



**AL-NOOR SUGAR MILLS LIMITED**

3rd Quarterly Results for the period  
1st October 2022 to 30th June, 2023

# Company Information

## BOARD OF DIRECTORS

MR. ZIA ZAKARIA  
MR. NOOR MOHAMMAD ZAKARIA  
MR. MUHAMMAD SALIM AYOOB  
MR. ASAD AHMAD MOHIUDDIN  
MS. MUNIFA AYOOB  
MR. FARRUKH YASEEN (Independent Director)  
MR. KHURRAM AFTAB (Independent Director)

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### BOARD AUDIT COMMITTEE

MR. KHURRAM AFTAB  
MR. ZIA ZAKARIA  
MS. MUNIFA AYOOB

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

### CHIEF FINANCIAL OFFICER

MR. MUHAMMAD HANIF CHAMDIA

### 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  
Website: [www.alnoorsugar.co](http://www.alnoorsugar.co)

### REGISTRAR & SHARES REGISTRATION OFFICE

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

### FACTORY

Shahpur Jahania, P.O. Noor Jahania,  
Taluka Moro,  
District Shaheed Benazir Bhutto Abad  
(Nawabshah)

## DIRECTORS' REPORT

Dear Members Asslamu-o- Alaikum

The Board of Directors' of your company is pleased to place before you the un-audited accounts for the period ended June 30, 2023.

Salient features of production and Financial Statements are as under:

<b>PRODUCTION DATA</b>	<b>June 30, 2023</b>	<b>June 30, 2022</b>
Sugarcane crushed (M Tons)	<b>789,713</b>	940,764
Sugar produced (M Tons)	<b>79,575</b>	98,110
Sugar recovery percentage	<b>10.09</b>	10.43
Molasses produced (M Tons)	<b>36,100</b>	43,125
MDF Production (Cubic Meters)	<b>48,545</b>	58,084

<b>FINANCIAL DATA</b>	<b>(Rupees in thousands)</b>	
Sales revenue	<b>8,999,146</b>	7,345,343
Cost of sales	<b>(7,853,483)</b>	(6,175,044)
Gross profit	<b>1,145,663</b>	1,170,299
Distribution cost	<b>(61,489)</b>	(53,832)
Other operating expenses	<b>(10,119)</b>	(19,899)
Administrative expenses	<b>(668,807)</b>	(595,020)
Financial cost	<b>(886,046)</b>	(455,003)
Other income	<b>27,366</b>	15,351
Share of profit from associate	<b>377,991</b>	199,421
(Loss) /Profit before taxation	<b>(75,441)</b>	261,317
Provision for taxation	<b>29,224</b>	(106,406)
(Loss) / Profit after taxation	<b>(46,217)</b>	154,911
Earnings /(loss)per share	<b>Rs.(2.26)</b>	Rs.7.57

Segment wise performance is elaborated as under:

### SUGAR DIVISION

During the period the cane crop was not good as it was last year and the mill crushed 789,713 metric tons of cane and produced 79,575 metric tons of sugar. During same period last year, the mill crushed 940,764 metric tons of cane and produced 98,110 metric tons of sugar. The current period production of sugar is lower by 18.89 percent or 18,535 metric tons. As during the current season, the cane crop was not good as evident from the lower crushing volume and decrease in the production of sugar. It is anticipated that the production of sugar during the season would be lower but expected to meet the requirement of the country inclusive of carry over stock out of the previous year's production. Due to non-availability of raw material the crushibg period has also reduced from 112 days to 94 days during the current period. The government of Sindh has enhanced the cost of sugarcane from Rs.250/= to Rs.302/= per forty kgs of the same which has increased the cost of production of sugar. The sugar mill has to procure raw material from far and distant area in order to avoid disruption of production process during the season.

## MDF BOARD DIVISION

During the period under consideration the MDF Board division produced 48,545 cubic meters of board in various thickness as against 58,084 cubic meters produced in the same period last year. The production is lower than previous period by 9,539 cubic meters or 16.42 percent. The availability of had declined on account of after effect of flood which damaged the roads and bridges in the province which still required rehabilitation. Forest is the main source of raw material; had also been effected due to excessive rain and flood.

## FUTURE OUTLOOK

It is expected that during the next crushing season, the cane crop in the country would improve due to the higher prices and timely payment to growers during the current season. A recent good spell of natural rainfall will also enhance the availability of raw material during the coming crushing season and the availability of water through irrigation system would also be improved during the remaining period the season till the commencement of the crushing season. It is expected that the Government would take a timely decision to allow the export of sugar which would improve the liquidity crunch of sugar mills and would be beneficial for the timely startup of the new crushing season.

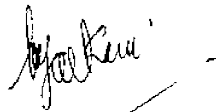
Future outlook of MDF division appears to be sustainable as the products of the division have established its acceptability in the domestic and international markets also.

## BOARD OF DIRECTORS

The tenure of current Board of Directors was completed on March 30th 2023 and the shareholder in the Extra Ordinary General Meeting held on the said date elected the following persons as Directors from the said date.

- |                              |                        |
|------------------------------|------------------------|
| 1. Mr. Zia Zakaria           | Non-executive Director |
| 2. Mr. Noor Muhammad Zakaria | Executive Director     |
| 3. Mr. Muhammad Salim Ayooob | Executive Director     |
| 4. Mr. Asad Ahmad Mohiuddin  | Non-executive Director |
| 5. Ms. Munifa Ayooob         | Non-executive Director |
| 6. Mr. Farrukh Yaseen        | Independent Director   |
| 7. Mr. Khurram Aftab         | Independent Director   |

The Board of Directors wishes to assure its respectable stakeholders that dedicated efforts are being taken to achieve better results In Shah Allah. We pray to Almighty Allah to guide and help us forward to achieve our desired goals. (Ameen)



**NOOR MUHAMMAD ZAKARIA**  
Chief Executive Officer



**ZIA ZAKARIA**  
Director/ Chairman


Karachi: July 25, 2023



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2023**

		Un-Audited June 2023	Audited September 2022
	Note	(Rupees in thousand)	
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	4	4,931,126	4,913,855
Right-of-use assets	5	15,962	3,429
Intangible asset	6	1,005	1,335
Long term investments	7	1,240,036	944,540
Long term loans		7,397	4,305
Long term deposits		6,451	5,538
		<b>6,201,977</b>	<b>5,873,002</b>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		594,766	544,413
Stock in trade		5,182,207	3,351,333
Trade debts		364,469	571,334
Loans and advances		211,863	133,572
Trade deposits and short term prepayments		10,481	4,642
Other receivables		192,008	180,797
Taxation-Net		349,822	294,160
Short term investment		85,671	82,450
Cash and bank balances		236,644	253,552
		<b>7,227,931</b>	<b>5,416,253</b>
		<b>13,429,908</b>	<b>11,289,255</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised Capital 50,000,000 ordinary shares of Rs.10 each		500,000	500,000
Issued, subscribed and paid-up capital		204,737	204,737
<b>Revenue Reserves</b>			
General reserve		1,000,000	1,000,000
Unappropriated profit		935,906	1,045,771
Share of associate's unrealise (loss) on remeasurement of associate's investments at fair value through other comprehensive income (OCI)		(2,413)	(2,413)
<b>Capital Reserve</b>			
Surplus on revaluation of Property, plant and equipment		1,177,782	1,216,503
		<b>3,316,012</b>	<b>3,464,598</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term financing		2,073,137	2,228,857
Lease liability against right-of-use asset		14,444	-
Deferred taxation		364,596	526,893
		<b>2,452,177</b>	<b>2,755,750</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,171,009	1,424,245
Accrued finance cost		337,932	146,236
Short term borrowings		4,214,339	2,658,448
Unclaimed dividend		10,110	8,221
Current portion of long term financing		927,286	831,045
Current portion of lease liability against right-of-use asset		1,043	712
		<b>7,661,719</b>	<b>5,068,907</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8	-	-
		<b>13,429,908</b>	<b>11,289,255</b>

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

  
**NOOR MUHAMMAD ZAKARIA**  
Chief Executive Officer

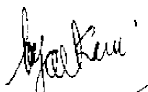
  
**ZIA ZAKARIA**  
Chairman

  
**MUHAMMAD HANIF CHAMDIA**  
Chief Finance Officer

**CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2023**

	For the Nine Months		For the quarter	
	October-June 2023	2022	April-June 2023	2022
----- (Rupees in '000) -----				
<b>Note</b>				
Sales	8,999,146	7,345,343	2,725,426	2,395,409
Cost of sales	(7,853,483)	(6,175,044)	(2,182,345)	(2,171,180)
Gross profit	1,145,663	1,170,299	543,081	224,229
Profit from trading activities	-	4,739	-	-
	1,145,663	1,175,038	543,081	224,229
Distribution cost	(61,489)	(53,832)	(19,190)	(17,872)
Administrative expenses	(668,807)	(595,020)	(211,317)	(201,318)
Other operating expenses	(10,119)	(19,899)	(3,505)	14,377
	(740,415)	(668,751)	(234,012)	(204,813)
Other income	405,248	506,287	309,069	19,416
	27,366	10,612	13,024	3,007
Finance cost	432,614	516,899	322,093	22,423
	(886,046)	(455,003)	(401,180)	(233,241)
	(453,432)	61,896	(79,087)	(210,818)
Share of profit from associates	377,991	199,421	81,658	128,246
<b>(Loss)/profit before taxation</b>	<b>(75,441)</b>	<b>261,317</b>	<b>2,571</b>	<b>(82,572)</b>
Taxation				
- Current	(113,586)	(105,708)	(17,683)	(35,658)
- Prior	(19,539)	-	-	-
- Deferred	162,349	(698)	55,260	124,285
	29,224	(106,406)	37,577	88,627
<b>(Loss)/profit after taxation</b>	<b>(46,217)</b>	<b>154,911</b>	<b>40,148</b>	<b>6,055</b>
(Loss)/earning per share				
- Basic and diluted- (Rupees)	(2.26)	7.57	1.96	0.30

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

  
NOOR MUHAMMAD ZAKARIA  
Chief Executive Officer


  
ZIA ZAKARIA  
Chairman

  
MUHAMMAD HANIF CHAMDIA  
Chief Finance Officer

**CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2023**

	<u>For the Nine Months</u>		<u>For the quarter</u>	
	<u>October-June</u>		<u>April-June</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	----- (Rupees in '000) -----			
<b>(Loss)/profit after taxation</b>	<b>(46,217)</b>	154,911	<b>40,148</b>	6,055
<b>Other comprehensive income</b>	-	-	-	-
<b>Total Comprehensive (loss) / income</b>	<b>(46,217)</b>	154,911	<b>40,148</b>	6,055

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



**NOOR MUHAMMAD ZAKARIA**  
Chief Executive Officer



**ZIA ZAKARIA**  
Chairman



**MUHAMMAD HANIF CHAUDHARY**  
Chief Finance Officer



**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2023**

	Note	June 2023	June 2022
<b>(Rupees in thousand)</b>			
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss)/profit before taxation		(75,441)	261,317
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment	4.1	248,292	260,552
Depreciation of right-of-use assets		5,424	5,382
Amortization of intangible assets		330	-
Gain on disposal of property, plant and equipment		(3,334)	(4,995)
Provision for obsolescence and slow moving items		851	10,232
Finance cost		884,988	454,942
Interest on lease liability against right-of-use assets		1,058	61
Share of profit from associates		(377,991)	(199,421)
		<u>759,618</u>	<u>526,753</u>
<b>Cash generated before working capital changes</b>		<b>684,177</b>	<b>788,070</b>
<b>(Increase) / decrease in current assets</b>			
Stores, spare parts and loose tools		(51,204)	(123,724)
Stock in trade		(1,830,874)	(3,339,708)
Trade debts		206,865	(361,837)
Loans and advances		(78,291)	(46,008)
Trade deposits and short term prepayments		(5,839)	(594)
Short term investment		(3,221)	-
Other receivables		(11,211)	2,626
		<u>(1,773,775)</u>	<u>(3,869,245)</u>
<b>Increase in current liabilities</b>			
Trade and other payables		746,818	795,241
Short term borrowings		1,555,891	2,573,792
		<u>2,302,709</u>	<u>3,369,033</u>
		<b>1,213,111</b>	<b>287,858</b>
<b>Payments for</b>			
Income tax		(188,787)	(176,967)
Finance cost		(694,350)	(283,176)
Long term loans-net		(3,092)	(1,248)
Long term deposits -net		(913)	(1,300)
		<u>(887,142)</u>	<u>(462,691)</u>
<b>Net cash inflows from operating activities</b>		<b>325,969</b>	<b>(174,833)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Addition in property, plant and equipment		(266,092)	(263,221)
Sale proceeds from disposal of property, plant and equipment		3,863	6,226
Dividend received		82,495	9,899
Net cash used in investing activities		<u>(179,734)</u>	<u>(247,096)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		500,000	1,075,000
Repayment of long term financing		(559,482)	(486,250)
Payments for lease liability against right of use asset		(3,181)	(3,859)
Dividend paid		(100,480)	(101,287)
Net cash used in financing activities		<u>(163,143)</u>	<u>483,604</u>
<b>Net decrease in cash and cash equivalents</b>		<b>(16,908)</b>	<b>61,675</b>
Cash and cash equivalents at the beginning of the period		253,552	231,482
<b>Cash and cash equivalents at the end of the period</b>		<b>236,644</b>	<b>293,157</b>

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

  
NOOR MUHAMMAD ZAKARIA  
Chief Executive Officer

  
ZIA ZAKARIA  
Chairman

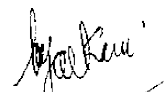
  
MUHAMMAD HANIF CHAMDIA  
Chief Finance Officer



## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2023

	Issued, Subscribed & paid up capital	General reserves	Un-appropriated profit	Share of associate's unrealized (loss) on remeasurement of investment at fair value through OCI	Capital Reserve - Revaluation surplus on property, plant and equipment	Total
----- (Rupees in thousand) -----						
<b>Balance as at October 1, 2021 - (Audited)</b>	204,737	1,000,000	916,054	(2,596)	1,303,580	3,421,775
<b>During the nine months ended June 30, 2022</b>						
<b>Transaction with owners</b>						
Final dividend for the year ended September 30, 2021 @ Rs 5.00 per share	-	-	(102,369)	-	-	(102,369)
<b>Total comprehensive income for the nine months ended June 30, 2022</b>	-	-	154,911	-	-	154,911
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax from:						
Company's Revaluation Surplus	-	-	33,898	-	(33,898)	-
Shares of associates incremental depreciation of revaluation surplus	-	-	12,578	-	(12,578)	-
	-	-	46,476	-	(46,476)	-
<b>Balance as at June 30, 2022</b>	204,737	1,000,000	1,015,072	(2,596)	1,257,104	3,474,317
<b>Balance as at October 01, 2022 - (Audited)</b>	204,737	1,000,000	1,045,771	(2,413)	1,216,503	3,464,598
<b>During the half year ended March 31, 2023</b>						
<b>Transaction with owners</b>						
Final dividend for the year ended September 30, 2022 @ Rs 5 per share	-	-	(102,369)	-	-	(102,369)
<b>Total comprehensive (loss) for the nine months ended June 30, 2023</b>	-	-	(46,217)	-	-	(46,217)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax from:						
Company's Revaluation Surplus	-	-	30,688	-	(30,688)	-
Shares of associates incremental depreciation of revaluation surplus	-	-	8,033	-	(8,033)	-
	-	-	38,721	-	(38,721)	-
<b>Balance as at March 31, 2023</b>	204,737	1,000,000	935,906	(2,413)	1,177,782	3,316,012

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



**NOOR MUHAMMAD ZAKARIA**  
Chief Executive Officer



**ZIA ZAKARIA**  
Chairman



**MUHAMMAD HANIF CHAMDIA**  
Chief Finance Officer

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## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2023

### 1 The Company and its Operations

The Company was incorporated in Pakistan as a public limited company on August 08, 1969 and its shares are quoted at the Pakistan Stock Exchange Limited. The Company own operates sugar, medium density fiber (MDF) board and generation of power units which are loacated at Shahpur Jahania, District Shaheed Benazirabad and Nushero Feroze in the Province of Sindh. The registered office of the Company is located at 96-A, Sindhi Muslim Cooperative Housing Society, Karachi, Sindh. The area of Sugar mill occupes and over area 150.175 Acres and MDF board division occupies and over area 57.075 Acres.

The Company owns and operates sugar, medium density fiber (MDF) board manufacturing unit which are loacated at District Shaheed Benazirabad and Noushero Feroz in the province of Sindh. The total area of industry land which includes the main factory is spread over 207.25 acers.

### 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, 2022.

### 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 upto 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, do not have any impact on the condensed interim financial statements, and are therefore not disclosed.



**3.4** The preparation of these condensed interim financial statements requires management to make estimates, assumptions and use of 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	Unaudited June 30, 2023	Audited September 30, 2022
Rupees in '000			
<b>4. PROPERTY PLANT AND EQUIPMENT</b>			
Operating fixed Assets	4.1	4,806,576	4,787,410
Capital Work in Progress	4.2	124,550	126,445
		<b>4,931,126</b>	<b>4,913,855</b>
<b>4.1 Operating Fixed Assets:</b>			
Opening Net Book Value (NBV)		<b>4,787,410</b>	4,794,225
<b>Direct Additions during the period/year</b>			
Non-Factory Building		-	
Plant and Machinery		21,674	64,616
Power Plant		11,920	
Office Equipment		6,185	13,972
Vehicles		45,759	36,616
		<b>85,538</b>	115,204
<b>Transfer from CWIP during the period/year</b>			
Factory Building		915	2,947
Plant and Machinery including power plant		181,534	210,422
		<b>182,449</b>	213,369
<b>Net Book Value of Asset disposed off during the period/year</b>			
Vehicles		(529)	(14,618)
<b>Depreciation Charged for the period/year</b>			
		(248,292)	(320,770)
<b>Closing Net Book Value</b>		<b>4,806,576</b>	<b>4,787,410</b>

	Note	Unaudited June 30, 2023	Audited September 30, 2022
Rupees in '000			
<b>4.2 Capital Work in Progress</b>			
<b>Opening Balance</b>		126,445	45,519
<b>Addition during the period/year</b>			
Civil Work		25,429	30,067
Plant and Machinery including power plant	4.2.1	155,125	264,228
		180,554	294,295
<b>Capitalization during the period/year</b>			
Civil Work		(915)	(2,947)
Plant and Machinery including power plant		(181,534)	(210,422)
		(182,449)	(213,369)
<b>Closing Balance</b>		124,550	126,445

**4.2.1** Additions to plant and machinery under installation includes borrowing cost of Rs.Nil (2022:Nil).

	Note	Unaudited June 30, 2023	Audited September 30, 2022
Rupees in '000			
<b>5. RIGHT-OF-USE ASSETS</b>			
Opening Balance		3,429	10,605
Addition during the period/year		17,957	-
Depreciation during the period/year		(5,424)	(7,176)
		15,962	3,429
<b>6. INTANGIBLE ASSETS</b>			
Opening Balance		1,335	16,936
Amortization during the period/year		(330)	(15,601)
		1,005	1,335



## 7. LONG TERM INVESTMENTS

Investment in associated undertakings:-

	Shahmurad Sugar Mills Limited	Al Noor Modaraba Management (Pvt) Limited	Total June 30, 2023	Total September 30 2022
Opening balance	943,445	1,095	944,540	729,327
Share of profit of associate for the period / year	377,991	-	377,991	257,895
Shares of associate's unrealized (loss) on remeasurement of associate's investment at fair value through OCI	-	-	-	215
Dividend received during the period / year	(82,495)	-	(82,495)	(42,897)
	295,496	-	295,496	215,213
	1,238,941	1,095	1,240,036	944,540

- 7.1. The company holds 14.285% (September 2022:14.285%) interest in Al-Noor Modaraba Management (Pvt) Ltd, and holds 15.625% (September 2022:15.625%) interest in Shahmurad Sugar Mills Limited. Since the financial statements of Al Noor Modaraba Management (Pvt) Limited are not prepared except on year end June 30; and are not material hence no effect of results of Al-Noor Modaraba Management (Pvt) Ltd has been taken in this condensed interim financial statements, however in the case of Shahmurad Sugar Mills Ltd, the share of profit has been taken on the basis of its reviewed condensed interim financial statements for the nine months period ended 30th June 2023.

## 8. CONTINGENCIES AND COMMITMENTS

### 8.1 Contingencies

There is no change in contingencies as reported in note no.26 of the annual financial statement of the Company for the year ended September 30, 2022 except as follow:

- 8.2 As disclosed in note no. 26.10 of the annual financial statements for the year ended September 30, 2022, Federal Board of Revenue (FBR) passed detrimental order in the matter of tax audits for tax year 2016 whereby frivolous tax demand of Rs.8,857 million was created as well as penalty of Rs.8,857 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 has been decided in favor of the Company and the said tax demand as well as penalty has been deleted by CIRA.

- 8.3** As disclosed in note no. 26.11 of the annual financial statements for the year ended September 30, 2022, Assistant/Deputy Commissioner Inland Revenue (DCIR) passed order in the matter of show cause notices issued under section 161(1A) for tax years 2016, 2017, 2019 and 2020 whereby aggregated demand of Rs.76.314 million was created. The Company had preferred appeals to Commissioner Inland Revenue [Appeal] (CIRA) against the said orders and CIRA has decided matters of tax years 2016, 2017 and 2019 against the Company which has been challenged by the company before the Appellant tribunal. However, subsequent to period end in the matter of tax year 2020, involving tax demand of Rs. 52.011 million and default surcharge and penalty aggregating to Rs. 20.761 million, CIRA has annulled the impugned order of DCIR. The Company also believes that the appeals pending before the Appellant tribunal will also be decided favorably.
- 8.4** The Federal Government, through Finance Act, 2022, levied Super Tax on high earning persons by way of inserting section 4-C, in the Income Tax Ordinance, 2001. The Company along with other petitioners, has challenged the imposition in the Honourable Sindh High Court concluded that "the 1st proviso to Division IIB of Part I of the First Schedule to the Ordinance was found to be prima facie discriminatory". Furthermore, in the petition the Honourable Court has passed an interim order allowing the petitioners to file the Income Tax Returns without payment of the Super Tax and has restrained tax authorities, from taking any coercive action against the Company. The Company has provided required security of Rs. 48.846 million worked out at the rate of ten percent in respect of tax year 2022 to Nazir of High Court Sindh. Thereafter, order of the Honourable High Court was challenged by the Federal Government before the Honourable Supreme Court of Pakistan and the Honourable Supreme Court in the interim order has directed to deposit the amount of super tax at rate of four percent over the eligible income till the final decision. The Company is confident that the matter will be decided favorably, however, as a matter of prudence the Company has recorded provision to the extent of amount deposited under direction of the Honourable Supreme Court, i.e., Rs. 19.539 million being four percent of income defined in the section 4-C.

**Unaudited                      Audited**  
**June 30,                      September 30,**  
**2023                              2022**  
**Rupees in '000**

**8.5 Commitments as on the balance sheet date**

Letters of credit		
Stores	<b>137,402</b>	45,698
Raw Material	<b>529,146</b>	144,322
Machinery	<b>8,735</b>	55,846
	<b>675,283</b>	245,866



	For Nine Months October-June		For the quarter April-June	
	2023	2022	2023	2022
----- (Rupees in '000) -----				
<b>9. COST OF SALES</b>				
Opening stock of finished goods	2,731,036	1,213,057	5,426,065	5,358,704
Cost of goods manufactured	9,715,852	9,403,783	1,349,685	1,254,272
	12,446,888	10,616,840	6,775,750	6,612,976
Closing stock of finished goods	(4,593,405)	(4,441,796)	(4,593,405)	(4,441,796)
	7,853,483	6,175,044	2,182,345	2,171,180

9.1 Stock of refined sugar amounting to Rs.4,148.75 Million ( 2022:Rs.3,822.988 Million) has been pledged against cash finance facilities and Murabaha/Istisna arrangements.

9.2 Stock in trade includes stocks costing of Rs.497.012 million ( 2022: Nil) written down to their net realizable value of Rs.491.742 million (2022: Nil). Stock of molasses and bagasse valued at aggregate net realizable value of Rs.225.491 million. (2022: Rs.64.742 million)

#### 10. TRANSACTIONS WITH RELATED PARTIES

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

Transactions: Relationship with the Company	Nature of Transactions	Unaudited June 30, 2023	Unaudited June 30, 2022
		(Rupees in thousand)	
<b>Associates</b>			
Shahmurad Sugar Mills Ltd	Sale of goods	1,065,332	899,730
	Dividend received	82,495	9,899
	Share of profit in associates	377,991	199,421
Reliance Insurance Compnay Ltd	Insurance premium paid	11,434	27,633
	Insurance claim received	942	3,917
<b>Other Related Parties</b>			
Directors' and key management personnel	Director's remuneration	26,010	18,974
	Executives remuneration	123,405	97,262
	Directors meeting fee	695	230
Staff provident fund	Contribution made during period including directors	24,815	21,715
<b>Balances</b>			
<b>Relationship with the Company</b>		Unaudited June 30, 2023	Audited September 30, 2022
(Rupees in thousand)			
<b>Associates</b>			
Shahmurad Sugar Mills Ltd	Trade & other payables	-	237,502
Reliance Insurance Compnay Ltd	Trade & other payables	20,439	-
Staff provident fund	Trade & other payables	5,118	1,148
Reliance Insurance Compnay Ltd	Insurance claim receivable	9,939	-

#### 11. RELATIONSHIP WITH THE ISLAMIC AND CONVENTIONAL FINANCIAL INSTITUTION

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

	June 2023			September 2022		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Long term financing-Musharka and others finance	1,745,417	327,720	2,073,137	1,644,166	584,691	2,228,857
Current portion of long term finance	595,417	331,869	927,286	532,917	298,128	831,045
	2,340,834	659,589	3,000,423	2,177,083	882,819	3,059,902
Accrued finance cost	97,893	240,039	337,932	75,730	70,506	146,236
Short term borrowings	2,449,998	1,764,341	4,214,339	1,097,016	1,561,432	2,658,448
Cash at bank accounts	(52,544)	(149,088)	(201,632)	(177,858)	(59,277)	(237,135)
	4,836,181	2,514,881	7,351,062	3,171,971	2,455,480	5,627,451

	June 2023			June 2022		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Finance cost	491,747	394,299	886,046	94,464	360,539	455,003
Borrowing cost capitalized	-	-	-	-	-	-
Income on saving account	(21,901)	-	(21,901)	(4,617)	-	(4,617)
	469,846	394,299	864,145	89,847	360,539	450,386





## 12. SEGMENT INFORMATION

The Company's operations are organized and managed separately according to the nature of products produced with each segment representing a strategic business unit that offers different products and serves different markets. The sugar segment is the manufacturer of sugar and board segment is a manufacturer of Medium Density Fiber (MDF) board. The following tables represent revenue and profit information regarding business segment for the period ended June 30, 2023 and June 30, 2022 and assets and liabilities information regarding business segments as at June 30, 2023 and September 30, 2022:

	Sugar		MDF Board		Total	
	Nine months ended June 30,		Nine months ended June 30,		Nine months ended June 30,	
	2023	2022	2023	2022	2023	2022
	------(Rupees in '000)-----					
<b>Revenue</b>						
External Sales	4,378,882	2,969,101	4,620,264	4,376,242	8,999,146	7,345,343
External Sales of by-product	1,106,638	985,999	7,535	4,404	1,114,173	990,403
Inter-segment transfer- Electricity	110,947	97,691	-	-	110,947	97,691
Inter-segment transfer- Bagasse	105,964	64,147			105,964	64,147
	<b>5,702,431</b>	4,116,938	<b>4,627,799</b>	4,380,646	10,330,230	8,497,584

### RESULTS

Profit from operation	97,082	292,603	308,166	213,684	405,248	506,287
Other Income	5,465	3,059	21,901	7,553	27,366	10,612
Finance cost					(886,046)	(455,003)
Share of profit from associates					377,991	199,421
(Loss)/profit before tax					(75,441)	261,317
Taxation					29,224	(106,406)
Net (loss)/profit after taxation for the period					(46,217)	154,911

Other Comprehensive Income / (loss)

### OTHER INFORMATION

Capital expenditures	207,223	9,398	58,869	111,932	266,092	121,330
Depreciation	101,983	100,090	146,309	160,462	248,292	260,552
Depreciation on right-of-use assets	-	-	5,424	5,382	5,424	5,382
Amortization	330	-	-	-	330	-

	Sugar		MDF Board		Total	
	June 30, 2023	September 30, 2022	June 30, 2023	September 30, 2022	June 30, 2023	September 30, 2022
----- (Rupees in '000) -----						
<b>Statement of financial position</b>						
<b>Assets</b>						
Segment assets	7,758,453	6,039,211	4,081,597	4,011,344	11,840,050	10,050,555
Investment in associates	1,240,036	944,540	-	-	1,240,036	944,540
Unallocated assets	-	-	-	-	349,822	294,160
Total assets					<u>13,429,908</u>	<u>11,289,255</u>
<b>Liabilities</b>						
Segment liabilities	9,205,187	6,761,241	877,912	1,034,508	10,083,099	7,795,749
Unallocated liabilities					30,797	28,908
					<u>10,113,896</u>	<u>7,824,657</u>

#### Geographical Information

All non-current assets of the Company are located in Pakistan. Company's local sales represent sales to various external customers in Pakistan whereas export sales of Rs.285.254 million(2022: 68.385 million) represent sales to customers in various countries of Asia as follows:

Pakistan	8,498,151	7,276,959
Afghanistan	253,869	42,573
Behrain	-	25,811
Kuwait	35,559	-
Indonesia	168,438	-
Thailand	43,129	-
	<u>8,999,146</u>	<u>7,345,343</u>

#### 13. WORKER'S PROFIT PARTICIPATION FUND, WORKERS WELFARE FUND AND TAXATION

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

#### 14. FAIR VALUES

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

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

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

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

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

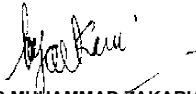
Financial assets and liabilities of the Company are either short term in nature or are repriced periodically therefore; their carrying amounts approximate their fair values.

#### 15. AUTHORIZATION

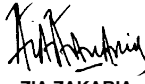
These condensed interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on July 25, 2023.

#### 16. GENERAL

Amounts have been rounded off to the nearest thousand rupee unless otherwise stated.



**NOOR MUHAMMAD ZAKARIA**  
Chief Executive Officer



**ZIA ZAKARIA**  
Chairman




**MUHAMMAD HANIF CHAMDIA**  
Chief Finance Officer

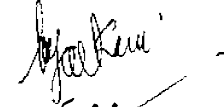
## بورڈ آف ڈائریکٹرز:

موجودہ بورڈ آف ڈائریکٹرز کی میعاد 30 مارچ 2023 کو مکمل ہوئی اور مذکورہ تاریخ کو منعقدہ ایکسٹرا آرڈینری جنرل میٹنگ میں شیئرز ہولڈرز نے مذکورہ تاریخ سے درج ذیل شخص کو ایگزیکٹو ڈائریکٹر کا انتخاب کیا۔

1. جناب ضیاء زکریا نان ایگزیکٹو ڈائریکٹر
2. جناب نور محمد زکریا ایگزیکٹو ڈائریکٹر
3. جناب محمد سلیم ایوب ایگزیکٹو ڈائریکٹر
4. جناب اسد احمد محی الدین نان ایگزیکٹو ڈائریکٹر
5. محترمہ منیہ ایوب نان ایگزیکٹو ڈائریکٹر
6. جناب فرخ یاسین آزاد ڈائریکٹر
7. جناب خرم آفتاب آزاد ڈائریکٹر

بورڈ آف ڈائریکٹرز اپنے معزز اسٹیٹک ہولڈرز کو یقین دلانا چاہتا ہے کہ ان شاء اللہ بہتر نتائج کے حصول کے لیے سرشار کوششیں کی جارہی ہیں۔ اللہ تعالیٰ سے دعا ہے کہ وہ ہمارے مطلوبہ اہداف کے حصول کے لیے ہماری رہنمائی اور مدد کرے۔ (آئین)

  
ضیاء زکریا  
ڈائریکٹر/چیئر مین

  
نور محمد زکریا  
چیف ایگزیکٹو آفیسر

کراچی: 25 جولائی 2023

شعبہ جات کی کارکردگی کو درج ذیل بیان کیا گیا ہے۔

### شوگر ڈویژن:

اس عرصے کے دوران گنے کی فصل گزشتہ سال کی طرح اچھی نہیں رہی اور مل نے 789,713 میٹرک ٹن گنے کی کرشنگ کی اور 79,575 میٹرک ٹن چینی پیدا کی۔ گزشتہ سال اسی عرصے کے دوران، مل نے 940,764 میٹرک ٹن گنے کی پہائی کی اور 98,110 میٹرک ٹن چینی پیدا کی۔ چینی کی موجودہ مدت کی پیداوار 18.89 فیصد یا 18,535 میٹرک ٹن کم ہے۔ جیسا کہ موجودہ سیزن کے دوران، گنے کی فصل اچھی نہیں تھی جیسا کہ کرشنگ کے کم حجم اور چینی کی پیداوار میں کمی سے ظاہر ہے۔ یہ توقع کی جاتی ہے کہ سیزن کے دوران چینی کی پیداوار کم رہے گی لیکن توقع ہے کہ ملک کی ضروریات کو پورا کرے گا جس میں پچھلے سال کی پیداوار سے باہر گیری اور اسٹاک شامل ہے۔ خام مال کی عدم دستیابی کی وجہ سے کرشنگ موجودہ مدت کے دوران 112 دن سے کم ہو کر 94 دن رہ گئے ہیں۔ حکومت سندھ نے گنے کی قیمت 250 روپے سے بڑھا کر 302 روپے فی چالیس کلوگرام کر دی ہے جس سے چینی کی پیداواری لاگت میں اضافہ ہوا ہے۔ شوگر مل کو سیزن کے دوران پیداواری عمل میں رکاوٹ سے بچنے کے لیے دور دراز کے علاقوں سے خام مال منگوانا پڑتا ہے۔

### ایم ڈی ایف بورڈ ڈویژن:

زیر عرصے کے دوران MDF بورڈ ڈویژن نے مختلف موٹائی میں 48,545 کیوبک میٹر بورڈ کی پیداوار کی جو کہ گزشتہ سال کی اسی مدت میں 58,084 کیوبک میٹر پیدا کی گئی تھی۔ پیداوار گزشتہ مدت کے مقابلے میں 9,539 کیوبک میٹر یا 16.42 فیصد کم ہے۔ سیلاب کے اثر کے بعد کی وجہ سے کی دستیابی میں کمی آئی تھی جس نے صوبے میں سڑکوں اور پلوں کو نقصان پہنچایا جن کی بحالی کی ضرورت ہے۔ جنگل خام مال کا بنیادی ذریعہ ہے۔ زیادہ بارش اور سیلاب کی وجہ سے بھی متاثر ہوا تھا۔

### مستقبل کا جائزہ:

مستقبل کا آؤٹ لک توقع ہے کہ اگلے کرشنگ سیزن کے دوران ملک میں گنے کی فصل میں بہتری آئے گی کیونکہ موجودہ سیزن کے دوران کاشتکاروں کو زیادہ قیمتوں اور بروقت ادائیگی کی جارہی ہے۔ قدرتی بارشوں کا حالیہ اچھا سلسلہ آنے والے کرشنگ سیزن کے دوران خام مال کی دستیابی میں بھی اضافہ کرے گا اور کرشنگ سیزن کے آغاز تک سیزن کے بقیہ عرصے کے دوران آبپاشی کے نظام کے ذریعے پانی کی دستیابی کو بھی بہتر بنایا جائے گا۔ توقع ہے کہ حکومت چینی کی برآمد کی اجازت دینے کا بروقت فیصلہ کرے گی جس سے شوگر ملوں کی لیکویڈیٹی کی کمی میں بہتری آئے گی اور نئے کرشنگ سیزن کے بروقت آغاز کے لیے فائدہ مند ثابت ہوگا۔

MDF ڈویژن کا مستقبل کا نقطہ نظر یا تیار معلوم ہوتا ہے کیونکہ ڈویژن کی مصنوعات نے ملکی اور بین الاقوامی منڈیوں میں بھی اپنی قابل قبولیت قائم کر لی ہے۔

## ڈائریکٹرز کی رپورٹ

محترم ممبران السلام علیکم!

بورڈ آف ڈائریکٹرز کی جانب سے مجھے آپ کے سامنے 30 جون 2023 کو ختم ہونے والی مدت کے لیے آپ کی کمپنی کے غیر آڈٹ شدہ اکاؤنٹس پیش کرتے ہوئے خوشی ہو رہی ہے۔

پیداوار اور مالی بیانات کی نمایاں خصوصیات حسب ذیل ہیں:

2022 جون 30	2023 جون 30	معلومات بابت پیداوار
940,764	789,713	گنے کی پسائی (میٹرک ٹن)
98,110	79,575	پیداوار برائے چینی (میٹرک ٹن)
10.43	10.09	ریکوری برائے چینی (فیصد)
43,125	36,100	پیداوار برائے راب (میٹرک ٹن)
58,084	48,545	ایم ڈی ایف پیداوار (کیوبک میٹر)

(روپے ہزاروں میں)	(روپے ہزاروں میں)	مالیاتی معلومات
7,345,343	8,999,146	فروختگی
(6,175,044)	(7,853,483)	لاگت برائے فروختگی
1,170,299	1,145,663	خام منافع
(53,832)	(61,489)	اخراجات برائے ترسیل
(19,899)	(10,119)	دیگر آپریٹنگ لاگت
(595,020)	(668,807)	انتظامی اخراجات
(455,003)	(886,046)	مالیاتی اخراجات
15,351	27,366	دیگر آمدن
199,421	377,991	منافع کا حصہ ایسوسی ایٹ میں
261,317	(75,441)	نقصان/منافع قبل از ٹیکس
(106,406)	29,224	ٹیکس کے لئے فراہمی
154,911	(46,217)	نقصان/منافع بعد از ٹیکس
Rs.7.57	Rs.(2.26)	نقصان/منافع فی حصص (بنیادی)

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