,365	698,986	1,210,265	543,084
Other income		411,129	36,203	242,607	17,181
		2,456,494	735,189	1,452,872	560,265
Finance cost		(407,192)	(193,893)	(292,814)	(145,853)
Profit before taxation		2,049,302	541,296	1,160,058	414,412
Taxation	9				
- Current		(118,609)	(72,472)	(66,616)	(33,674)
- Deferred		(34,166)	(13,306)	(38,716)	(16,417)
		(152,775)	(85,778)	(105,332)	(50,091)
Profit after taxation		1,896,527	455,518	1,054,726	364,321
Earning per share-Basic and diluted - Rupees		89.80	21.57	49.94	17.25

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


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOOB
DIRECTOR


ZAID ZAKARIA
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2023**

	For the half year October to March		For the Quarter January to March	
	2023	2022	2023	2022
	(Rupees in thousand)			
Profit after taxation	1,896,527	455,518	1,054,726	364,321
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>1,896,527</u>	<u>455,518</u>	<u>1,054,726</u>	<u>364,321</u>

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


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOUB
DIRECTOR


ZAID ZAKARIA
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2023**

	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, 2021 (Audited)	211,187	80,000	(2,381)	3,063,446	1,309,151	4,661,403
During the half year ended March 31, 2022						
Transactions with owners						
Final Dividend for 30-September-2021 @ Rs. 3.00 Per Share	-	-	-	(63,356)	-	(63,356)
Total Comprehensive Income for the half year ended March 31, 2021	-	-	-	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)	-
Balances at March 31, 2022	<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>
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 @ Re. 10.00 Per Share	-	-	-	(211,187)	-	(211,187)
Total Comprehensive Income for the half year ended March 31, 2023	-	-	-	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>

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


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOOB
DIRECTOR


ZAID ZAKARIA
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2023**

	March 2023	March 2022
	(Rupees in thousand)	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,049,302	541,296
Adjustment for :		
Depreciation	175,289	173,511
Gain on disposal of property, plant and equipment	(764)	(1,705)
Provision for obsolescence and slow moving items	5,150	4,100
Finance cost	407,192	193,893
	586,867	369,799
	2,636,169	911,095
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(120,256)	(39,388)
Stock in trade	(7,359,664)	(6,222,635)
Trade debts	10,550	(64,522)
Loans and advances	(599,724)	(440,914)
Trade deposits and short term prepayments	(7,746)	(11,164)
Short term investment	1,026,210	(32)
Other receivables	8,713	157
	(7,041,917)	(6,778,498)
(Decrease) / Increase in current liabilities		
Trade and other payables	244,660	1,092,395
Short term borrowings	4,274,718	5,514,421
	4,519,378	6,606,816
	113,630	739,413
(Increase) in long term loan	(1,339)	(221)
(Increase) in long term deposits	(551)	(171)
Income tax paid	(137,300)	(94,067)
Finance cost paid	(216,308)	(108,291)
	(355,498)	(202,750)
Net cash (outflows) / inflows from operating activities	(241,868)	536,663
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(218,100)	(286,644)
Sale proceeds from disposal of property, plant and equipment	840	6,459
Net cash (outflow) from investing activities	(217,260)	(280,185)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term financing	(119,112)	(119,112)
Loan from related parties repaid during the period	(23,103)	-
Dividend paid	(209,121)	(62,734)
Net cash (outflows) from financing activities	(351,336)	(181,846)
Net (decrease) / increase in cash and bank balances (A+B+C)	(810,464)	74,632
Cash and bank balance at the beginning of the period	1,016,206	53,761
Cash and bank balance at the end of the period	205,742	128,393

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


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOUB
DIRECTOR


ZAID ZAKARIA
Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED MARCH 31, 2023

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 do 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, 2022.

2.3 These condensed Interim financial statements comprise the condensed Interim Statement of Financial Position as at March 31, 2023 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, 2023. 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, 2022, 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, 2022.

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, 2023 and 2022 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, 2022.

- 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, 2022 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, 2022.

	Note	Un-Audited March 31, 2023 (Rupees in thousand)	Audited September 30, 2022
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	5,494,505	5,179,482
Capital work in progress	4.2	99,377	371,665
		5,593,882	5,551,147
4.1 OPERATING FIXED ASSETS			
Opening book value		5,179,482	5,140,258
Direct additions during the period / year			
Furniture, fixture and fittings		-	304
Office equipment		2,406	3,953
Vehicle		36,722	29,008
		39,128	33,265
Transfer from CWIP during the period / year			
Factory building		14,699	10,965
Plant and machinery		436,561	355,602
		451,260	366,567
Disposals - Operating assets (net book value)		(76)	(7,365)
Depreciation Charged for the period / year		(175,289)	(353,243)
Closing book value		5,494,505	5,179,482

Un-Audited **Audited**
March 31, **September 30,**
2023 **2022**
(Rupees in thousand)

4.2 Capital work in progress

Opening balance	371,665	120,648
Additions during the period / year		
Civil Works	14,699	-
Plant and Machinery	164,273	617,584
	178,972	617,584
Capitalization during the period/year		
Civil Works	(14,699)	(10,965)
Plant and Machinery	(436,561)	(355,602)
	(451,260)	(366,567)
Closing balance	99,377	371,665

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 2022: 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, 2022 except as follows:

- (i) As disclosed in note 26.14 of the annual financial statements for the year ended September 30, 2022, Federal Board of Revenue (FBR) passed detrimental orders in the matter of tax audits for tax years 2015 to 2019 whereby frivolous tax demand of Rs 23,455 million was created as well as penalty of Rs 8,797 million was imposed and the Company had preferred appeals to the Commissioner Inland Revenue Appeals (CIRA) against the said orders. Subsequent to period end these appeals have been decided in favor of the Company and the said tax demand as well as penalty has been deleted by CIRA.
- (ii) As disclosed in note 26.15 of the annual financial statements for the year ended September 30, 2022, Assistant/Deputy Commissioner Inland Revenue (DCIR) passed orders in the matter of show cause notices issued under section 161(1A) for tax years 2016, 2017, 2019 and 2020 whereby aggregate demand of Rs 80.577 million was created and the Company had preferred appeals to the Commissioner Inland Revenue Appeals (CIRA) against the said orders. Subsequent to period end CIRA has annulled the impugned order.

	Un-Audited March 31, 2023	Audited September 30, 2022
(Rupees in thousand)		
7.2 Commitments		
- Commitments for capital expenditure	-	94,934
- Commitments for stores and spares	-	8,895
	-	103,829
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	-
	24,263	500

	For the half year October to March		For the Quarter January to March	
	2023	2022	2023	2022
(Rupees in thousand)				
8. COST OF SALES				
Opening stock of finished goods	1,823,918	1,604,549	1,901,263	1,014,178
Cost of goods manufactured	10,381,949	8,741,757	7,322,096	6,111,873
	12,205,867	10,346,306	9,223,359	7,126,051
Closing stock of finished goods (Note 8.1)	(5,321,708)	(4,699,626)	(5,321,708)	(4,699,626)
	6,884,159	5,646,680	3,901,651	2,426,425
Export and related expenses	261,531	313,352	155,459	180,374
	7,145,690	5,960,032	4,057,110	2,606,799

8.1 Finished goods costing Rs. Nil (March 2022:Rs. 144.722 million) have been written down to their net realizable value of Rs. Nil (March 2022: Rs. 136.543 million). At period end stock pledged against short term borrowings amounted to Rs. 3,844 million (March 2022 :Rs. 2,948 million).

9. TAXATION

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

10. 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 comprise 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, 2023	March 31, 2022
Relationship with the Company	Nature of Transactions	(Rupees in thousand)	
Associates			
Al-Noor Sugar Mills Limited	-Purchase of Goods	908,718	445,979
Al-Noor Sugar Mills Limited	-Dividend paid	32,998	9,899
Reliance Insurance Company Limited	-Insurance premium	30,198	25,308
Reliance Insurance Company Limited	-Insurance claim	1,115	4,970
Others - Directors and shareholder	-Loan repayment	23,103	-
Other related parties			
Directors' and key management personnel	-Directors remuneration	15,529	12,923
	-Executive remuneration	36,587	28,282
	-Non-executive directors' meeting fee	150	120
Staff provident fund excluding Directors	-Company's Contribution during the period	5,663	4,830
		March 31, 2023	September 30, 2022
Balances:		(Rupees in thousand)	
Relationship with the Company	Nature of Transactions		
Associates			
Al-Noor Sugar Mills Limited	Loan and advances	156,615	237,501
Reliance Insurance Company Limited	Trade and other payables - Premium	14,609	-
Reliance Insurance Company Limited	Receivables - Insurance claim	1,115	-
Staff provident fund	Trade and other payables	-	-
	- Contribution payable	2,619	2,093
Others - Directors and shareholder	Loan from related parties	18,032	41,135

12. 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 detailed segregation between Shariah compliants and conventional assets/liabilities and income/expenditure are given below:

	As at March 31, 2023 (Un-audited)			As at September 30, 2022 (Audited)		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Long term financing-Musharka and other finances	160,000	377,765	537,765	240,000	416,877	656,877
Current portion of long term finance	160,000	78,223	238,223	160,000	78,223	238,223
	320,000	455,988	775,988	400,000	495,100	895,100
Accrued finance cost	120,312	131,783	252,095	30,299	30,912	61,211
Short term borrowings	3,950,000	4,856,857	8,806,857	1,750,000	2,782,139	4,532,139
Short term investment	(24,200)	-	(24,200)	(1,050,410)	-	(1,050,410)
Cash at banks	(131,869)	(73,873)	(205,742)	(928,560)	(87,646)	(1,016,206)
	4,234,243	5,370,755	9,604,998	201,329	3,220,505	3,421,834

	Half year ended March 31, 2023			Half year ended March 31, 2022		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Finance cost	179,674	227,518	407,192	87,698	106,195	193,893
Income from PLS bank account and short term investment	(104,282)	(22)	(104,304)	(1,338)	(150)	(1,488)
	75,392	227,496	302,888	86,360	106,045	192,405

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 represent revenue and profit information regarding business segment for the half year ended March 31, 2023 and March 31, 2022 and assets and liabilities information regarding business segments as at March 31, 2023 and September 30, 2022.

	Sugar		Ethanol		Total	
	Half year ended March 31, 2023		Half year ended March 31, 2022		Half year ended March 31, 2023	
(Rupees in thousand)						
REVENUE						
External Sales	1,159,329	1,161,741	8,418,788	5,751,581	9,578,117	6,913,322
Inter segment transfer	1,029,345	636,795	-	-	1,029,345	636,795
Total	2,188,674	1,798,536	8,418,788	5,751,581	10,607,462	7,550,117
RESULTS						
Profit from operation	(150,348)	154,009	2,317,105	590,354	2,166,757	744,363
Profit from trading activity	1,432	1,230	-	-	1,432	1,230
	(148,916)	155,239	2,317,105	590,354	2,168,189	745,593
Other operating charges					(122,824)	(46,607)
Other income					411,129	36,203
Finance cost					(407,192)	(193,893)
Profit before tax					2,049,302	541,296
Taxation					(152,775)	(85,778)
Profit for the period					1,896,527	455,518

SEGMENT ASSETS AND LIABILITIES

	March 2023	September 2022	March 2023	September 2022	March 2023	September 2022
(Rupees in thousand)						
Assets						
Segment assets	7,128,612	3,791,507	11,812,570	9,044,744	18,941,182	12,836,251
Un-allocated assets					387,934	213,331
Long term investment					1,094	1,094
Total assets					19,330,210	13,050,676
Liabilities						
Segment liabilities	5,590,521	1,086,270	5,902,146	5,822,330	11,492,667	6,908,600
Unallocated liabilities					137,654	127,527
					11,630,321	7,036,127

	Half year ended March 31, 2023		Half year ended March 31, 2022		Half year ended March 31, 2023	
OTHER INFORMATION						
Additions to property, plant and equipment	108,239	231,476	109,861	55,168	218,100	286,644
Depreciation	57,451	51,683	117,838	121,828	175,289	173,511

Revenue from major customers

During the period external sales to major customers amounted to Rs. 4,712 million. (2022: Rs. 3,896 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,	
	2023	2022
Pakistan	1,159,329	1,161,741
Netherlands	2,958,386	2,332,210
United Arab Emirates	1,091,531	324,665
Taiwan	827,460	107,132
Italy	584,843	288,780
Ghana	559,409	689,280
Thailand	466,533	108,926
Indonesia	447,768	711,278
Japan	254,008	43,531
Singapore	215,145	53,188
Korea	194,625	-
Iraq	133,844	-
Togo	122,725	-
Philippines	98,400	76,224
New Zealand	86,556	-
Jordan	79,762	56,707
Lebanon	74,428	77,053
Angola	73,997	204,559
Turkey	16,204	11,296
Ivory Coast	-	105,947
South Korea	-	104,351
Eritrea	-	61,160
Cameroon	-	58,225
South Africa	-	50,313
Kuwait	-	39,217
Tanzania	-	28,447
Others	133,164	219,092
	9,578,117	6,913,322

14. FAIR VALUES

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

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

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

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

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

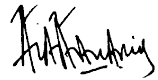
Financial assets and liabilities of the Company are either short term in nature or are repriced periodically therefore; their carrying amounts approximate their fair values.

15. AUTHORIZATION

These condensed interim financial statements were authorized for issue on May 23, 2023 by the Board of Directors of the Company.

16. GENERAL

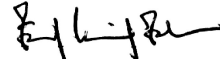
Figures have been rounded off nearest to thousand rupees.



ZIA ZAKARIA
Managing Director & CEO



AZIZ AYOOB
DIRECTOR

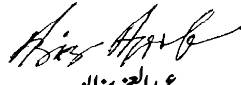


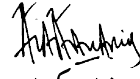
ZAID ZAKARIA
Chief Financial Officer

بورڈ آف ڈائریکٹرز:
زیر نوردت کے دوران، بورڈ آف ڈائریکٹرز کی تشکیل میں کوئی تبدیلی نہیں ہوئی۔

نقد عبوری منافع منقسمہ اور ما بعد واقعات:
بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ 23 مئی 2023 کے دوران 31 مارچ تک کے منافع میں سے 150 فیصد یعنی 15 روپے فی حصص عبوری نقد منافع منقسمہ دینے کی تجویز دی ہے مزید برآں اس مالیاتی حساب میں مذکورہ بالا نقد منافع منقسمہ کا کوئی اثر شامل نہیں ہے۔

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
منیجنگ ڈائریکٹر اینڈ چیف ایگزیکٹو آفیسر

کراچی: 23 مئی 2023ء

سیکنٹ وار کارکردگی کو ذیل میں بیان کیا گیا ہے:

شوگر ڈویژن

زیر جائزہ مدت کے دوران گنے کی فصل اچھی نہیں رہی جیسا کہ گزشتہ سال کی اسی مدت میں تھی۔ کرشنگ سیزن کے لیے حکومت نے گنے کی کم از کم امدادی قیمت = 302 فی چالیس کلوگرام کے حساب سے مطلع کی ہے جو کہ پچھلے سال مطلع کردہ = 250 فی چالیس کلوگرام تھی۔

مل نے 567,913 میٹرک ٹن گنے کی پھانسی کی جبکہ گزشتہ سال 601,695 میٹرک ٹن گنے کی پھانسی کی گئی۔ چینی کی پیداوار گزشتہ سال 66,683 میٹرک ٹن کے مقابلے میں 60,303 میٹرک ٹن رہی۔ موجودہ عرصے کے دوران چینی کی پیداوار گزشتہ سال کے مقابلے میں 6380 میٹرک ٹن یا 9.57 فیصد کم ہے۔ چینی کی پیداوار میں کمی کی بنیادی وجہ مل کے ملحقہ علاقے میں کرشنگ جاری رکھنے کے لیے درکار خام مال کی عدم دستیابی تھی۔ رواں سال کے دوران ریکوری کی شرح بھی 11.08 فیصد سے کم ہو کر 10.60 فیصد رہ گئی۔ گنے کی چٹختگی کے دوران پانی کی کمی کے باعث صوبے میں فصلوں کی حالت اچھی نہیں تھی۔ ایک اندازے کے مطابق رواں سال چینی کی پیداوار گزشتہ سال کے مقابلے میں کم رہے گی لیکن توقع ہے کہ ملک کی ضروریات پوری ہوں گی۔

اتھنول ڈویژن

زیر خوردت کے دوران اتھنول ڈویژن نے 34,537 میٹرک ٹن اتھنول کی پیداوار کی جو کہ گزشتہ سال 34,150 میٹرک ٹن کی پیداوار تھی جو کہ گزشتہ سال کی اسی مدت میں پیدا ہونے والی پیداوار سے قدرے زیادہ ہے۔ اس کی وجہ خام مال کی بروقت خریداری تھی۔ غیر ملکی کرنسی کی قیمتوں میں اضافے اور مقامی کرنسی کی قدر میں گراؤ کی وجہ سے اتھنول ڈویژن کے سیلزر یونیوں میں بھی اضافہ ہوا ہے جس کی وجہ سے پاک روپے کے حساب سے سیلزر یونیوں میں اضافہ ہوا ہے۔ کمپنی نے 33,463 میٹرک ٹن برآمد کیا جبکہ گزشتہ سال 35,567 میٹرک ٹن برآمد کیا گیا تھا۔ توقع ہے کہ سال کے بقیہ عرصے میں پیداوار پچھلے سال کے مقابلے میں برقرار رہے گی انشاء اللہ۔

مستقبل کا جائزہ

عالمی اور اندرونی چیلنجوں کی وجہ سے مستقبل کا نقطہ نظر ابھی تک غیر یقینی ہے۔ عالمی سطح پر بڑی معیشتیں کساد بازاری کے رجحانات، کم مطالبات اور روسی یوکرین کے طویل تنازعہ کے ساتھ سوڈی بلنڈر میں اب بھی اہم عوامل ہیں۔ اندرونی طور پر ہمارے ملک کو سیاسی غیر یقینی صورتحال کا سامنا ہے، غیر مستحکم مالیاتی پالیسیاں، تجارتی درآمدات پر پابندیاں اور IMF پروگرام میں تاخیر اندرونی معاشی استحکام کے لیے بڑے خدمات ہیں۔

کمپنی کی انتظامیہ اندرونی اور عالمی چیلنجوں سے بخوبی آگاہ ہے اور منفی اثرات کو کم کرنے اور کمپنی کی مجموعی کارکردگی میں اتھنول اور شوگر ڈویژن کے تعاون کو بہتر بنانے کے لیے تمام ضروری اقدامات کر رہی ہے۔

ڈائریکٹرز رپورٹ

محترم ممبران.....! السلام علیکم!

بڑی خوشی کے ساتھ مجھے بورڈ کی جانب سے آپ کے سامنے 31 مارچ 2023 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:

معلومات پابست پیداوار	31 مارچ 2023	31 مارچ 2022
گنے کی پھائی (میٹرک ٹن)	567,913	601,695
پیداوار برائے چینی (میٹرک ٹن)	60,303	66,683
ریکوری برائے چینی (فیصد)	10.60	11.08
پیداوار برائے راب (میٹرک ٹن)	26,720	25,810
پیداوار برائے استھانول (میٹرک ٹن)	34,537	34,150
مالیاتی معلومات	(روپے ہزاروں میں)	(روپے ہزاروں میں)
فروختگی	9,578,117	6,913,322
لاگت برائے فروختگی	(7,145,690)	(5,960,032)
خام منافع	2,432,427	953,290
اخراجات برائے ترسیلات	(81,170)	(59,189)
انتظامی اخراجات	(184,500)	(149,738)
دیگر اخراجات	(122,824)	(46,607)
دیگر آمدن	412,561	37,433
مالیاتی اخراجات	(407,192)	(193,893)
منافع قبل از ٹیکس	2,049,302	541,296
ٹیکس کے لئے فراہمی	(152,775)	(85,778)
منافع بعد از ٹیکس	1,896,527	455,518
منافع فی حصص (بنیادی)	Rs.89.80	Rs.21.57

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