

SMS/SHRS/CBS-1

February 20, 2024

The General Manager,
M/s. Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: **CORPORATE BRIEFING SESSION**

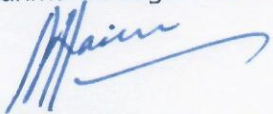
Dear Sir,

In continuation to our letter No.SMS/SHRS/CBS-1 dated February 19, 2024, we are enclosing herewith presentation of Corporate Briefing Session.

We would appreciate your assistance in communicating this information to TRE Certificate Holders of the Exchange,

Thanking you,

Yours faithfully,
for Shahmurad Sugar Mills Limited



M. Yasin Mughal
Company Secretary.

SHAHMURAD SUGAR MILLS LTD

CORPORATE BRIEFING 2022-2023

Dated 22-02-2024

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Group Profile

Al-Noor Group

The Al-Noor Group first began trading activities in the late nineteenth century in Mauritius.

In 1897 sugar manufacturing facilities on a very small scale were opened in Mauritius and thereafter offices in India, Sri Lanka and Burma were established to handle trading of sugar, rice and jute.

After the partition of the sub-continent the Group established Noori Trading Corporation (Pvt) Limited at Karachi to handle the trading of general merchandize. In 1960 Noori Sugar Factory was established with a cane research farm in Moro/Nawabshah District, and with a small sugar-manufacturing unit.

In 1971 Al-Noor Sugar Mills Limited was commissioned and the Company was listed on the Karachi Stock Exchange.

In 1980 Shahmurad Sugar Mills Limited was commissioned and also listed on the Karachi Stock Exchange.

Group Profile

Al-Noor Group

In 1984 the Group established Reliance Insurance Company Limited.

In 1987 the Al-Noor Medium Density Fiber (MDF) Board Industries (known as Lasani), was established as a unit of Al-Noor Sugar. The unit has since expended in MDF laminates and continues to expand in various furniture and décor products.

In 1991 the Al-Noor Modaraba Management Company was established and subsequently Al-Noor Modaraba was floated on the Karachi Stock Exchange.

In 1996 export of rice was started under the brand name of "Shalamar".

In 2004 an Ethanol unit installed in Shahmurad Sugar Mills Limited.

In 2018 Ethanol unit capacity enhanced by 100 tons to 200 tons by adding one more plant line.

Company Profile

The Company was incorporated in Pakistan under the repealed Companies Act 1913 (now Companies Act, 2017) as a public limited company. Its shares are quoted at the Pakistan Stock Exchange Limited. The Company owns and operates Sugar and Ethanol manufacturing units which are located a District Sujawal in the province of Sindh. The registered office of the Company is located at 96-A, Sindhi Muslim Co-operative Housing Society, Karachi, Sindh.

Incorporated as a public limited company in 1979.

Listed on the Stock Exchange since 1984.

Assets over Rs. 22 Billions.

Contributed over Rs. 1,369 million to National Exchequer in the form of direct and indirect taxes.

Directors Profile

Mr. Noor Mohammad Zakaria

Mr. Noor Mohammad Zakaria is the Director with over 47 years of diversified Trading and Industrial experience including operations.

Mr. Zia Zakaria

Mr. Zia Zakaria is the Director with over 28 years of Industrial experience including operations specifically in sugar industry and Distillery Division.

Mr. Abdul Aziz Ayoob

Mr. Abdul Aziz Ayoob is the Director with over 47 years diversified entrepreneurship and industrial experience including operations.

Mrs. Sanober Hamid Zakaria

Mrs. Sanober Hamid Zakaria (SHZ) earned her MBBS degree from Liaquat Medical Collage Hospital (LMC), Jamshoro, Hyderabad in 1989. Mrs. SHZ was the associated with a welfare Organization providing free treatment for Tuberculosis (TB) patients. Mrs. SHZ is presently associated with a community service programme which also includes provision of literacy programmes in the under privileged strata of society.

Directors Profile

Mr. Asad Ahmed Mohiuddin

Mr. Asad Ahmed Mohiuddin completed his Bachelor of Engineering degree from the Florida Institute of Technology in Chemical Engineering in 2011. He returned back to Pakistan and has dedicated his time on material sciences with the Al-Noor MDF Board Division with a special focus on process optimization. This has included but not limited to the reduction of raw material consumption along with production and quality enhancements to cater to the ever changing landscape of the Pakistani market.

Mr. Rumi Moiz

Mr. Rumi Moiz completed his Bachelor's Degree in mechanical engineering (BSME) from the University of Texas at Arlington, Texas USA in 1985. He worked as a technical advisor to the Group Chairman in Crescent Group of Companies and also worked as an engineer with Robert Frias Engineering Arlington Texas USA. Presently he is the Owner / Managing Director of Research & Development Engineering Company in developing and establishing the firm to build it into a Reputable Center of Excellence in Mechanical Engineering. Precision, High-Performance Mechanical Parts Development and Manufacture.

Directors Profile

Mr. Sheikh Asim Rafiq

Mr. Sheikh Asim Rafiq is a Fellow member of the Institute of Chartered Accountants of Pakistan. He has over 20 years diversified experience in accounting & audits, strategy and financial planning, taxation, software/ERP development and implementation, corporate affairs & Regulators' dealings in leading private and public sector organizations. He also has BOD experience of more than a decade in various listed companies primarily in Sugar industry.

He completed his Chartered Accountancy from the Institute of Chartered Accountants of Pakistan with training from A F Ferguson & Co. Chartered Accountants (PwC Pakistan); certification in International Financial Reporting Standards (IFRS) from the Institute of Chartered Accountants in England & Wales and certification in Internal Audit from the Institute of Internal Auditors, USA. He has also attended various national and international seminars & conferences on IFRS, Governance & Strategic planning. Also, he has completed renowned Leadership Grid Seminar from Grid International Inc, USA.

Business Segments

Sugar

Ethanol

PLANT CAPACITY AND PRODUCTION

Cane Crushing Capacity of 11000
M.Tons per day

250,000 liters/200 MT
production of Ethanol per day

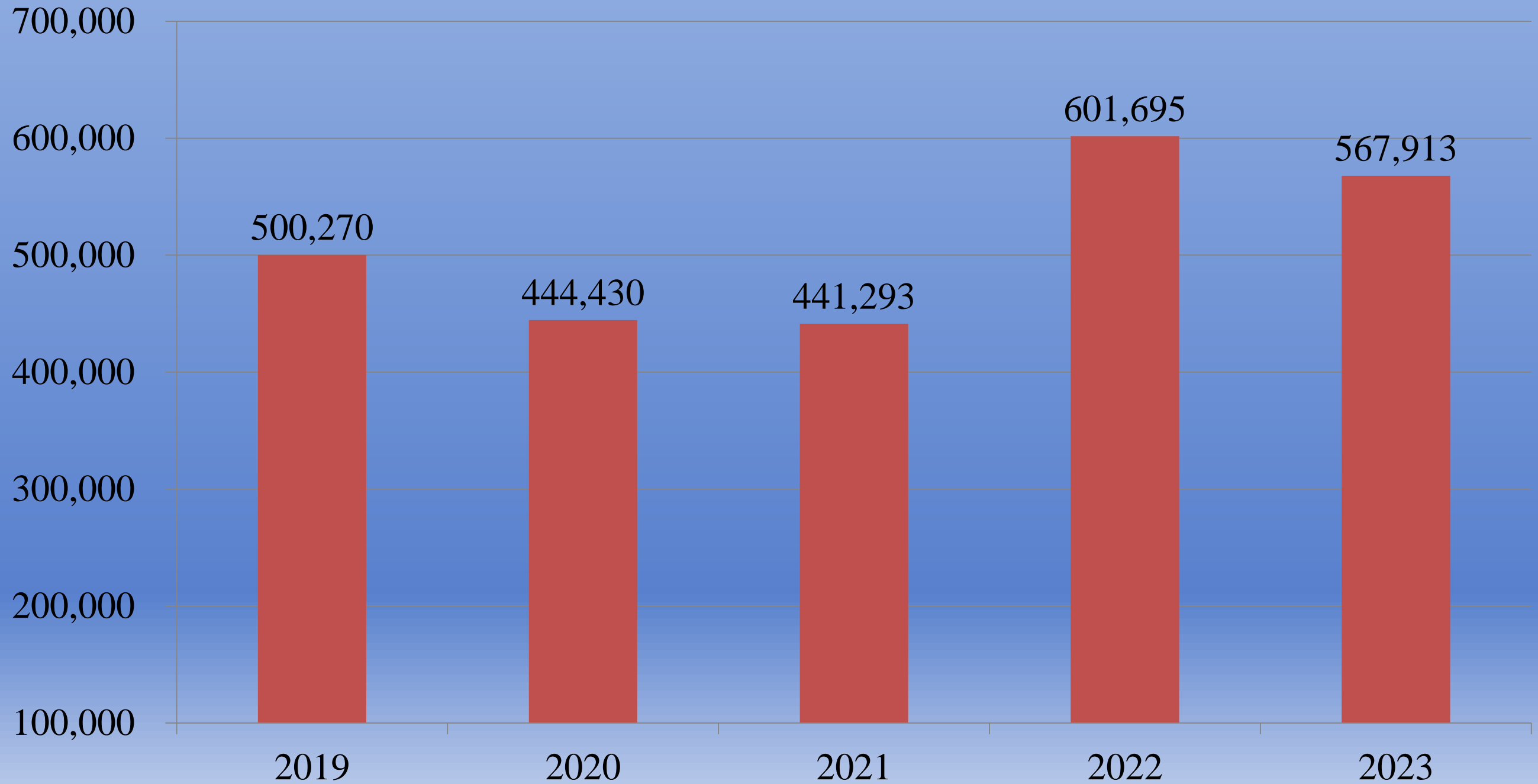
Sugar Division - Production - Data

	2019	2020	2021	2022	2023
Crushing (M.Tons)	500,270	444,430	441,293	601,695	567,913
Sugar Production (M.Tons)	55,425	48,786	47,220	66,683	60,303
Recovery %	11.08	11.00	10.70	11.08	10.60

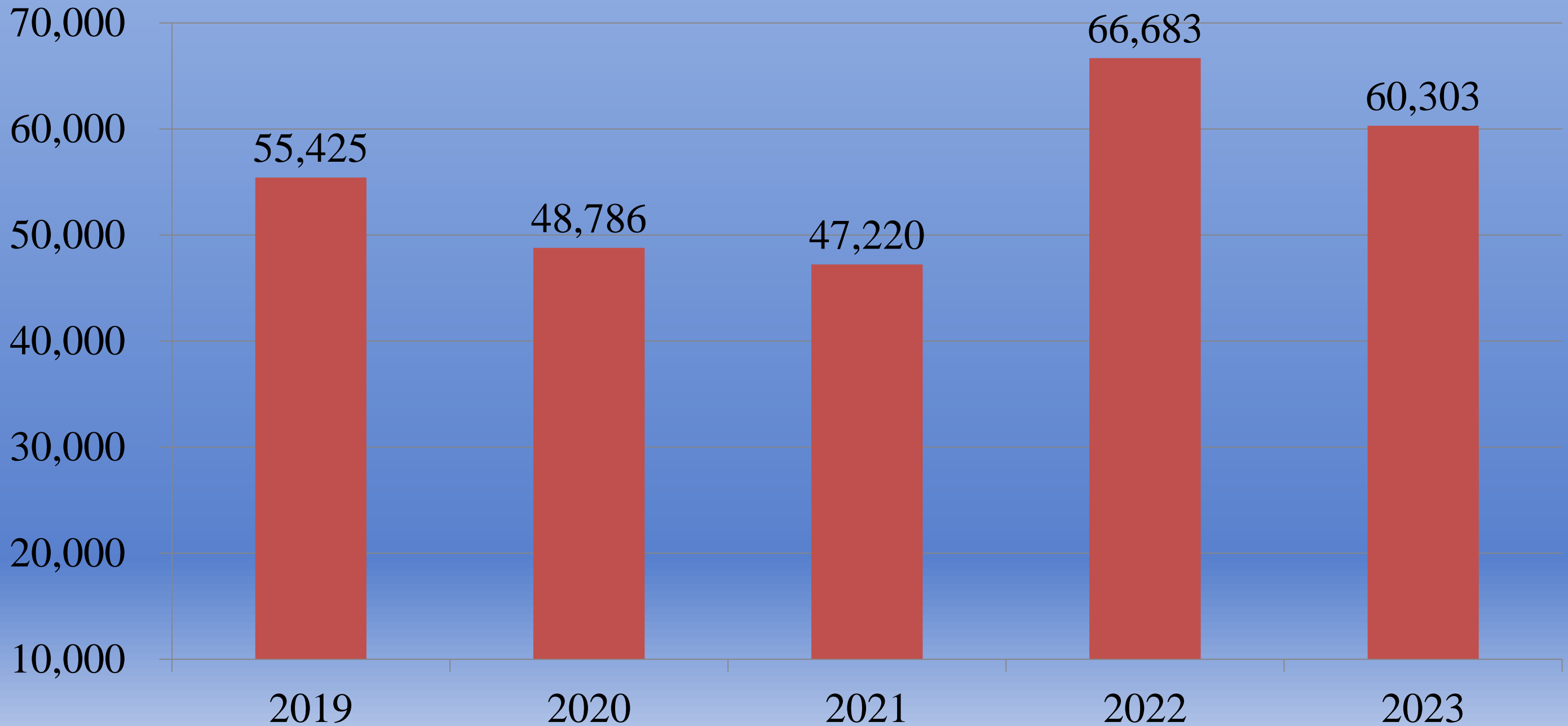
Ethanol Division - Production - Data

	2019	2020	2021	2022	2023
Ethanol Production M.Tons	57,270	47,608	42,643	69,752	69,738

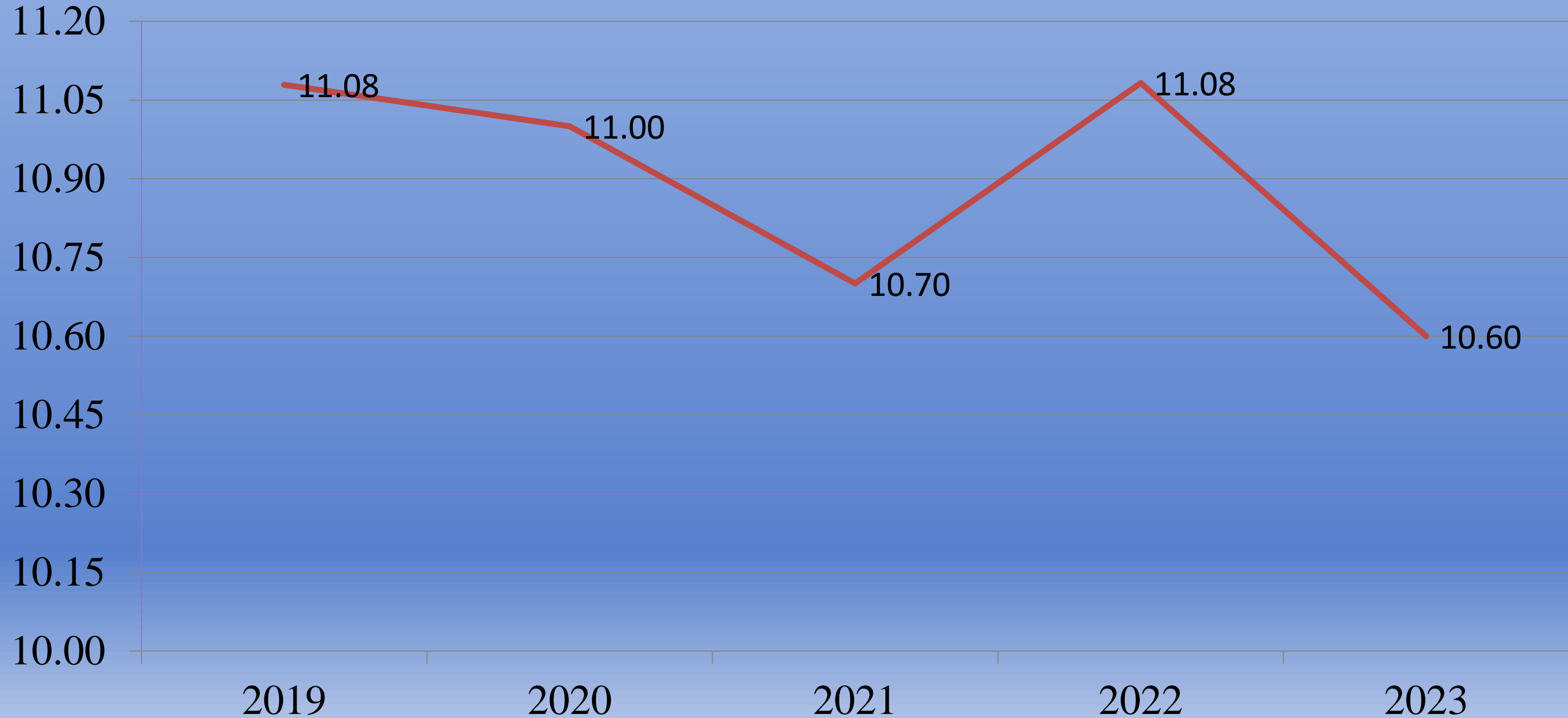
Sugar – Crushing Data – M.Tons



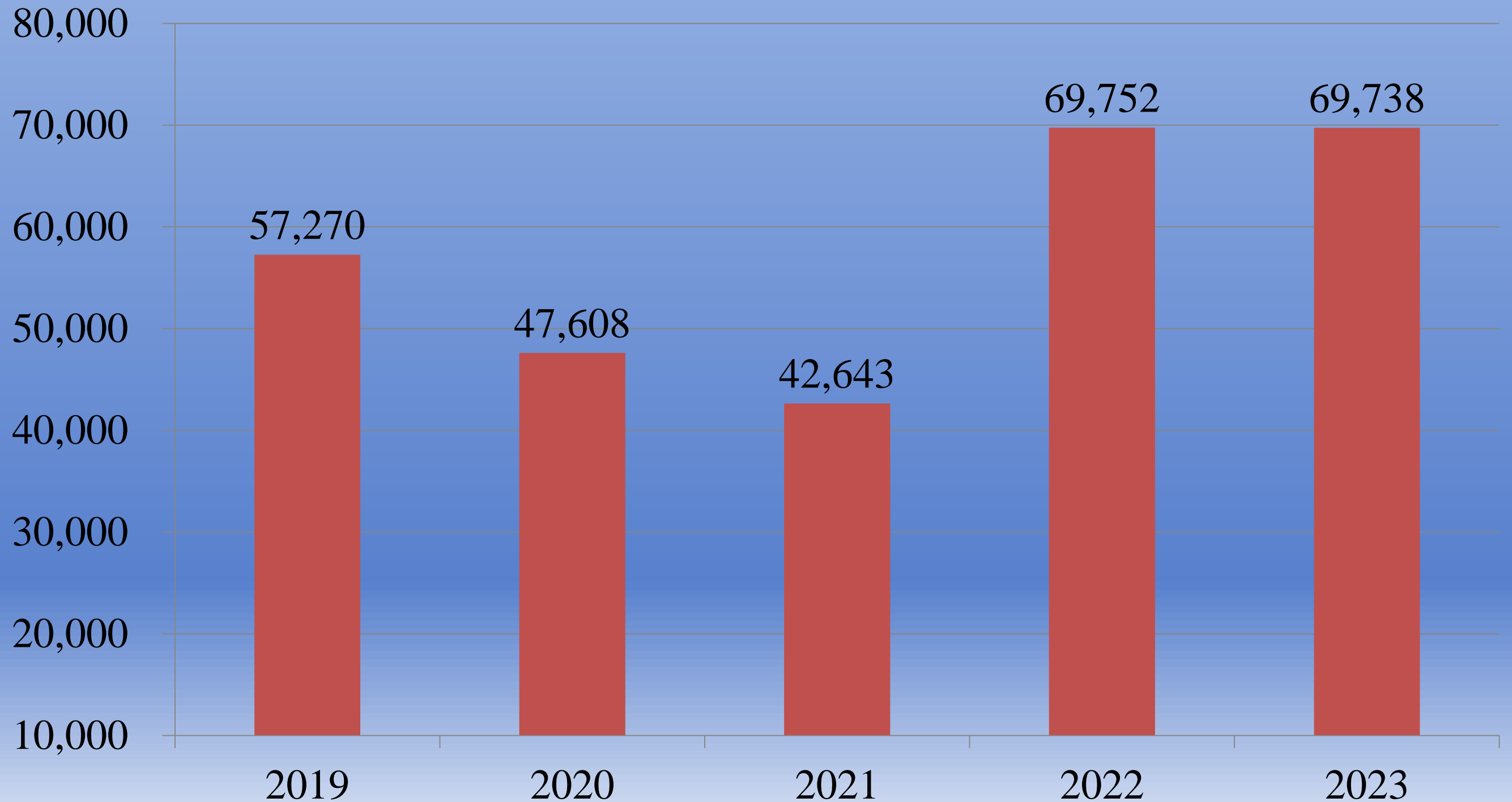
Sugar – Production Data in M.Tons



Sugar – Recovery Trend in %



Ethanol – Production Data in M.Tons



Analysis of Financial Results

Rupees in millions				
	2022		2023	
STATEMENT OF PROFIT OR LOSS	Rs.	%	Rs.	%
HORIZONTAL ANALYSIS				
Turnover	17,806.81	79.24	22,884.47	28.52
Cost of sales	(14,355.55)	56.51	(17,246.00)	20.13
Gross Profit	3,451.26	352.86	5,638.47	63.37
Distribution costs	(142.09)	227.63	(176.76)	24.40
Administrative expenses	(304.21)	19.03	(373.45)	22.76
Other operating expenses	(591.92)	580.36	(330.04)	(44.24)
Other operating income	42.47	(85.31)	665.17	1,466.26
Share of Profit from associates	(0.05)	(70.24)	(0.05)	0.00
Finance costs	(488.79)	33.32	(1,012.86)	107.22
Profit before taxation	1,966.67	558.99	4,410.48	124.26
Taxation	(315.82)	94.03	(582.86)	84.55
Net profit for the year	1,650.85	1,116.85	3,827.62	131.86

Analysis of Financial Results

	Rupees in millions			
STATEMENT OF PROFIT OR LOSS	2022		2023	
VERTICAL ANALYSIS	Rs.	%	Rs.	%
Turnover	17,806.81	100.00	22,884.47	100.00
Cost of sales	(14,355.55)	(80.62)	(17,246.00)	(75.36)
Gross Profit	3,451.26	19.38	5,638.47	24.64
Distribution costs	(142.09)	(0.80)	(176.76)	(0.77)
Administrative expenses	(304.21)	(1.71)	(373.45)	(1.63)
Other operating expenses	(591.92)	(3.32)	(330.04)	(1.44)
Other operating income	42.47	0.24	665.17	2.91
Share of Profit from associates	(0.05)	(0.00)	(0.05)	(0.00)
Finance costs	(488.79)	(2.74)	(1,012.86)	(4.43)
Profit before taxation	1,966.67	11.04	4,410.48	19.27
Taxation	(315.82)	(1.77)	(582.86)	(2.55)
Net profit for the year	1,650.85	9.27	3,827.62	16.73

Analysis of Financial Results

Rupees in millions				
STATEMENT OF FINANCIALS POSITION				
HORIZONTAL ANALYSIS				
	2022		2023	
ASSETS	Rs.	%	Rs.	%
NON CURRENT ASSETS				
Property, plant and equipment	5,551.15	5.52	10,859.04	95.62
Intangible assets	0.00	0.00	0.00	0.00
Long term investment	1.09	14.20	0.97	(11.33)
Long term loans	1.14	(18.28)	1.87	64.04
Long term deposits	2.60	7.00	3.15	21.20
Deferred taxation	0.00	0.00	0.00	0.00
	5,555.98	5.51	10,865.03	95.56
CURRENT ASSETS				
Stores, spares parts and loose tools	241.73	(18.70)	356.28	47.39
Stock in trade	3,537.70	(1.03)	4,562.11	28.96
Trade debts	1,059.15	154.91	870.40	(17.82)
Loans and advances	568.22	265.19	710.21	24.99
Trade deposits and short term prepayments	5.92	310.61	1.17	(80.24)
Other receivables	15.36	(86.93)	109.06	609.89
Short term investment	1,050.41	279,264.36	24.24	(97.69)
Income tax refundable - net	0.00	(100.00)	0.00	#DIV/0!
Cash and bank balances	1,016.21	1,790.23	5,099.54	401.82
	7,494.70	60.64	11,733.01	56.55
	13,050.68	31.41	22,598.04	73.16

Analysis of Financial Results

HORIZONTAL ANALYSIS	2022		2023	
	Rs.	%	Rs.	%
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Issued, subscribed and paid up capital	211.19	0.00	211.19	0.00
General reserves	80.00	0.00	80.00	0.00
Shares of associate's unrealised loss on remeasurement of its investments	(2.20)	(7.81)	(2.27)	3.42
Unappropriated profit	4,513.44	47.33	7,563.14	67.57
Surplus on revaluation of property, plant & equipment	1,212.12	(7.41)	5,966.46	392.23
	6,014.55	29.03	13,818.52	129.75
NON CURRENT LIABILITIES				
Long term financing	656.88	(26.61)	388.65	(40.83)
Deferred taxation	162.11	130.67	956.06	489.76
	818.99		1,344.71	64.19
CURRENT LIABILITIES				
Trade and other payables	1,334.35	64.56	2,460.28	84.38
Accrued finance cost	61.21	102.22	127.09	107.63
Short term borrowings	4,532.14	42.66	4,562.32	0.67
Loan from related parties	41.14	14.54	8.03	(80.47)
Current portion of long term financing	238.22	0.00	178.22	(25.19)
Income tax - net of payments	10.09	100.00	98.86	880.27
	6,217.14	44.43	7,434.81	19.59
	13,050.68	31.41	22,598.04	73.16

Analysis of Financial Results

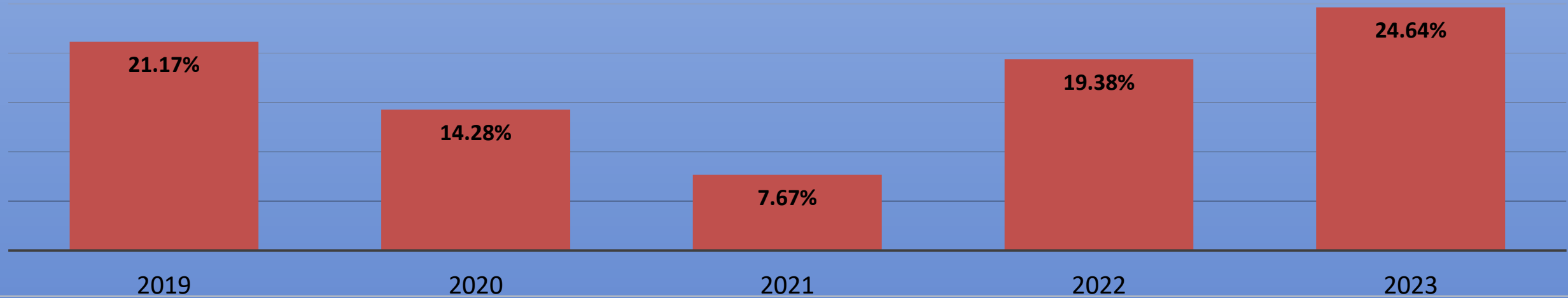
STATEMENT OF FINANCIALS POSITION		Rupees in millions		
VERTICAL ANALYSIS	2022		2023	
ASSETS	Rs.	%	Rs.	%
NON CURRENT ASSETS				
Property, plant and equipment	5,551.15	42.54	10,859.04	48.05
Intangible assets	0.00	0.00	0.00	0.00
Long term investment	1.09	0.01	0.97	0.00
Long term loans	1.14	0.01	1.87	0.01
Long term deposits	2.60	0.02	3.15	0.01
Deferred taxation	0.00	0.00	0.00	0.00
	5,555.98	42.57	10,865.03	48.08
CURRENT ASSETS				
Stores, spares parts and loose tools	241.73	1.85	356.28	1.58
Stock in trade	3,537.70	27.11	4,562.11	20.19
Trade debts	1,059.15	8.12	870.40	3.85
Loans and advances	568.22	4.35	710.21	3.14
Trade deposits and short term prepayments	5.92	0.05	1.17	0.01
Other receivables	15.36	0.12	109.06	0.48
Short term investment	1,050.41	8.05	24.24	0.11
Income tax refundable - net	0.00	0.00	0.00	0.00
Cash and bank balances	1,016.21	7.79	5,099.54	22.57
	7,494.70	57.43	11,733.01	51.92
	13,050.68	100.00	22,598.04	100.00

Analysis of Financial Results

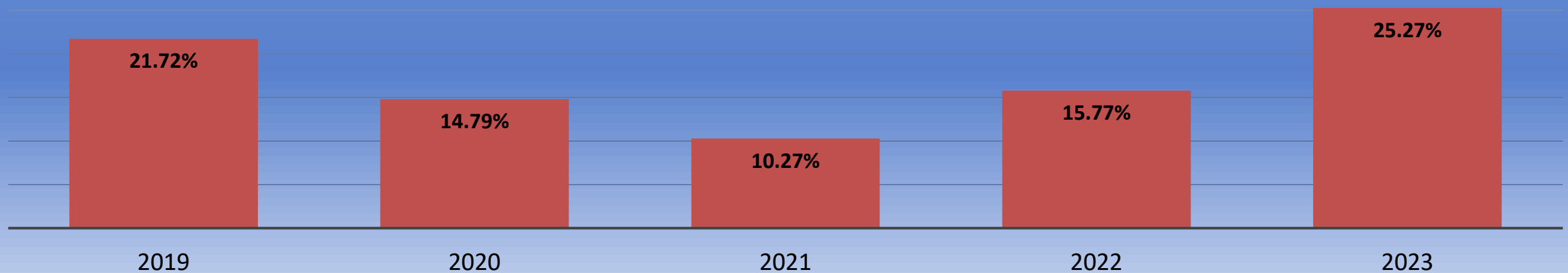
STATEMENT OF FINANCIALS POSITION	Rupees in millions		Rupees in millions	
VERTICAL ANALYSIS	2022		2023	
EQUITY AND LIABILITIES	Rs.	%	Rs.	%
SHARE CAPITAL AND RESERVES				
Issued, subscribed and paid up capital	211.19	1.62	211.19	0.93
General reserves	80.00	0.61	80.00	0.35
Shares of associate's unrealised loss on remeasurement of its investments	(2.20)	(0.02)	(2.27)	(0.01)
Unappropriated profit	4,513.44	34.58	7,563.14	33.47
Surplus on revaluation of property, plant & equipment	1,212.12	9.29	5,966.46	26.40
	6,014.55	46.09	13,818.52	61.15
NON CURRENT LIABILITIES				
Long term financing	656.88	5.03	388.65	1.72
Deferred taxation	162.11	1.24	956.06	4.23
	818.99	6.28	1,344.71	5.95
CURRENT LIABILITIES				
Trade and other payables	1,334.35	10.22	2,460.28	10.89
Accrued finance cost	61.21	0.47	127.09	0.56
Short term borrowings	4,532.14	34.73	4,562.32	20.19
Loan from related parties	41.14	0.32	8.03	0.04
Current portion of long term financing	238.22	1.83	178.22	0.79
Income tax - net of payments	10.09	0.08	98.86	0.44
	6,217.14	47.64	7,434.81	32.90
	13,050.68	100.00	22,598.04	100.00

Key Financials Indicators

Gross Profit Margin % Sales

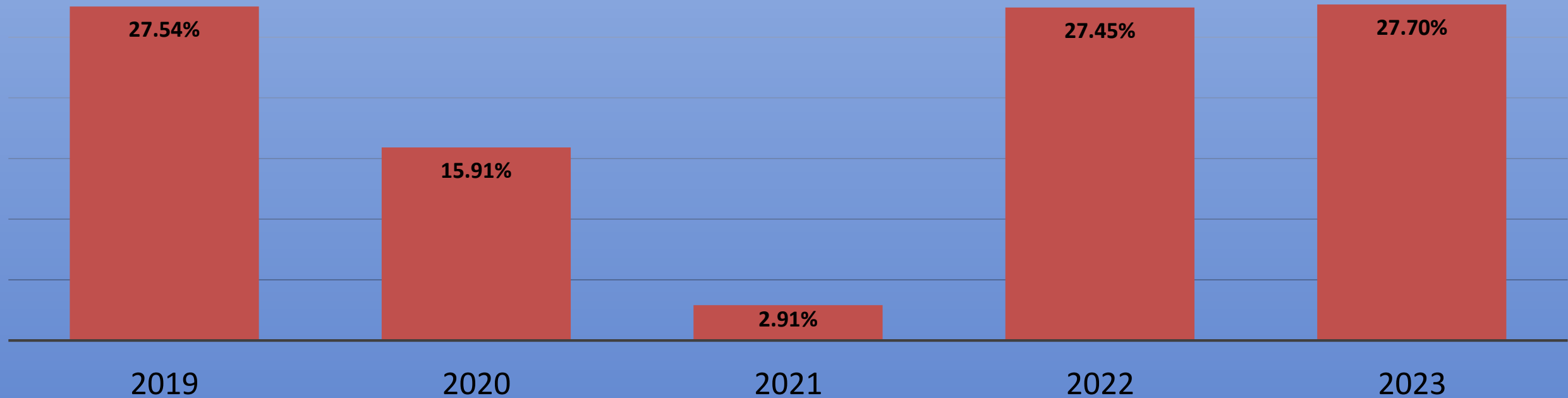


EBITDA Margin % sales

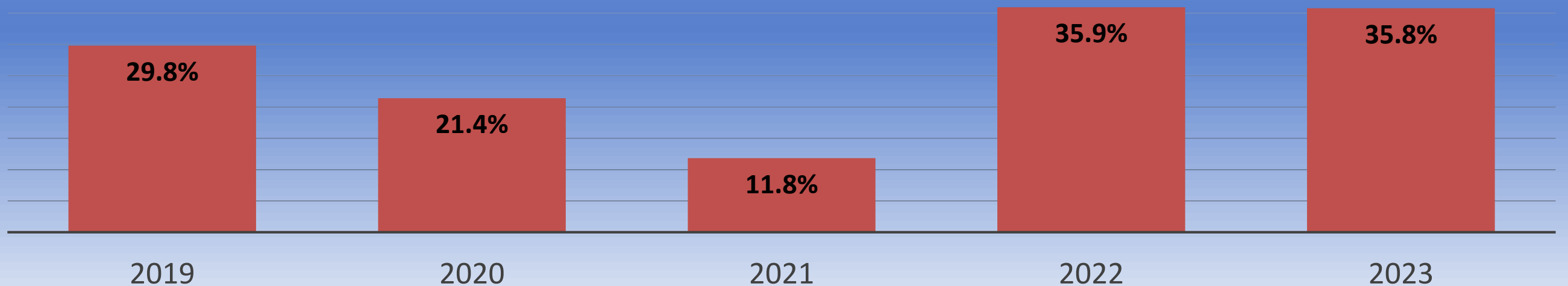


Key Financials Indicators

Return on Equity % (Net)

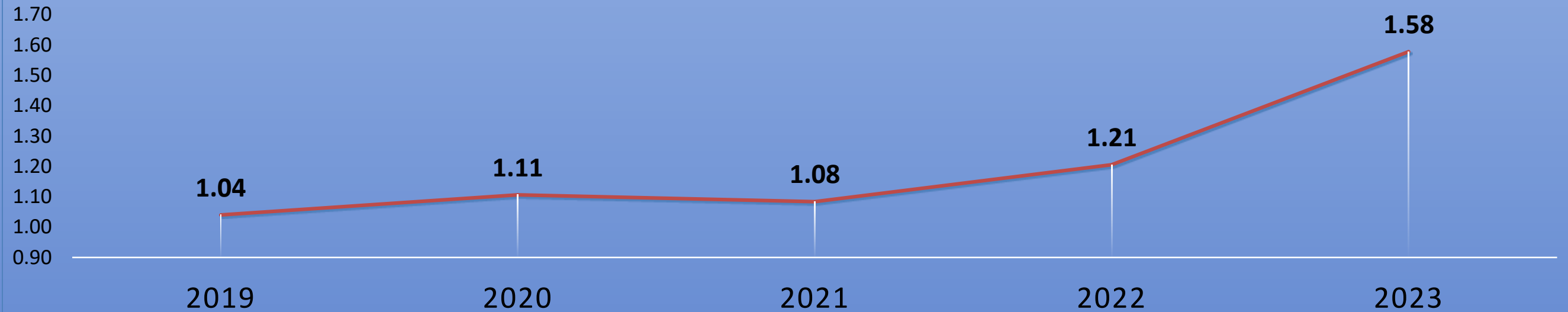


Return on capital employed %

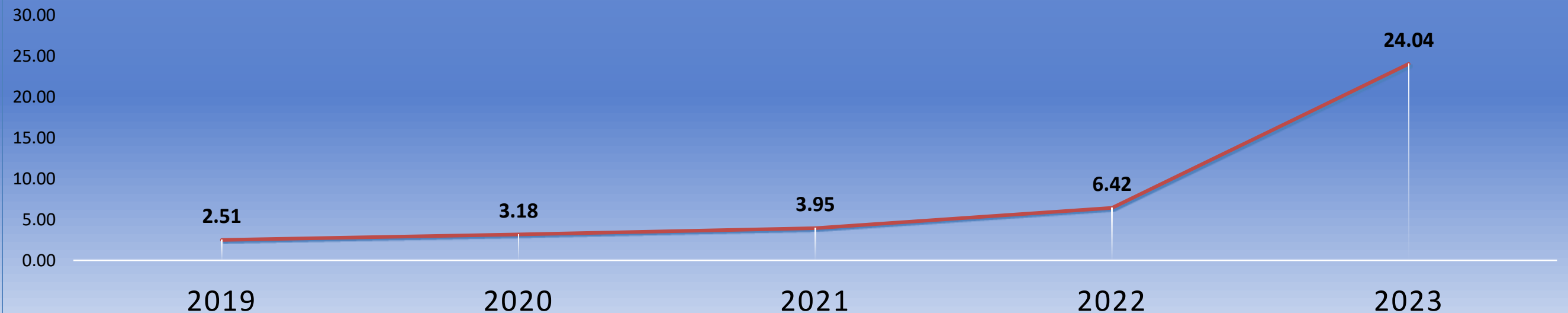


Key Financials Indicators

CURRENT RATIO

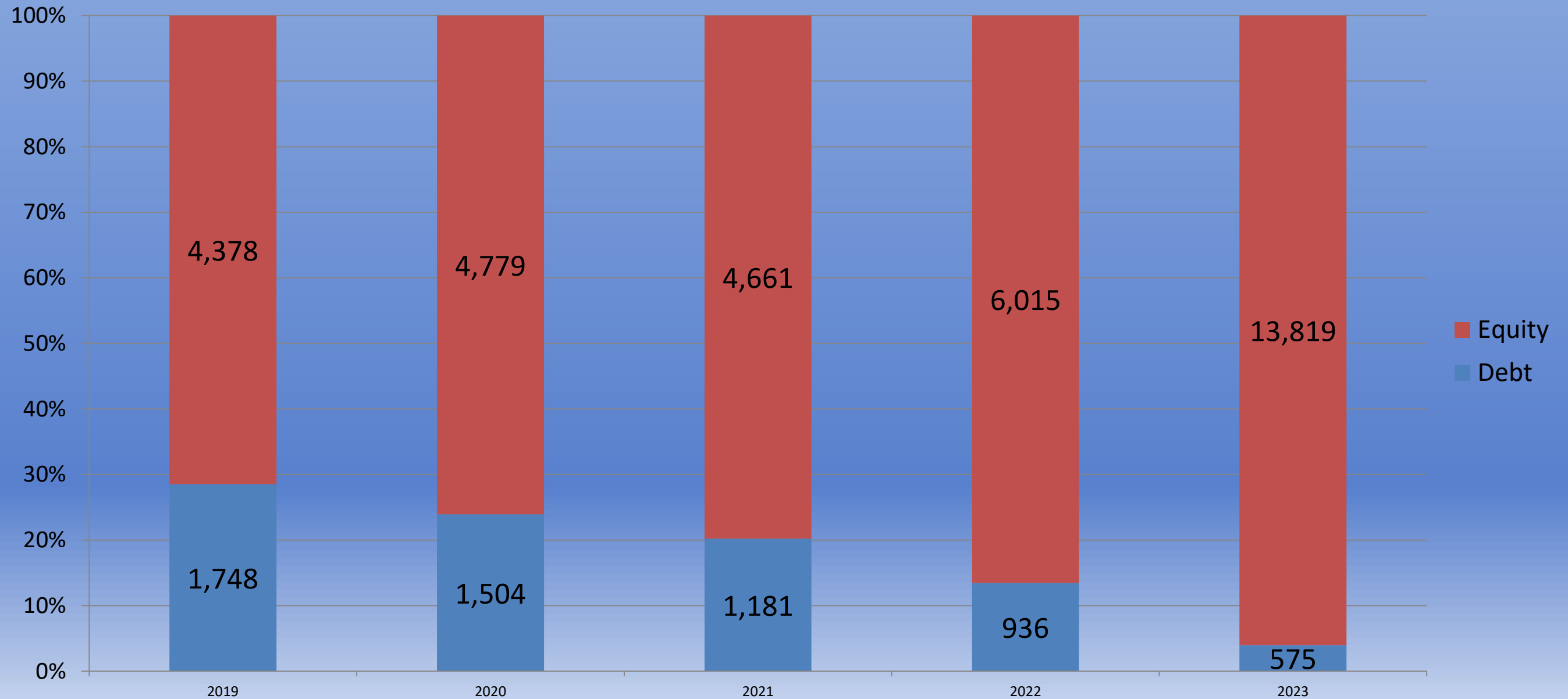


DEBT EQUITY RATIO



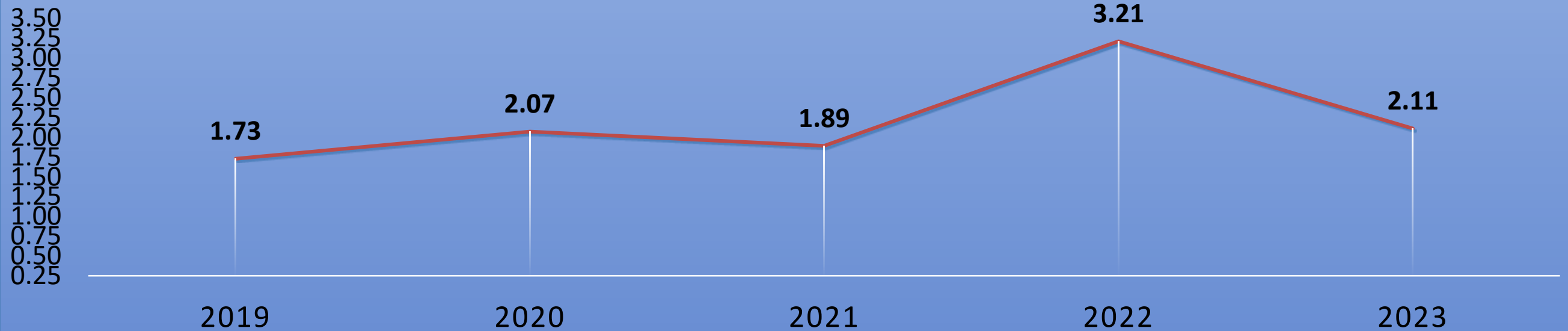
Key Financials Indicators

Debt Equity in %

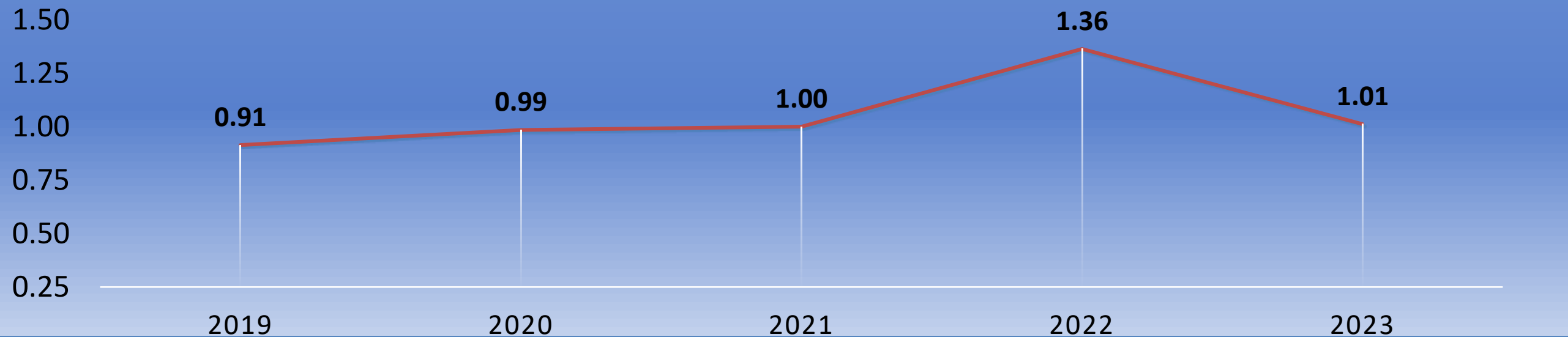


Key Financials Indicators

FIXED ASSETS TURNOVER RATIO



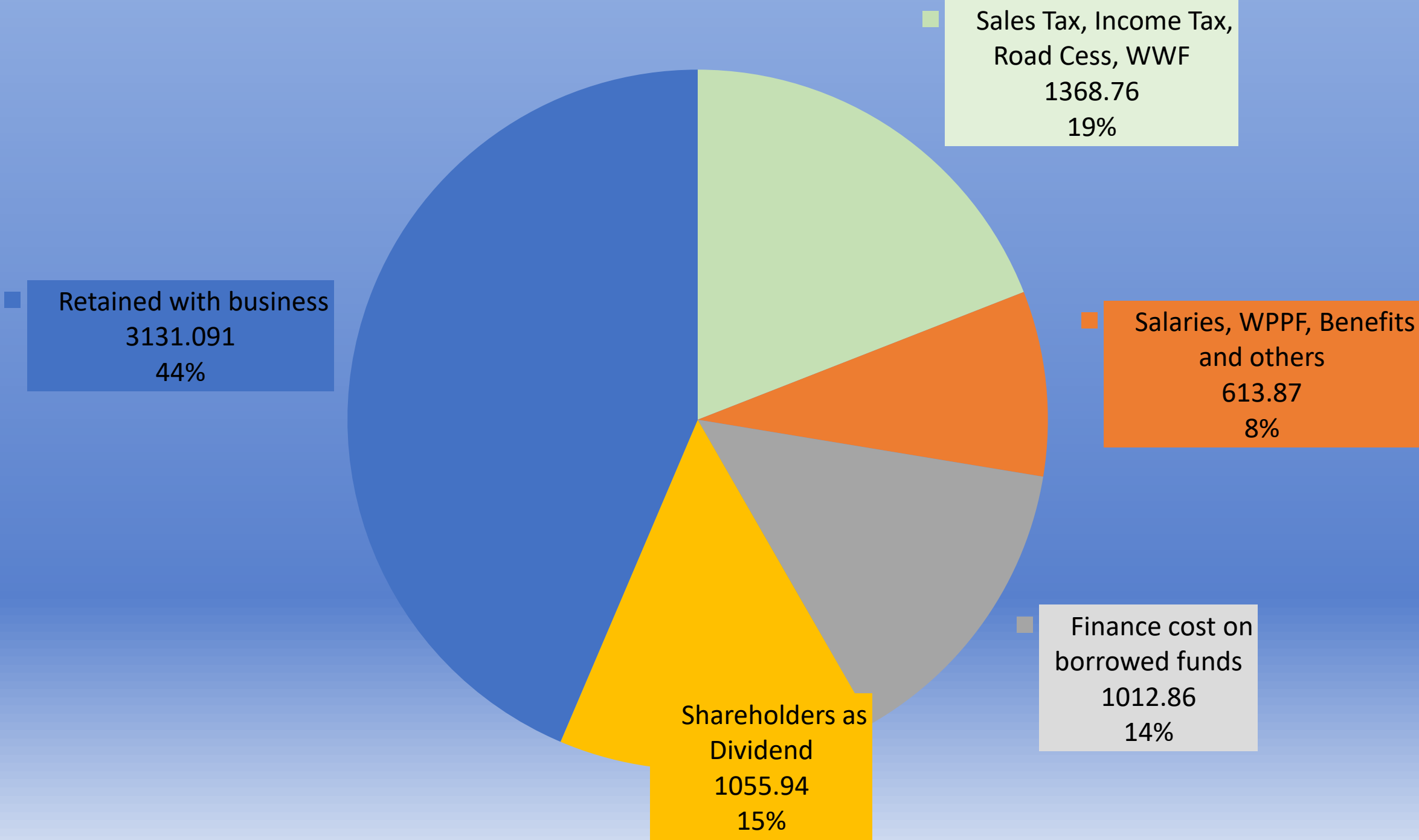
ASSETS TURNOVER RATIO



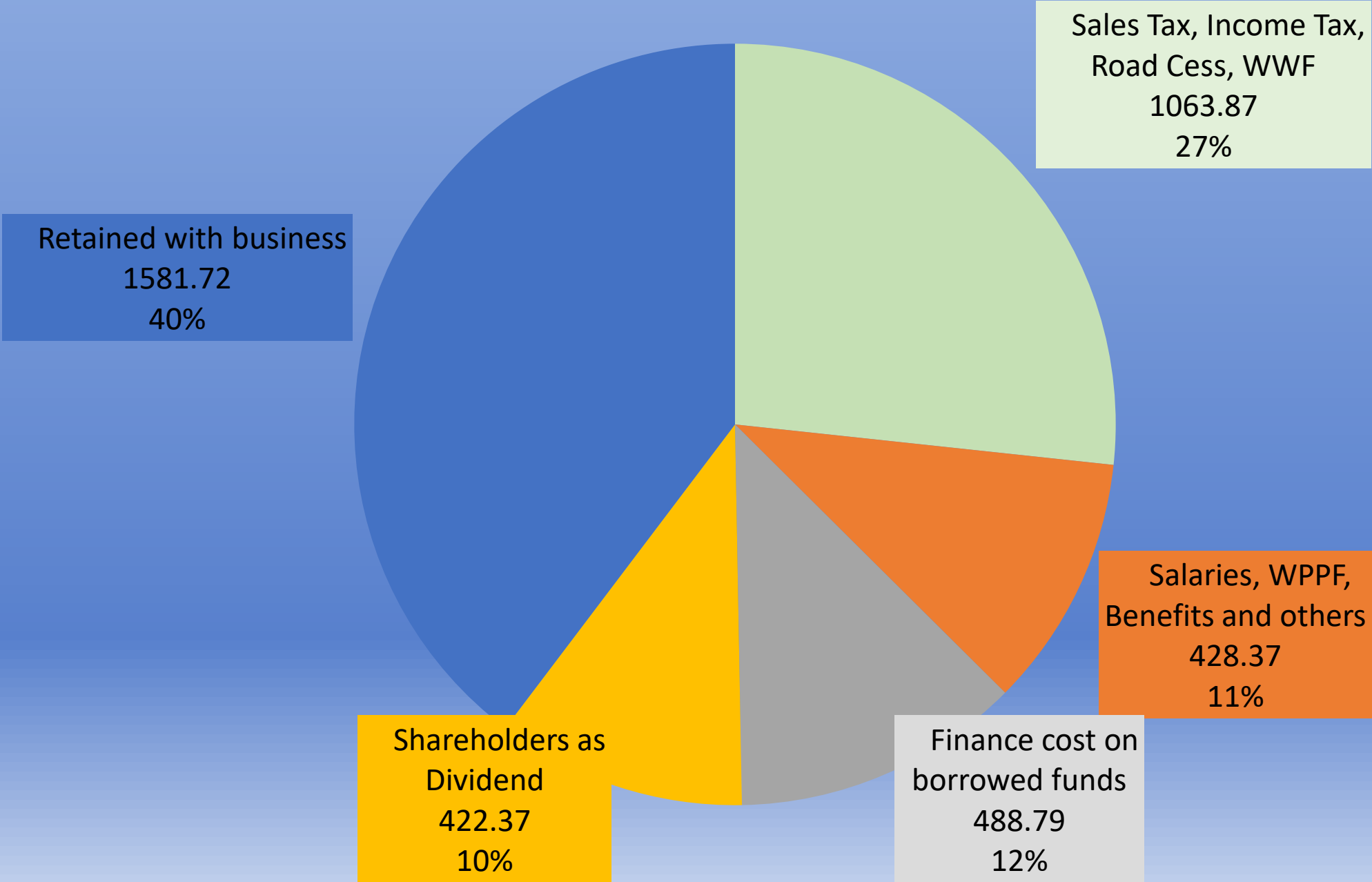
Value Additions

STATEMENT OF VALUE ADDITION				
	Rupees in Millions		Rupees in Millions	
	2023	%	2022	%
WEALTH GENERATED				
Revenue	24,344.69		18,606.01	
Expenses	17,162.17		14,620.89	
Wealth generated	7,182.52	100.00	3,985.12	100.00
WEALTH DISTRIBUTED				
To Government				
Sales Tax, Income Tax, Road Cess, WWF	1,368.76	19.06	1,063.87	14.81
To Employees				
Salaries, WPPF, Benefits and others	613.87	8.55	428.37	5.96
To Providers of Capital				
Finance cost on borrowed funds	1,012.86	14.10	488.79	6.81
Shareholders as Dividend	1,055.94	14.70	422.37	5.88
Retained with business				
Depreciation	359.42	5.00	353.24	4.92
Retained profit	2,771.67	38.59	1,228.48	17.10
	7,182.52	100.00	3,985.12	55.48

Value Additions - 2023



Value Additions - 2022



Investor Relations

Share Registrar

C & K Management Associates (Pvt.) Ltd

404, Trade Tower, Abdullah Haroon Road, Near Metropole Hotel

Karachi

2019

2020

2021

2022

2023

Number of Shares (Issued/ Paid-up)

21118663

21118663

21118663

21118663

21118663

Earning per share

57.08

36.00

6.42

78.17

181.24

Break-up value per share

137.40

160.49

158.73

227.40

371.81

Market capitalization in millions

1,647.26

2,090.75

1,647.26

2,259.91

4,213.17

Market value of share on 30th September

78

99

78

107.01

199.5

P/E Ratio

1.37

2.75

12.15

1.37

1.1

Cash Dividend %

170

120

30

200

500

Highest price during the year

149

143

117

111

203

Lowest price during the year

69

69

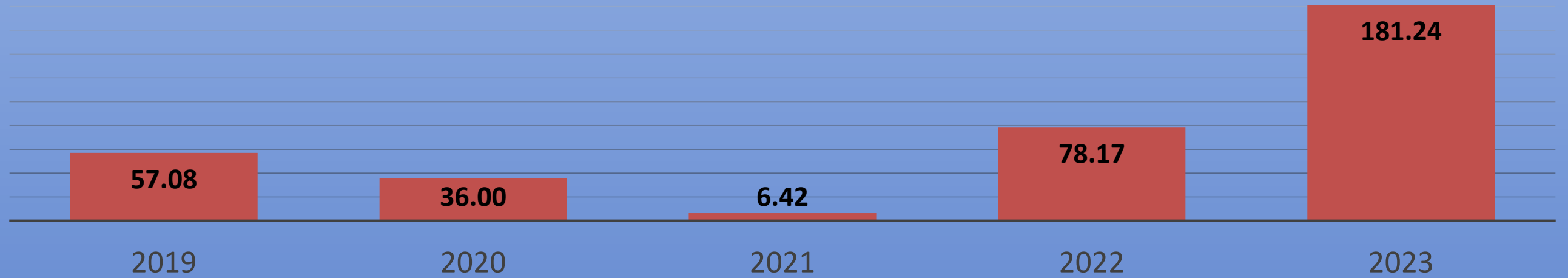
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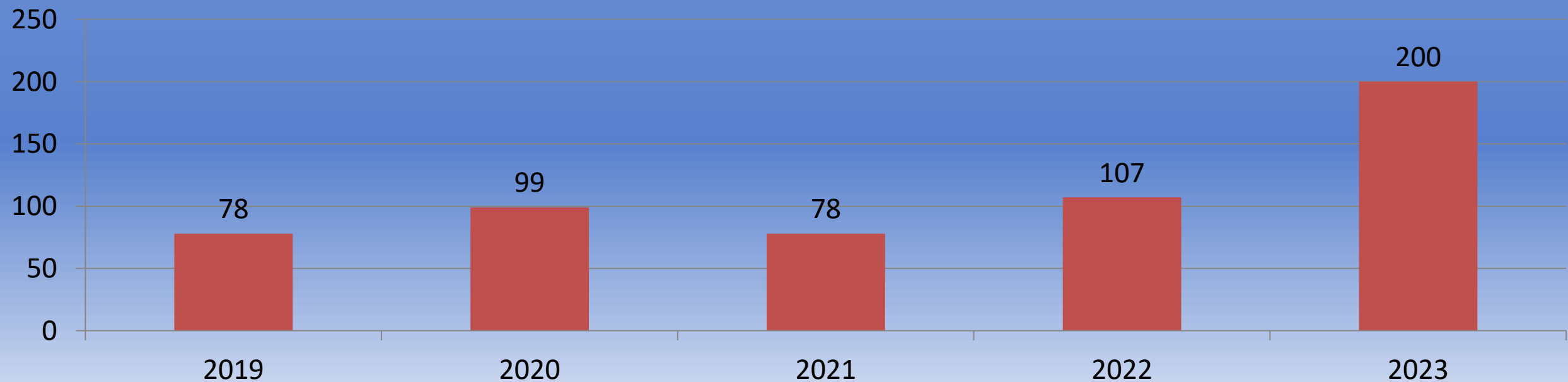
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Investors Relations

Earning per Share Rs. - Basic

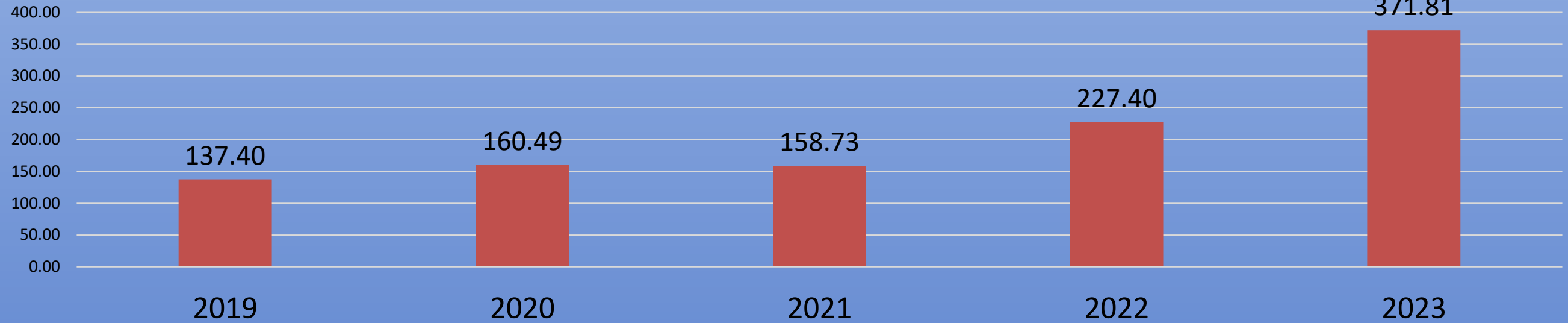


Market Value of Share as on 30th September Rs.

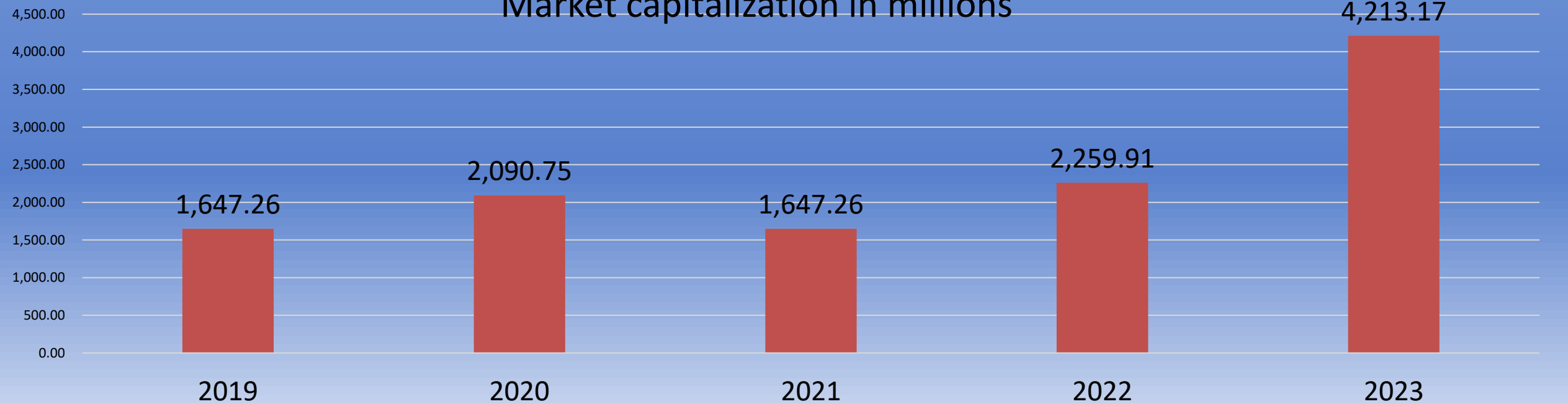


Investors Relations

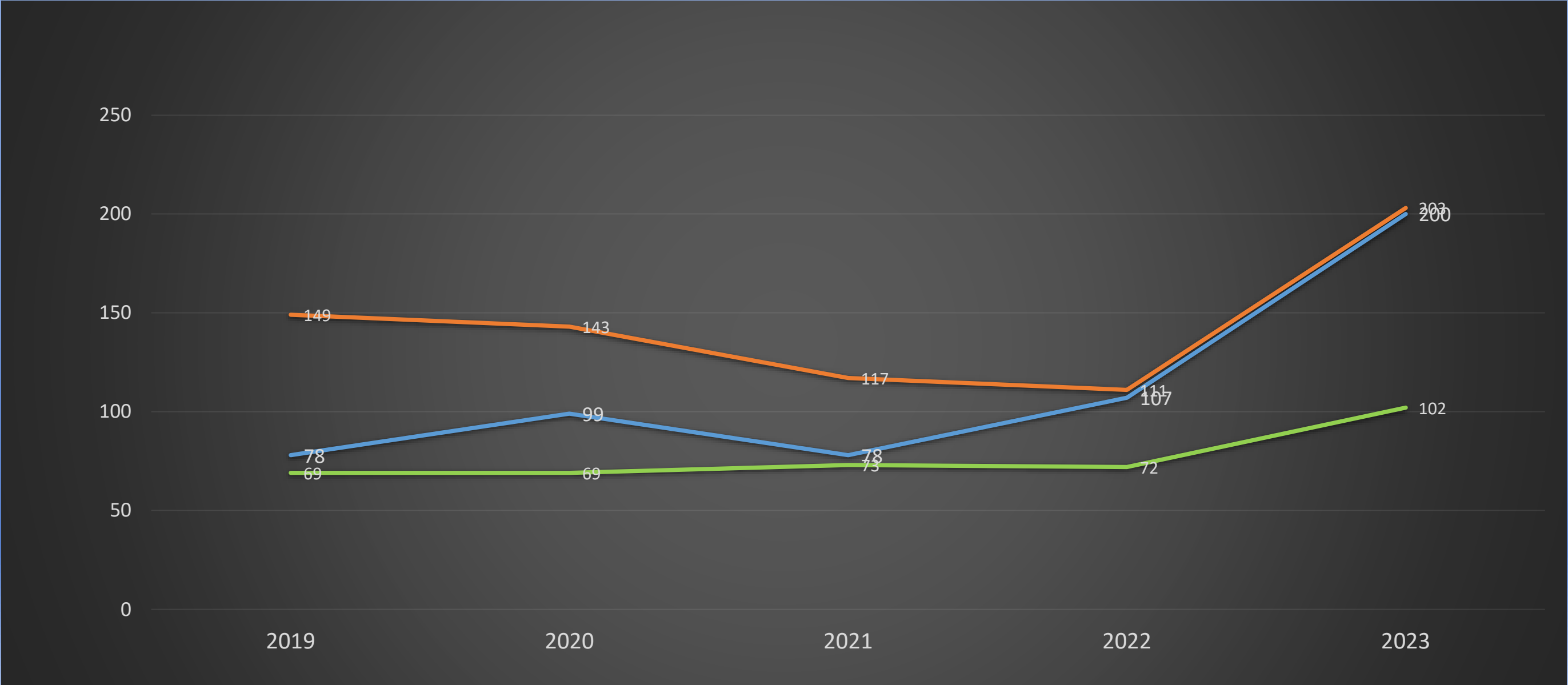
Break-up value per share-Rupees



Market capitalization in millions



Investors Relations – Shares Price Rs.



Highest Price - 

Lowest Price 

Price at 30th September- 

FUTURE OUTLOOK

Rupees in millions				
STATEMENT OF PROFIT OR LOSS	2022		2023	
	October to December		October to December	
VERTICAL ANALYSIS	Rs.	%	Rs.	%
Turnover	4,083.13	100.00	6,993.41	100.00
Cost of sales	(3,088.58)	(44.16)	(5,647.34)	(80.75)
Gross Profit	994.55	14.22	1,346.07	19.25
Distribution costs	(40.32)	(0.58)	(35.04)	(0.50)
Administrative expenses	(80.21)	(1.15)	(122.03)	(1.74)
Other operating expenses	(39.80)	(0.57)	(91.36)	(1.31)
Other operating income	169.41	2.42	310.48	4.44
Finance costs	(114.38)	(1.64)	(227.93)	(3.26)
Profit before taxation	889.24	12.72	1,180.19	16.88
Taxation	(47.44)	(0.68)	(213.63)	(3.05)
Net profit for the period	841.80	12.04	966.56	13.82
Earning per share-Basic and diluted-Rupees	39.86		45.77	

FUTURE OUTLOOK

	December-23	December-22
Actual Crushing (M.Tons)	174,715	112,131
Sugar Production (M.Tons)	15,815	9,610
Recovery %	10.41	10.22
Ethanol Production (M.Tons)	12,651	15,320

FUTURE OUTLOOK

The sugar division of the Company produced sugar up to the end of January crushed 463,955 M.Tons (365,846 M.Tons January, 2023) with an average sucrose recovery of 10.73% (10.54% January, 2023) and produced sugar of 48,095 (36,795 M.Tons January, 2023) M.Tons. The ethanol division of the Company produced 18,660 M.Ton (21,946 M.Tons January, 2023) of ethanol up to January end. The sugar and ethanol divisions both face many challenges which are global and internal.

The global economy has faced significant challenges. Very low growth, recession knocking on the door, political conflicts among major economies, and Middle East conflict all have been pushing costs to the highest levels and disrupting the supply chain operation of products.

Internally the economic and political scenario remained uncertain. Increasing the debt burden, pressure on the current account, depleting foreign exchange reserves, controlling the US dollar/PKR exchange rate, higher inflation, and higher interest rates seem challenging to predict the future. In addition to all these difficulties, the IMF keeps delaying and demanding more taxes and price increases on energy, controlling higher inflation.

The management visualizing difficult times ahead, reviewed and fine-tuned the procurement and treasury policies to anticipated risks.

Q & A Session

Thank You