



**SHAHMURAD SUGAR MILLS LIMITED**

1st Quarterly Results for the period  
1st October 2018 to 31st December, 2018

## COMPANY INFORMATION

### BOARD OF DIRECTORS

MR. ISMAIL H. ZAKARIA	Chairman
MR. YUSUF AYOOB	Managing Director
MR. SULEMAN AYOOB	
MR. A. AZIZ AYOOB	
MR. NOOR MOHAMMAD ZAKARIA	
MR. ZIA ZAKARIA	Resident Director
MR. ZOHAIR ZAKARIA	
MR. NAEEM AHMED SHAFI	Independent Director
MR. KHURRAM AFTAB	(N.I.T. Nominee)

### BOARD AUDIT COMMITTEE

MR. NAEEM AHMED SHAFI	Chairman
MR. SULEMAN AYOOB	Member
MR. ZOHAIR ZAKARIA	Member

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

MR. SULEMAN AYOOB	Chairman
MR. YUSUF AYOOB	Member
MR. NOOR MOHAMMAD ZAKARIA	Member

### CHIEF FINANCIAL OFFICER

MR. IQBAL UMER

### COMPANY SECRETARY

MR. MOHAMMAD YASIN MUGHAL  
FCMA

### AUDITORS

M/s. KRESTON HYDER BHIMJI & CO.  
Chartered Accountants

### LEGAL ADVISOR

MR. ABDUL SATTAR PINGAR  
Advocate

### REGISTERED OFFICE

96-A, SINDHI MUSLIM HOUSING SOCIETY,  
KARACHI-74400  
Tel: 34550161-63 Fax: 34556675

### FACTORY

JHOK SHARIF,  
TALUKA MIRPUR BATHORO,  
DISTRICT SUJAWAL (SINDH)

### REGISTRAR & SHARES REGISTRATION OFFICE

C & K MANAGEMENT ASSOCIATES (PVT) LTD.  
404-TRADE TOWER,  
ABDULLAH HAROON ROAD,  
NEAR METROPOLE HOTEL,  
KARACHI - 75530

### WEBSITE

[www.shahmuradsugar.co](http://www.shahmuradsugar.co)

## DIRECTORS' REPORT

Dear members Asslamu-o-Alaikum

On behalf of Board I take the opportunity to present before you with great pleasure the un-audited financial statements of your company for the first quarter ended December 31<sup>st</sup> 2018. Segment position is briefed as under:

### SUGAR DIVISION


Crushing of sugarcane was commenced on December 13<sup>th</sup> 2018 as against 28<sup>th</sup> November 2017 for the last crushing season. Up to December 31<sup>st</sup> 2018 the mill crushed 42,008 metric tons of sugarcane as against 56,001 metric tons during the last year's season. The production of sugar was 3,065 metric tons as against 4,372 metric tons produced last year. The recovery percentage was 10.44 percent as against 10.03 percent achieved last year. The recovery percentage cannot be considered representative as the same represents 19 days of crushing. Exact recovery rate would be ascertained when considerable volume of crushing is achieved. It is expected that the recovery percentage would improve during the remaining period of crushing. For the current season crushing started late as the cane price was not announced by the Government of Sindh and Pakistan Sugar Mills Association have certain reservations due to last three years experience of depressed sugar price in the domestic and international markets. During the last three years the production of sugar was in excess of the requirement of the country and sugar industry of Pakistan has sustained substantial loss. Export of sugar is also not attractive as the price of the same in the international market is also depressed and anticipated to increase in the near future. For the crushing season in progress the Government notified support price of sugarcane at Rs. 182/= per forty kgs of cane but keeping in view the price of final product the same is substantially high. Keeping in view the high price of sugarcane and Government reluctance to review the same Pakistan Sugar Mills Association took up the case with the Honorable High Court of Sindh to review the price of cane. Sindh High Court directed the Sindh Government to convene a meeting of stake holders to resolve the matter of sugarcane price but is under consideration the request of the Association to reduce the price on the same pattern as was done last year. For the current season of crushing in progress good cane crop is available in Punjab but in Sindh province the crop is not as good as it was last year due to scarcity of water. Accordingly the expected production of sugar in the country would be around six million metric tons during the current season. Although the production of sugar in Sindh is expected to reduce during the current year but on over all country basis the production would be in excess of the requirement of the country. In addition some stock is also available with the sugar mills out of the last year production. Keeping in view the availability of excess sugar in the country it appears that the price of sugar would not improve and Government has allowed export eleven hundred thousand tons of sugar during the current year.

### ETHANOL DIVISION

During the period under consideration the production of ethanol division was 18,061 metric tons as against 9,742 metric tons produced in the same period of last year. The production is expected to increase during the remaining period of the year as the benefit of the capacity increase of the plant would be utilized during the period.

The Board of Directors also wish to place on record their appreciation to the dedicated work and commitment of all officers, employees and workers who contributed their services to sustain all operations of the company.

For & on behalf of the Board of Directors

  
**YUSUF AYOOB**  
CHIEF EXECUTIVE OFFICER

  
**ZIA ZAKARIA**  
DIRECTOR

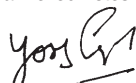
Date January 26, 2019

**SHAHMURAD SUGAR MILLS LTD.**

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)  
AS AT DECEMBER 31, 2018**

	Un-Audited December 2018	Audited September 2018
<b>ASSETS</b>	<b>Note (Rupees in thousand)</b>	
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	4 5,490,019	5,315,321
Long term investment in associate under equity method	1,815	1,815
Long term loans	1,273	1,504
Long term deposits	2,429	2,429
Deferred taxation	44,312	68,700
	5,539,848	5,389,769
<b>CURRENT ASSETS</b>		
Stores, spare parts and loose tools	247,899	213,993
Stock-in-trade	1,334,698	2,568,492
Trade debts	302,331	387,967
Loans and advances	1,851,321	662,935
Trade deposits and short term prepayments	13,383	716
Other receivables	455,733	524,422
Income tax refundable - net	154,515	125,326
Cash and bank balances	226,678	45,452
	4,586,558	4,529,303
	10,126,406	9,919,072
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorised Capital 25,000,000 ordinary shares of Rs. 10 each	250,000	250,000
Issued, subscribed and paid-up capital	211,187	211,187
Revenue reserve		
General reserve	80,000	80,000
Share of associate's unrealized loss on remeasurement of investment	(2,501)	(2,501)
Unappropriated Profit	1,877,134	1,462,075
Capital reserve		
Revaluation surplus on property, plant and equipment	1,559,514	1,582,959
	3,725,334	3,333,720
<b>NON CURRENT LIABILITIES</b>		
Long term financing	1,642,011	1,659,686
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,330,359	1,012,970
Accrued finance cost	50,871	54,977
Short term borrowings	2,972,117	3,452,943
Loan from related parties	167,336	167,336
Unclaimed dividend	3,968	3,968
Current portion of long term financing	234,410	233,472
	4,759,061	4,925,666
<b>CONTINGENCIES AND COMMITMENTS</b>		
	5 -	-
	10,126,406	9,919,072

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

  
**YUSUF AYOOB**  
Managing Director

  
**ZIA ZAKARIA**  
Director

  
**IQBAL UMER**  
Chief Financial Officer

**SHAHMURAD SUGAR MILLS LTD.**

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE PERIOD ENDED DECEMBER 31, 2018**

	Note	For the three months October to December	
		2018	2017
(Rupees in thousand)			
Sales		2,606,357	2,195,027
Cost of Sales	6	(1,844,853)	(2,184,694)
Gross profit		761,504	10,333
Profit from trading activities		487	53
		761,991	10,386
Distribution cost		(223,840)	(182,562)
Administrative expenses		(55,964)	(47,331)
Other operating charges		(31,352)	(607)
		(311,156)	(230,500)
Operating profit/(loss)		450,835	(220,114)
Other income		34,443	174,429
		485,278	(45,685)
Finance cost		(69,276)	(37,036)
Profit/(loss) before taxation		416,002	(82,721)
Taxation		(24,388)	16,296
Profit/(loss) after taxation		391,614	(66,425)
Profit/(loss) per share-Basic and diluted - Rupees		18.54	(3.15)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

  
**YUSUF AYOOB**  
Managing Director

  
**ZIA ZAKARIA**  
Director

  
**IQBAL UMER**  
Chief Financial Officer

SHAHMURAD SUGAR MILLS LTD.

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE PERIOD ENDED DECEMBER 31, 2018**

	<b>For the three months October to December</b>	
	<b>2018</b>	<b>2017</b>
	<b>(Rupees in thousand)</b>	
<b>Profit/(loss) after taxation</b>	<b>391,614</b>	<b>(66,425)</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive profit/(loss) for the period</b>	<b>391,614</b>	<b>(66,425)</b>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

  
**YUSUF AYOOB**  
Managing Director

  
**ZIA ZAKARIA**  
Director

  
**IQBAL UMER**  
Chief Financial Officer

**SHAHMURAD SUGAR MILLS LTD.**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED DECEMBER 31, 2018**

Issued, subscribed & paid up capital	General reserve	Revenue Reserves		Capital Reserve Revaluation surplus on property, plant and equipment	Total
		Share of Associate's unrealised (loss)/gain on remeasurement of investment	Un- appropriated profit		

----- (Rupees in thousand) -----

Balances as at October 01, 2017 (Audited)    211,187    80,000    (1,885)    842,010    546,707    1,678,019

During the nine months period ended  
December 31, 2017

*Total Comprehensive Income for the  
nine months period ended  
December 31, 2017*

Loss after taxation

	-	-	-	(66,425)	-	(66,425)
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**Other comprehensive income**

Transfer from surplus on account  
of disposal of property, plant  
and equipment net of deferred tax

	-	-	-	445	(445)	-
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Transfer from surplus on revaluation  
of property, plant and equipment on  
account of incremental depreciation  
-net of deferred tax

	-	-	-	6,167	(6,167)	-
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	-	-	-	(59,813)	(6,612)	(66,425)
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**Balances at December 31, 2017**    211,187    80,000    (1,885)    782,197    540,095    1,611,594

Balances as at October 1, 2018 (Audited)    211,187    80,000    (2,501)    1,462,075    1,582,959    3,333,720

*Total Comprehensive Income for the  
period ended December 31, 2018*

Profit after taxation

	-	-	-	391,614	-	391,614
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**Other comprehensive income**

Transfer from surplus on revaluation  
of property, plant and equipment on  
account of incremental depreciation  
-net of deferred tax

	-	-	-	23,445	(23,445)	-
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	-	-	-	415,059	(23,445)	391,614
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**Balances at December 31, 2018**    211,187    80,000    (2,501)    1,877,134    1,559,514    3,725,334

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

  
**YUSUF AYOOB**  
Managing Director

  
**ZIA ZAKARIA**  
Director

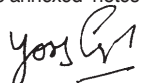
  
**IQBAL UMER**  
Chief Financial Officer

**SHAHMURAD SUGAR MILLS LTD.**

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE PERIOD ENDED DECEMBER 31, 2018**

	Note	December 2018	December 2017
(Rupees in thousand)			
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before taxation		416,002	(82,721)
<b>Adjustment for :</b>			
Depreciation	4.1	83,296	31,618
Profit on disposal of property, plant and equipment		(232)	(2,903)
Finance cost		69,276	37,036
		<u>152,340</u>	<u>65,751</u>
		568,342	(16,970)
<b>(Increase) / decrease in current assets</b>			
Stores, spare parts and loose tools		(33,906)	(76,575)
Stock in trade		1,233,794	1,665,992
Trade debts		85,636	182,681
Loans & advances		(1,188,386)	(332,116)
Short term prepayments		(12,667)	(4,372)
Other receivables		68,689	(163,132)
		<u>153,160</u>	<u>1,272,478</u>
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		317,389	517,373
Short term borrowings		(480,826)	(1,247,126)
		<u>(163,437)</u>	<u>(729,753)</u>
		558,065	525,755
<b>(Increase)/decrease in long term loan</b>			
Income tax paid		231	(905)
Finance cost paid		(29,189)	(24,195)
		<u>(73,382)</u>	<u>(41,669)</u>
		<u>(102,340)</u>	<u>(66,769)</u>
<b>Net cash inflow from operating activities</b>		<u>455,725</u>	<u>458,986</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Addition in property, plant & equipment		(258,477)	(413,394)
Sale proceeds from disposal of property, plant and equipment		715	7,032
<b>Net cash out flow from investing activities</b>		<u>(257,762)</u>	<u>(406,362)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Long term finance received		39,687	142,499
Repayment of long term financing		(56,424)	(25,174)
Dividend paid		-	(30)
<b>Net cash (outflow)/inflow from financing activities</b>		<u>(16,737)</u>	<u>117,295</u>
<b>Net increase in cash and bank balances (A+B+C)</b>		<u>181,226</u>	<u>169,919</u>
Cash and bank balance at the beginning of the period		45,452	38,492
<b>Cash and bank balance at the end of period</b>		<u>226,678</u>	<u>208,411</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

  
**YUSUF AYOOB**  
Managing Director

  
**ZIA ZAKARIA**  
Director

  
**IQBAL UMER**  
Chief Financial Officer



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 2018**

**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. 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** This 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 Financial Reprt Standards (IFRS Standards) issued by the International Accounting Standard 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 IFRS standards, the provisions of and directives issued under the Companies Act, 2017 have been followed. The condensed interim financial information 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, 2018.

**3 Significant accounting policies and disclosures**

**3.1** The accounting policies and methods of computation followed for the preparation of this condensed interim financial information are consistent with those followed in the preparation of the company's annual financial statements for the year ended September 30, 2018.

**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 January 1, 2018, do not have any impact on the condensed interim financial information, and are therefore not disclosed.

## SHAHMURAD SUGAR MILLS LTD.

**3.4** The preparation of this condensed interim financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also required management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods as appropriate. Judgements and estimates made by the management in the preparation of this condensed interim financial statements are the same as those that were applied to financial statements as at and for the year ended September 30, 2018.

	Notes	Un-Audited December 2018 (Rupees in thousand)	Audited September 2018
<b>4. Property, Plant and Equipment</b>			
Operating fixed assets	4.1	4,998,763	5,073,393
Capital work in progress	4.2	491,256	241,928
		5,490,019	5,315,321
<b>4.1 OPERATING FIXED ASSETS</b>			
<b>Opening book value</b>		5,073,393	2,467,576
<b>Direct additions during the period / year</b>			
Owned			
Furniture, Fixture and Fittings		77	282
Office Equipment		1,162	3,517
Vehicle		7,910	18,725
		9,149	22,524
Transfer from CWIP during the period / year			
Owned			
Non Factory building		-	7,414
Plant and Machinery		-	1,630,853
		-	1,638,267
Add fresh revaluation of the period		-	1,130,961
<b>Disposals - Operating assets (net book value)</b>		(483)	(4,188)
<b>Depreciation Charged for the period / year</b>		(83,296)	(181,747)
<b>Closing book value</b>		4,998,763	5,073,393

## SHAHMURAD SUGAR MILLS LTD.

	Notes	Un-Audited December 2018 (Rupees in thousand)	Audited September 2018
<b>4.2 CAPITAL WORK IN PROGRESS</b>			
<b>Opening balance</b>		241,928	584,737
<b>Additions during the period / year</b>			
Civil Works		383	1,330
Plant & Machinery		248,945	1,294,128
		<u>249,328</u>	1,295,458
<b>Capitalization during the period/year</b>			
Civil Works		-	(7,414)
Plant & Machinery		-	(1,630,853)
		<u>-</u>	<u>(1,638,267)</u>
<b>Closing balance</b>		<u>491,256</u>	<u>241,928</u>
		<u>5,490,019</u>	<u>5,315,321</u>

### 6. LOANS FROM RELATED PARTIES

These represent loans from certain Directors and other related parties carrying mark-up at the prevailing market financing rates and repayable in full in the next following year. The related parties, considering the financial position and liquidity requirements of the Company, have waived off the markup for the current period hence no provision has been made in this condensed financial information in this respect.

### 5. CONTINGENCIES AND COMMITMENTS

#### 5.1 Contingencies

There is no material change in status of contingencies as disclosed in note No. 26 (a) of the annual financial statements for the year ended September 30, 2018.

	Un-Audited December 31, 2018 (Rupees in thousand)	Audited September 30, 2018
<b>5.2 Commitments</b>		
Commitments for capital expenditure	54,380	127,083
Commitments for stores and spares	-	6,212
	<u>54,380</u>	<u>133,295</u>
<b>Bank Gurantees</b>		
in favor of Excise and Taxation Department	<u>500</u>	<u>500</u>

## SHAHMURAD SUGAR MILLS LTD.

**For the period  
October to December  
2018                      2017  
(Rupees in thousand)**

### 6. COST OF SALES

Openign stock of finished goods	1,539,616	1,769,115
Cost of goods manufactured	1,146,330	897,562
	<b>2,685,946</b>	2,666,677
Closing stock of finished goods (Note 6.1)	<b>(841,093)</b>	(481,983)
	<b>1,844,853</b>	2,184,694

- 6.1 Finished goods costing Rs. Nil (December 2017: 439.046 million) have been written down to their net relaizable value of Rs. Nil December, 2017 : 385.967 million). At period end stock pledged against short term borrowings amounted to Rs. 833.178 million (December 2017 : Rs. 100.0 million).

### 7. TRANSACTION WITH RELATED PARTIES.

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

<b>Transactions:</b>		<b>December 2018</b>	<b>December 2017</b>
<b>Relationship with the Company</b>	<b>Nature of Transactions</b>	<b>(Rupees in thousand)</b>	
<b>Associates</b>			
Al-Noor Sugar Mills Limited	Purchase of Goods	5,861	6,124
Reliance Insurance Company Ltd	Insurance premium	19,734	17,199
<b>Other related parties</b>			
Directors' and key management personnel	Directors remuneration	7,408	6,017
	Executive remuneration	8,202	19,736
	Directors' meeting fee	-	40
	Company's Contribution during the period	1,503	1,287
		<b>December 2018</b>	<b>December 2017</b>
<b>Balances:</b>		<b>(Rupees in thousand)</b>	
<b>Relationship with the Company</b>	<b>Nature of Transactions</b>	<b>(Rupees in thousand)</b>	
<b>Associates</b>			
Al-Noor Sugar Mills Limited	Loans and advances	197,140	18,777
Reliance Insurance Company Ltd	Trade & other payables	13,925	10,562
Staff provident fund	Trade & other payables	1,331	933

## SHAHMURAD SUGAR MILLS LTD.

### 8. 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. During the period the Company carried out transactions with both the conventional side as well as Islamic window of financial institutions. The details segregation between Shariah complaints and conventional assets/liabilities and income/expenditure are given below:

	As at December 31, 2018			As at September 30, 2018		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Long term financing-Musharka and others finance	1,005,000	637,011	1,642,011	1,051,250	608,436	1,659,686
Current portion of long term finance	170,000	231,746	401,746	155,000	245,808	400,808
	1,175,000	868,757	2,043,757	1,206,250	854,244	2,060,494
Accrued Mark-up/profit	26,170	24,701	50,871	20,385	34,592	54,977
Short term borrowings	500,000	2,472,117	2,972,117	553,000	2,899,943	3,452,943
Cash at banks	(3,496)	(223,182)	(226,678)	(478)	(44,974)	(45,452)
	1,697,674	3,142,393	4,840,067	1,779,157	3,743,805	5,522,962

	Period ended December 31, 2018			Period ended December 31, 2017		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Finance cost	31,069	38,207	69,276	14,228	22,808	37,036
Income from PLS bank account	-	-	-	-	-	-
	31,069	38,207	69,276	14,228	22,808	37,036

## SHAHMURAD SUGAR MILLS LTD.

### 9. 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 the manufacturer of the sugar and ethanol segment is a manufacturer of ethanol. The following tables represents revenue and profit information regarding business segment for the three months period ended December 31, 2018 and December 31, 2017 and assets and liabilities information regarding business segments as at December 31, 2018 and September 30, 2018.

	Sugar		Ethanol		Total	
	For the period ended December 31, 2018		For the period ended December 31, 2017		For the period ended December 31, 2018	
(Rupees in thousand)						
<b>REVENUE</b>						
External Sales	927,936	1,296,040	1,678,421	898,987	2,606,357	2,195,027
Inter segment transfer	-	-	-	-	-	-
<b>Total</b>	<b>927,936</b>	<b>1,296,040</b>	<b>1,678,421</b>	<b>898,987</b>	<b>2,606,357</b>	<b>2,195,027</b>
<b>RESULTS</b>						
Profit/(loss) from operation	(91,386)	(330,090)	573,086	110,530	481,700	(219,560)
Profit from trading activity	487	53	-	-	487	53
	(90,899)	(330,037)	573,086	110,530	482,187	(219,507)
Other operating expenses					(31,352)	(607)
Other income					34,443	174,429
Finance cost					(69,276)	(37,036)
Profit/(loss) before tax					416,002	(82,721)
Taxation					(24,388)	16,296
<b>Profit/(loss) for the period</b>					<b>391,614</b>	<b>(66,425)</b>

### SEGMENT ASSETS AND LIABILITIES

	December	September	December	September	December	September
	2018	2018	2018	2018	2018	2018
(Rupees in thousand)						
<b>Assets</b>						
Segment assets	3,456,472	3,954,065	6,102,232	5,382,530	9,558,704	9,336,595
Un-allocated assets					565,887	580,662
Long term investment					1,815	1,815
<b>Total assets</b>					<b>10,126,406</b>	<b>9,919,072</b>
<b>Liabilities</b>						
Segment liabilities	2,779,850	3,531,332	3,549,735	3,013,368	6,329,585	6,544,700
Unallocated liabilities					71,487	40,652
					<b>6,401,072</b>	<b>6,585,352</b>

## SHAHMURAD SUGAR MILLS LTD.

	Period ended December 31,		Period ended December 31,		Period ended December 31,	
	2018	2017	2018	2017	2018	2017
----- (Rupees in thousand) -----						
<b>OTHER INFORMATION</b>						
Additions to property, plant and equipment	84,267	40,395	174,210	372,999	258,477	413,394
Depreciation	21,451	17,884	61,845	13,734	83,296	31,618

### Revenue from major customers

During the period external sales to major customers amounted to Rs. 1,052 million. (December 2017: Rs. 423 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	
	2018	2017
(Rupees in thousand)		
Pakistan	927,936	590,112
Turkey	261,764	224,355
Angola	226,213	-
Ghana	196,960	289,360
Philippines	173,682	-
Spain	105,038	-
Cameroon	93,191	87,650
India	21,944	162,064
Tiawan	25,091	81,766
Afghanistan	-	301,706
Others	574,538	458,014
	2,606,357	2,195,027

### 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. 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.

## SHAHMURAD SUGAR MILLS LTD.

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.

### 12. AUTHORIZATION

This condensed interim financial information was authorized for issue on January 26, 2019 by the Board of Directors of the Company.

### 13. GENERAL

13.1 Figures have been rounded off nearest to thousand rupees.

  
**YUSUF AYOOB**  
Managing Director

  
**ZIA ZAKARIA**  
Director

  
**IQBAL UMER**  
Chief Financial Officer




موجودہ کرشنگ کا موسم جاری ہے، صوبہ سندھ میں گنے کی فصل اتنی اچھی نہیں ہوئی جتنی کہ گزشتہ سال ہوئی تھی جس کی وجہ پانی کی قلت تھی۔ لیکن موجودہ موسم میں چینی کی متوقع ملکی پیداوار تقریباً چھ ملین ٹن رہے گی۔ اگرچہ کہ موجودہ سال کے دوران سندھ میں چینی کی پیداوار کم رہے گی لیکن مجموعی طور پر ملکی پیداوار ملکی طلب سے زیادہ رہے گی۔ اس کے علاوہ گزشتہ موسم کی پیداوار کا ذخیرہ بھی شوگر ملز میں موجود ہے۔ ملک میں چینی کی اضافی دستیابی کی وجہ سے معلوم ہوتا ہے کہ چینی کی قیمت میں اضافہ نہیں ہوگا اور حکومت نے گیارہ لاکھ ٹن چینی برآمد کرنے کی اجازت دے دی ہے۔


### استھانول ڈویژن

جائزہ مدت کے دوران استھانول ڈویژن کی پیداوار 18,061 میٹرک ٹن رہی جبکہ گزشتہ سال اسی مدت میں 9,742 میٹرک ٹن کی پیداوار ہوئی تھی۔ توقع ہے کہ سال کے بقایا حصے میں پیداوار میں اضافہ ہو گیا کیونکہ جائزہ مدت کے دوران پیداواری گنجائش میں اضافے سے استفادہ ہوگا۔

بورڈ آف ڈائریکٹران کمپنی کے آفیسران، ملازمین اور ورکروں کی انتھک محنت اور جدوجہد کے لئے اپنی اپنی ستائش ریکارڈ پر لانا چاہتے ہیں جن کی خدمات کمپنی کے آپریشنز میں بہت زیادہ معاون ثابت ہوئیں۔

منجانب بورڈ آف ڈائریکٹرز

  
ضیاء ذکریا  
ڈائریکٹر

  
یوسف ایوب  
چیف ایگزیکٹو آفیسر

تاریخ: 26 جنوری 2019

## ڈائریکٹرز رپورٹ

محترم ممبران..... السلام علیکم!  
 میں انتہائی مسرت کے ساتھ آپ کی کمپنی کی سہ ماہی مدت برائے 31 دسمبر 2018 کے غیر آڈٹ شدہ مالیاتی  
 گوشوارے پیش کر رہا ہوں۔ ہر شعبہ کارکردگی درج ذیل ہے:

### شوگر ڈویژن

گنے کی کرشنگ کا آغاز 13 دسمبر 2018 کو ہوا جبکہ گزشتہ کرشنگ کے موسم آغاز 28 نومبر 2017 کو ہوا تھا۔  
 31 دسمبر 2018 تک مل نے 42,008 میٹرک ٹن گنے کو کرش کیا جبکہ گزشتہ سال کے موسم میں 56,001  
 میٹرک ٹن گنا کرش کیا تھا۔ چینی کی پیداوار 3,065 میٹرک ٹن رہی جبکہ گزشتہ سال چینی کی پیداوار 4,372  
 میٹرک ٹن تھی۔ ریکوری کی شرح فیصد 10.44 فیصد رہی جبکہ گزشتہ سال 10.03 فیصد تھی۔ ریکوری کی شرح  
 فیصد کو اس لئے زیر غور نہیں لایا جاسکتا کہ یہ صرف 19 دن کی کرشنگ کو ظاہر کرتی ہے۔ بالکل درست ریکوری کی  
 شرح کی تشخیص اس وقت ہو سکتی تھی جب کوئی بڑے حجم کی کرشنگ ہوتی۔ توقع ہے کہ ریکوری کی شرح فیصد میں  
 کرشنگ کی بقایا مدت کے دوران اضافہ ہوگا۔ موجودہ موسم میں کرشنگ کا آغاز تاخیر سے ہوا کیونکہ حکومت  
 سندھ نے گنے کی قیمت کا اعلان نہیں کیا تھا اور پاکستان شوگر ملز ایسوسی ایشن کے مقامی اور عالمی سطح پر چینی کی کم  
 قیمت کی وجہ سے کچھ مخصوص تحفظات تھے۔ گزشتہ تین سالوں سے چینی کی پیداوار ملکی طلب سے زیادہ ہے اور  
 پاکستان میں چینی کی صنعت کو بھاری نقصان ہوا تھا۔ چینی کی برآمد بھی پرکشش نہیں ہے کیونکہ عالمی مارکیٹ  
 میں بھی اس کی قیمتیں کم ہیں اور توقع ہے کہ مستقبل قریب میں اس میں اضافہ نہیں ہوگا۔

کرشنگ کے موسم جاری تھا کہ حکومت نے گنے کی امدادی قیمت 182 روپے فی من کر دی تاہم حتمی مصنوعات  
 کی قیمت کو مد نظر رکھتے ہوئے گنے کی یہ قیمت اب بھی بہت زیادہ ہے۔ گنے کی بلند قیمتیں اور شوگر ملز ایسوسی  
 ایشن کے ساتھ حکومت کا اس کی قیمت پر جائزہ لینے سے ہچکچاہٹ کی وجہ سے گنے کی قیمت کے جائزہ کا معاملہ  
 عدالت عالیہ سندھ کے روبرو لایا گیا۔ عدالت عالیہ سندھ نے گنے کی قیمت کے لئے معاملے کو حل کرنے کے  
 لئے حکومت سندھ کو ہدایات دی ہیں کہ تمام مستفیدان کے ساتھ مل کر ایک اجلاس منعقد کرے لیکن ایسوسی ایشن  
 کی قیمت کو کم کرنے کی درخواست کو پچھلے سال کی طرح زیر غور ہے۔

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