



**SHAHMURAD SUGAR MILLS LIMITED**

1st Quarterly Results for the period  
1st October 2019 to 31st December, 2019

## COMPANY INFORMATION

### BOARD OF DIRECTORS

MR. ISMAIL H. ZAKARIA	Chairman
MR. ZIA ZAKARIA	Managing Director & CEO
MR. ABDUL AZIZ AYOOB	
MR. NOOR MOHAMMAD ZAKARIA	
MRS. SANOBAR HAMID ZAKARIA	
MR. NAEEM AHMED SHAFI	Independent Director
MR. KHURRAM AFTAB	Independent Director

### BOARD AUDIT COMMITTEE

MR. NAEEM AHMED SHAFI	Chairman
MR. NOOR MOHAMMAD ZAKARIA	Member
MRS. SANOBAR HAMID ZAKARIA	Member

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

### CHIEF FINANCIAL OFFICER

MR. ZAID ZAKARIA

### COMPANY SECRETARY

MR. MOHAMMAD YASIN MUGHAL  
FCMA

### AUDITORS

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

### LEGAL ADVISOR

MR. IRFAN  
Advocate

### REGISTERED OFFICE

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

### FACTORY

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

### REGISTRAR & SHARES REGISTRATION OFFICE

M/S 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> 2019. Segment position is briefed as under:

### SUGAR DIVISION:

Crushing of sugarcane commenced on November 29, 2019, the Mill crushed 19,170 metric tons of sugarcane as against 42,008 metric tons during the last year's season. The production of sugar was 1,045 metric tons as against 3,065 metric tons produced last year. The recovery percentage was 10.16 percent as against 10.44 percent achieved last year. 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.

For the crushing season in progress the Government notified support price of sugarcane at Rs.192/= per forty kgs of cane. Further more the cane crop is not good and the growers are reluctant to sell their produce at notified price. The Mill has no option but to purchase the raw material from far areas in order to run the mill without interruption. The acreage under sugarcane cultivation reduced by approximately 15% - 20% resulting in lower crushing quantum and production and is likely to affect the profitability of the division.

### ETHANOL DIVISION:

During the period under consideration the production of ethanol division was 8,917 metric tons as against 18,061 metric tons produced in the same period of last year. The production is substantially low when compared with the output of last year which was due to non-availability of molasses in the required volume. The crushing has since commenced and it is expected that the availability of raw material will improve and production of ethanol would increase during the remaining period of the year.

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



**ZIA ZAKARIA**  
Managing Director & CEO



**A. AZIZ AYOOB**  
Director

Date January 24, 2020

**SHAHMURAD SUGAR MILLS LTD.**

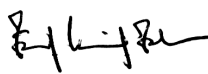
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)  
AS AT DECEMBER 31, 2019**

	Note	Un-Audited December 2019	Audited September 2019
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	4	5,632,649	5,498,699
Long term investment in associate under equity method		1,351	1,351
Long term loans		1,670	2,214
Long term deposits		2,429	2,429
Deferred taxation		29,489	25,726
		5,667,588	5,530,419
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		296,208	243,590
Stock-in-trade		979,640	1,967,859
Trade debts		372,869	459,571
Loans and advances		2,093,664	1,586,334
Trade deposits and short term prepayments		13,955	1,095
Other receivables		234,939	235,130
Short term investment		853,935	200,714
Income tax refundable - net		106,714	103,896
Cash and bank balances		137,933	62,249
		5,089,857	4,860,438
		10,757,445	10,390,857
<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		(2,441)	(2,441)
Unappropriated Profit		2,942,066	2,612,860
Capital reserve			
Revaluation surplus on property, plant and equipment		1,454,558	1,476,197
		4,685,370	4,377,803
<b>NON CURRENT LIABILITIES</b>			
Long term financing		1,282,440	1,340,813
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,435,692	1,106,764
Accrued finance cost		66,844	39,816
Short term borrowings		2,873,256	3,112,830
Loan from related parties		48,135	48,135
Unclaimed dividend		6,136	6,136
Current portion of long term financing		359,572	358,560
		4,789,635	4,672,241
<b>CONTINGENCIES AND COMMITMENTS</b>			
	5	-	-
		10,757,445	10,390,857

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

  
**ZIA ZAKARIA**  
Managing Director & CEO

  
**AZIZ AYOOB**  
Director

  
**ZAID ZAKARIA**  
Chief Financial Officer

**SHAHMURAD SUGAR MILLS LTD.**

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE PERIOD ENDED DECEMBER 31, 2019**

	Note	For the three months October to December	
		2019	2018
(Rupees in thousand)			
Sales		2,693,985	2,606,357
Cost of Sales	6	(2,234,427)	(2,047,440)
Gross profit		459,558	558,917
Profit from trading activities		702	487
		460,260	559,404
Distribution cost		(1,286)	(21,253)
Administrative expenses		(69,289)	(55,964)
Other operating charges		(20,151)	(31,352)
		(90,726)	(108,569)
Operating profit		369,534	450,835
Other income		36,847	34,443
		406,381	485,278
Finance cost		(70,307)	(69,276)
Profit before taxation		336,074	416,002
Taxation		(28,507)	(24,388)
Profit after taxation		307,567	391,614
Earning per share-Basic and diluted - Rupees		14.56	18.54

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

  
**ZIA ZAKARIA**  
Managing Director & CEO

  
**AZIZ AYOOB**  
Director

  
**ZAID ZAKARIA**  
Chief Financial Officer

SHAHMURAD SUGAR MILLS LTD.

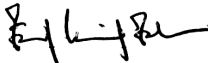
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE PERIOD ENDED DECEMBER 31, 2019**

	<b>For the three months October to December</b>	
	<b>2019</b>	<b>2018</b>
	<b>(Rupees in thousand)</b>	
<b>Profit after taxation</b>	<b>307,567</b>	391,614
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive profit for the period</b>	<b>307,567</b>	<b>391,614</b>

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

  
**ZIA ZAKARIA**  
Managing Director & CEO

  
**AZIZ AYOUB**  
Director

  
**ZAID ZAKARIA**  
Chief Financial Officer

**SHAHMURAD SUGAR MILLS LTD.**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED DECEMBER 31, 2019**

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, 2018 (Audited)**    211,187    80,000    (2,501)    1,462,075    1,582,959    3,333,720

**During the period ended December 31, 2018**

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

Profit after taxation	-	-	-	391,614	-	391,614
<b>Other comprehensive income</b> Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	23,445	(23,445)	-

**Balances at December 31, 2018**    211,187    80,000    (2,501)    1,877,134    1,559,514    3,725,334

**Balances as at October 1, 2019 (Audited)**    211,187    80,000    (2,441)    2,612,860    1,476,197    4,377,803

**Total Comprehensive Income for the period  
ended September 30, 2015**

Profit after taxation	-	-	-	307,567	-	307,567
<b>Other comprehensive income</b> Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	21,639	(21,639)	-
	-	-	-	329,206	(21,639)	307,567

**Balances at December 31, 2019**    211,187    80,000    (2,441)    2,942,066    1,454,558    4,685,370

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

  
**ZIA ZAKARIA**  
Managing Director & CEO

  
**AZIZ AYOUB**  
Director

  
**ZAID ZAKARIA**  
Chief Financial Officer

**SHAHMURAD SUGAR MILLS LTD.**

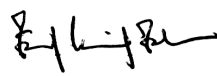
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE PERIOD ENDED DECEMBER 31, 2019**

	Note	December 2019	December 2018
(Rupees in thousand)			
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		336,074	416,002
<b>Adjustment for :</b>			
Depreciation	4.1	88,594	83,296
Gain on disposal of property, plant and equipment		-	(232)
Finance cost		70,307	69,276
		<u>158,901</u>	<u>152,340</u>
<b>Cash generated before working capital changes</b>		<b>494,975</b>	<b>568,342</b>
<b>(Increase) / decrease in current assets</b>			
Stores, spare parts and loose tools		(52,618)	(33,906)
Stock in trade		988,219	1,233,794
Trade debts		86,702	85,636
Loans & advances		(507,330)	(1,188,386)
Short term prepayments		(12,860)	(12,667)
Other receivables		191	68,689
		<u>502,304</u>	<u>153,160</u>
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		328,928	317,389
Short term borrowings		(239,574)	(480,826)
		<u>89,354</u>	<u>(163,437)</u>
		<b>1,086,633</b>	<b>558,065</b>
(Payments)/receipts for			
Long term loans - net		544	231
Income tax		(35,087)	(29,189)
Finance cost		(43,279)	(73,382)
		<u>(77,822)</u>	<u>(102,340)</u>
		<b>1,008,811</b>	<b>455,725</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Addition in property, plant & equipment		(222,544)	(258,477)
Sale proceeds from disposal of property, plant and equipment		-	715
<b>Net cash out flow from investing activities</b>		<b>(222,544)</b>	<b>(257,762)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Long term finance received		-	39,687
Repayment of long term financing		(57,362)	(56,424)
Dividend paid		-	-
<b>Net cash (outflow)/inflow from financing activities</b>		<b>(57,362)</b>	<b>(16,737)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>728,905</b>	<b>181,226</b>
Cash and cash equivalents at the beginning of the period		62,249	45,452
<b>Cash and cash equivalents at the end of period</b>		<b>791,154</b>	<b>226,678</b>
<b>Cash and cash equivalents</b>			
- Short term investment		653,221	-
- Cash and bank balances		137,933	226,678
		<u>791,154</u>	<u>226,678</u>

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

  
**ZIA ZAKARIA**  
Managing Director & CEO

  
**AZIZ AYOUB**  
Director

  
**ZAID ZAKARIA**  
Chief Financial Officer



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 2019**

**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 Reprot 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, 2019.

**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, 2019.

**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, 2019, 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, 2019.

**3.5** The Company has assessed that the Company's accounting policies with respect to revenue recognition and disclosures are already line with IFRS 15 and there is no retrospective impact on the Company's financial statements except that direct export freight, packing and related charges of Rs. 202.587 million previously classified in distribution cost are now classified as part of cost of sales (note 6).

	Notes	Un-Audited December 2019 (Rupees in thousand)	Audited September 2019
<b>4. Property, Plant and Equipment</b>			
Operating fixed assets	4.1	5,254,536	5,342,921
Capital work in progress	4.2	378,113	155,778
		<b>5,632,649</b>	<b>5,498,699</b>
<b>4.1 OPERATING FIXED ASSETS</b>			
Opening book value		5,342,921	5,073,393
Direct additions during the period / year			
Owned			
Furniture, Fixture and Fittings		-	90
Office Equipment		209	2,539
Vehicle		-	28,860
		<b>209</b>	31,489
Transfer from CWIP during the period / year			
Owned			
Factory building		-	4,274
Non Factory building		-	3,993
Plant and Machinery		-	588,665
		-	596,932
Add fresh revaluation of the period		-	-
Disposals - Operating assets (net book value)		-	(1,182)
Depreciation Charged for the period / year		<b>(88,594)</b>	(357,711)
Closing book value		<b>5,254,536</b>	5,342,921

## SHAHMURAD SUGAR MILLS LTD.

Notes	Un-Audited December 2019 (Rupees in thousand)	Audited September 2019
<b>4.2 CAPITAL WORK IN PROGRESS</b>		
<b>Opening balance</b>	155,778	241,928
<b>Additions during the period / year</b>		
Civil Works	-	8,520
Plant & Machinery	222,335	502,262
	<b>222,335</b>	<b>510,782</b>
<b>Capitalization during the period/year</b>		
Civil Works	-	-
Civil Works	-	(8,267)
Plant & Machinery	-	(588,665)
	<b>-</b>	<b>(596,932)</b>
<b>Closing balance</b>	<b>378,113</b>	<b>155,778</b>
	<b>5,632,649</b>	<b>5,498,699</b>

### 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. 24 (a) of the annual financial statements for the year ended September 30, 2019 except the following :

During the quarter, Deputy Commissioner has raised demands of Rs. 198.9 million and Rs. 115.2 million through orders both dated December 16, 2019 in light of proceedings of show-cause notices nos. C.No. (2) SCN/Shahmurad/Sugar/E&C-4/Zone-II/LTU/2019 dated September 12, 2019 and C.No. DCIR/ SSML/Inadmissible/E&C-3&4/Zone-II/LTU/2019 dated October 10, 2019 respectively. The Company filed appeals with Commissioner Inland Revenue (Appeals) both dated January 15, 2020. The Commissioner Appeals has granted stay on proceedings and both cases are yet to be decided. The management and advisor of the Company are of the view that the Company has reasonable grounds and favorable outcome is expected so no provision is made.

## SHAHMURAD SUGAR MILLS LTD.

	Un-Audited December 31, 2019 (Rupees in thousand)	Audited September 30, 2019
<b>5.2 Commitments</b>		
Commitments for capital expenditure	57,049	185,838
Commitments for stores and spares	393	3,846
	57,442	189,684
<b>Bank Gurantees</b>		
in favor of Excise and Taxation Department	500	500

	For the period October to December 2019                      2018 (Rupees in thousand)	
<b>6. COST OF SALES</b>		
Openign stock of finished goods	1,387,030	1,539,616
Cost of goods manufactured	1,088,076	1,348,917
	2,475,106	2,888,533
Closing stock of finished goods (Note 6.1)	(240,679)	(841,093)
	2,234,427	2,047,440

**6.1** Finished goods costing Rs. nil (December 2018: nil) have been written down to their net relaizable value of Rs. nil (December, 2018 : nil). At period end stock pledged against short term borrowings amounted to Rs. 10 million (December 2018 : Rs. 833.178 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:

		December 2019	December 2018
<b>Transactions:</b>	<b>Relationship with the Company</b>	<b>(Rupees in thousand)</b>	
<b>Associates</b>			
	Al-Noor Sugar Mills Limited	91,573	5,861
	Reliance Insurance Company Ltd	4,892	4,934
<b>Other related parties</b>			
	Directors' and key management personnel	4,418	7,408
	Directors remuneration	13,443	8,202
	Executive remuneration	70	-
	Directors' meeting fee		
	Staff provident fund	1,697	1,503
	Company's Contribution during the period		

## SHAHMURAD SUGAR MILLS LTD.

Balances:		December 2019	December 2018
Relationship with the Company	Nature of Transactions	(Rupees in thousand)	
<b>Associates</b>			
Al-Noor Sugar Mills Limited	Loans and advances	114,136	197,140
Reliance Insurance Company Ltd	Trade & other payables	4,893	3,481
Staff provident fund	Trade & other payables	1,297	1,331

### 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, 2019			As at September 30, 2019		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Long term financing-Musharka and others finance	720,000	562,440	1,282,440	766,250	574,563	1,340,813
Current portion of long term finance	285,000	74,572	359,572	285,000	73,560	358,560
	<b>1,005,000</b>	<b>637,012</b>	<b>1,642,012</b>	<b>1,051,250</b>	<b>648,123</b>	<b>1,699,373</b>
Accrued Mark-up/profit	46,453	20,391	66,844	28,359	11,457	39,816
Short term borrowings	510,000	2,363,256	2,873,256	750,000	2,362,830	3,112,830
Cash at banks	(17,040)	(120,893)	(137,933)	(9,624)	(52,625)	(62,249)
	<b>1,544,413</b>	<b>2,899,766</b>	<b>4,444,179</b>	<b>1,819,985</b>	<b>2,969,785</b>	<b>4,789,770</b>

	Period ended December 31, 2019			Period ended December 31, 2018		
	Rupees in thousand			Rupees in thousand		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Finance cost	45,235	25,072	70,307	31,069	38,207	69,276
Income from Special Sharikah Certificates	(28,388)	-	(28,388)	-	-	-
	<b>16,847</b>	<b>25,072</b>	<b>41,919</b>	<b>31,069</b>	<b>38,207</b>	<b>69,276</b>

## 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, 2019 and December 31, 2018 and assets and liabilities information regarding business segments as at December 31, 2019 and September 30, 2019.

	Sugar		Ethanol		Total	
	For the period ended December 31, 2019 2018		For the period ended December 31, 2019 2018		For the period ended December 31, 2019 2018	
----- (Rupees in thousand) -----						
<b>REVENUE</b>						
External Sales	1,364,074	927,936	1,329,911	1,678,421	2,693,985	2,606,357
Inter segment transfer	-	-	-	-	-	-
<b>Total</b>	<b>1,364,074</b>	<b>927,936</b>	<b>1,329,911</b>	<b>1,678,421</b>	<b>2,693,985</b>	<b>2,606,357</b>
<b>RESULTS</b>						
Profit/(loss) from operation	41,358	(91,386)	347,625	573,086	388,983	481,700
Profit from trading activity	702	487	-	-	702	487
	42,060	(90,899)	347,625	573,086	389,685	482,187
Other operating expenses					(20,151)	(31,352)
Other income					36,847	34,443
Finance cost					(70,307)	(69,276)
Profit before tax					336,074	416,002
Taxation					(28,507)	(24,388)
<b>Profit for the period</b>					<b>307,567</b>	<b>391,614</b>

### SEGMENT ASSETS AND LIABILITIES

	December 2019	September 2019	December 2019	September 2019	December 2019	September 2019
----- (Rupees in thousand) -----						
<b>Assets</b>						
Segment assets	2,723,526	3,649,910	7,591,415	6,192,247	10,314,941	9,842,157
Un-allocated assets					441,153	547,349
Long term investment					1,351	1,351
<b>Total assets</b>					<b>10,757,445</b>	<b>10,390,857</b>
<b>Liabilities</b>						
Segment liabilities	1,522,749	1,782,667	4,431,170	4,133,766	5,953,919	5,916,433
Unallocated liabilities					118,156	96,621
					<b>6,072,075</b>	<b>6,013,054</b>

## SHAHMURAD SUGAR MILLS LTD.

	Period ended December 31,		Period ended December 31,		Period ended December 31,	
	2019	2018	2019	2018	2019	2018
----- (Rupees in thousand) -----						
<b>OTHER INFORMATION</b>						
Additions to property, plant and equipment	186,553	84,267	35,991	174,210	222,544	258,477
Depreciation	21,475	21,451	67,119	61,845	88,594	83,296

### Revenue from major customers

During the period external sales to major customers amounted to Rs. 689 million. (December 2018: Rs. 1052 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	
	2019	2018
(Rupees in thousand)		
Pakistan	1,005,899	927,936
Afghanistan	358,175	-
Ghana	305,217	196,960
Others	214,527	574,538
Angola	205,654	226,213
Sierra Leone	143,166	-
Singapore	98,165	-
Liberia	80,926	-
Cameroon	78,140	93,191
Ivory Coast	74,560	-
Philippines	71,017	173,682
Turkey	29,798	261,764
Tiawan	28,741	25,091
Spain	-	105,038
India	-	21,944
	<b>2,693,985</b>	<b>2,606,357</b>

### 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.

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 24, 2020 by the Board of Directors of the Company.

**13. GENERAL**

Figures have been rounded off nearest to thousand rupees.



**ZIA ZAKARIA**  
Managing Director & CEO



**AZIZ AYOUB**  
Director



**ZAID ZAKARIA**  
Chief Financial Officer




بورڈ آف ڈائریکٹرز بھی ان تمام افسران، ملازمین اور کارکنوں کی مثالی خدمت اور وابستگی کو ریکارڈ کرتی ہے جنہوں نے کمپنی کے تمام کاموں کو بہتر کرنے کے لئے اپنی خدمات میں حصہ لیا ہے۔

منجانب بورڈ آف ڈائریکٹرز



اے عزیز ایوب  
ڈائریکٹر



ہیڈا زکیا  
چیف ایگزیکٹو آفیسر (CEO)

تاریخ: 24 جنوری 2020

## ڈائریکٹرز رپورٹ

محترم ممبران!.....السلام علیکم!

بورڈ کی جانب سے میں آپ کے سامنے 31 دسمبر 2019 کو ختم ہونے والی پہلی سہ ماہی کے لئے آپ کی کمپنی کے غیر آڈٹ شدہ مالیاتی گوشوارے بڑی خوشی سے پیش کرتا ہوں۔ ہر شعبہ کی کارکردگی درج ذیل ہے۔

### شوگر ڈویژن:

گنے کی کرشنگ 29 نومبر 2019 کو شروع ہوئی، ہل نے 19,170 میٹرک ٹن گنے کو کرش کیا جبکہ گزشتہ سال کے اسی سیزن کے دوران 42,008 میٹرک ٹن گنے کو کرش کیا تھا۔ چینی کی پیداوار 1,045 میٹرک ٹن رہی جبکہ گزشتہ سال اسی سیزن کی پیداوار 3,065 میٹرک ٹن تھی۔ ریکوری کی شرح 10.16 فیصد تھی جبکہ پچھلے سال 10.44 فیصد حاصل ہوئی تھی۔ پچھلے تین سالوں کے دوران چینی کی پیداوار ملک کی ضرورت سے زیادہ تھی اور پاکستان کی چینی کی صنعت کو قیمت گرنے کی وجہ سے کافی نقصان ہوا ہے۔ کرشنگ سیزن میں پیشرفت کے لئے حکومت سندھ نے گنے کی امدادی قیمت کو =/192 روپے فی چالیس کلوگرام مقرر کی ہے۔ اس کے علاوہ گنے کی فصل بھی اچھی نہیں ہے اور کاشتکار نوٹیفائنڈ قیمت پر اپنی پیداوار فروخت کرنے سے گریزاں ہیں۔ مل کے پاس کسی بھی مداخلت کے بغیر مل چلانے کے لئے دور دراز علاقوں سے خام مال کی خریداری کے سوا کوئی چارہ نہیں ہے۔ گنے کی کاشت کے زیر کاشت رقبے میں تقریباً 15% سے 20% کی کمی واقع ہوئی ہے جس کے نتیجے میں کرشنگ کا کم تناسب اور پیداوار کم ہوگی اور اس سے شوگر ڈویژن کا نفع متاثر ہونے کا امکان ہے۔

### اتھنول ڈویژن:

زیر غور اس مدت کے دوران اتھنول ڈویژن کی پیداوار 8,917 میٹرک ٹن رہی جبکہ پچھلے سال کے اسی عرصے میں 18,061 میٹرک ٹن کی پیداوار ہوئی تھی۔ جب کہ گزشتہ سال کی پیداوار کے مقابلے میں کافی حد تک کم ہے جس کی وجہ مطلوبہ مقدار میں خام مال کی عدم فراہمی تھی۔ کرشنگ کا آغاز ہو چکا ہے اور توقع ہے کہ خام مال کی دستیابی میں بہتری آئے گی اور سال کے باقی عرصے کے دوران اتھنول کے پیداوار میں اضافہ ہوگا۔

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