

SHAHMURAD SUGAR MILLS LTD

CORPORATE BRIEFING 2023-2024

Dated 25-02-2025

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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The Company was incorporated in Pakistan under the repealed Companies Act 1913 (now Companies Act, 2017) as a public limited company.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

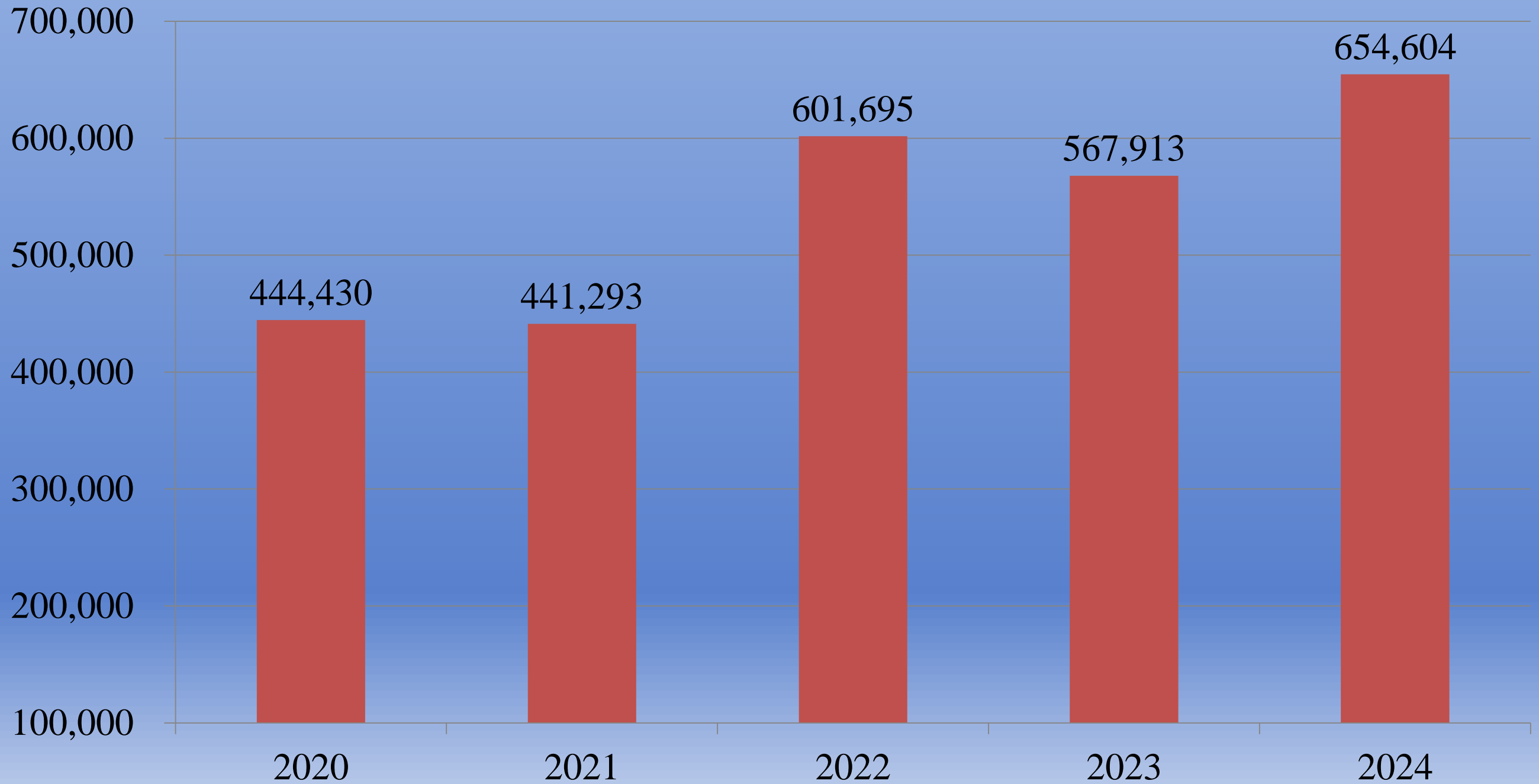
Sugar Division - Production - Data

	2020	2021	2022	2023	2024
Crushing (M.Tons)	444,430	441,293	601,695	567,913	654,604
Sugar Production (M.Tons)	48,786	47,220	66,683	60,303	71,905
Recovery %	11.00	10.70	11.08	10.60	10.98

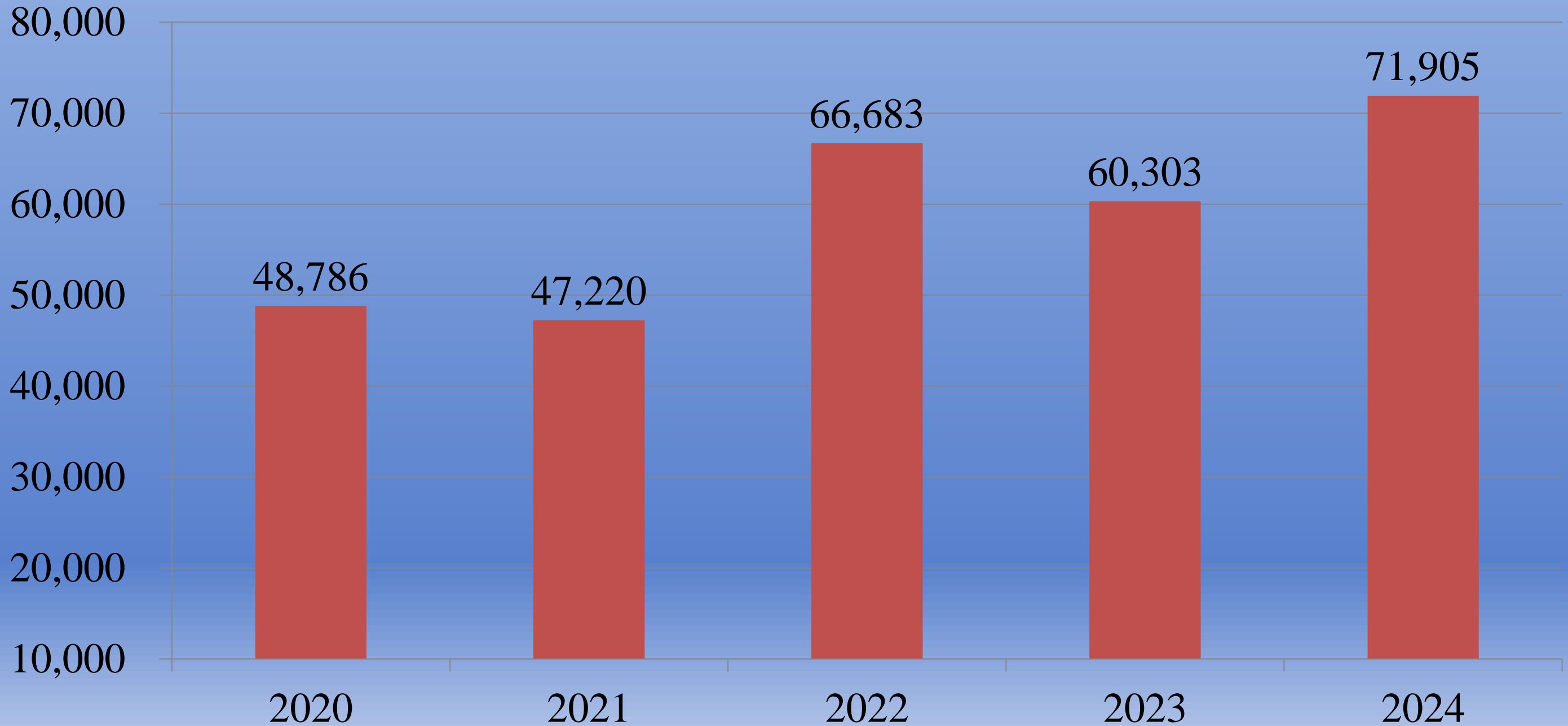
Ethanol Division - Production - Data

	2020	2021	2022	2023	2024
Ethanol Production M.Tons	47,608	42,643	69,752	69,738	59.967

Sugar – Crushing Data – M.Tons



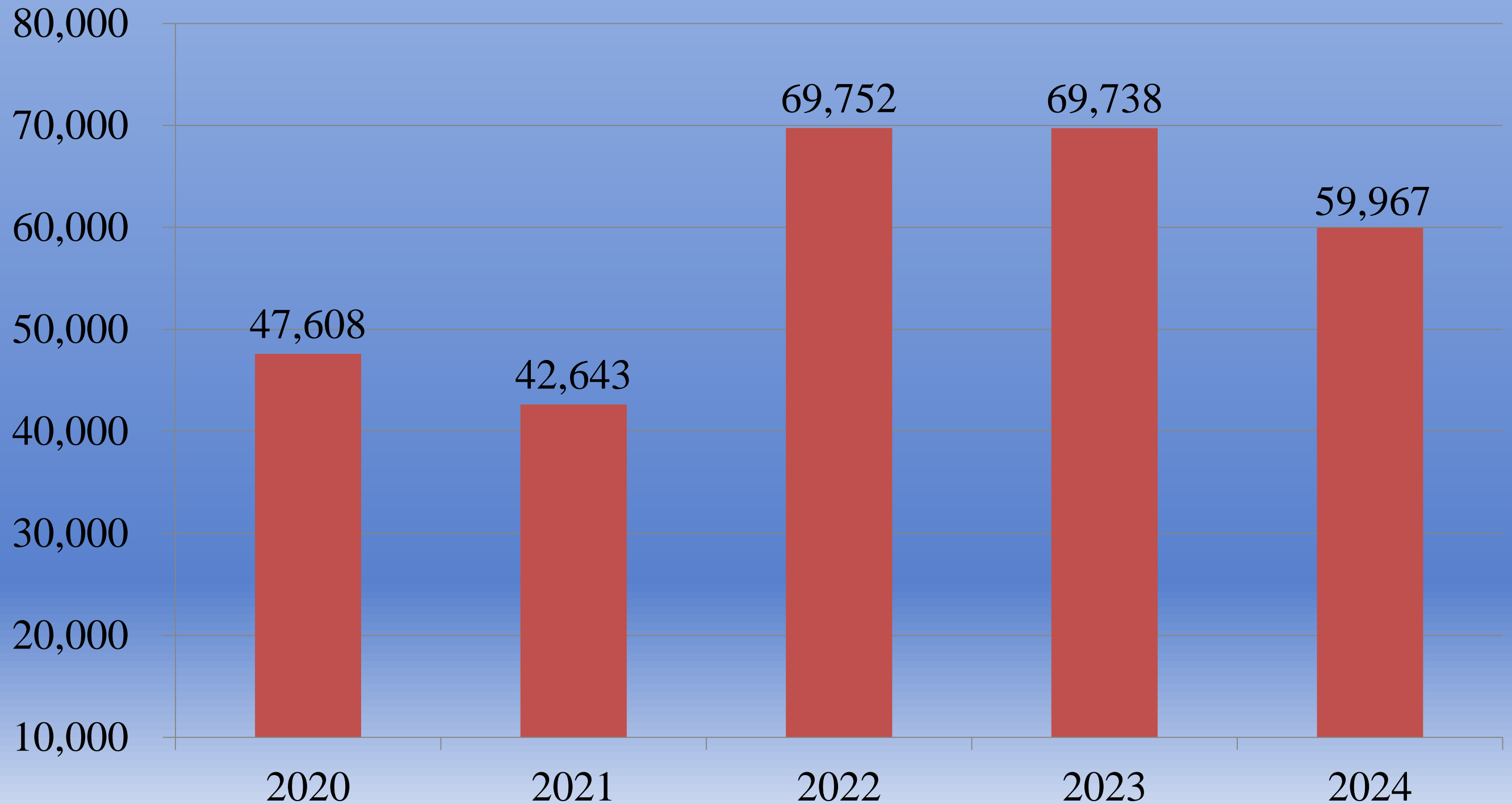
Sugar – Production Data in M.Tons



Sugar – Recovery Trend in %



Ethanol – Production Data in M.Tons



Analysis of Financial Results

Rupees in millions				
	2023		2024	
STATEMENT OF PROFIT OR LOSS	Rs.	%	Rs.	%
HORIZONTAL ANALYSIS				
Turnover	22,884.47	28.52	25,737.19	12.47
Cost of sales	(17,246.00)	20.13	(23,555.77)	36.59
Gross Profit	5,638.47	63.37	2,181.42	(61.31)
Distribution costs	(176.76)	24.40	(151.58)	(14.25)
Administrative expenses	(373.45)	22.76	(456.02)	22.11
Other operating expenses	(330.04)	(44.24)	(51.43)	(84.42)
Other operating income	665.17	1,466.21	551.32	(17.12)
Share of Profit from associates	(0.05)	0.00	(0.04)	(16.00)
Finance costs	(1,012.86)	107.22	(1,650.04)	62.91
Profit before taxation	4,410.48	124.26	423.63	(90.39)
Levies & Income Tax	(582.86)	84.55	(371.23)	(36.31)
Net profit for the year	3,827.62	131.86	52.40	(98.63)

Analysis of Financial Results

	Rupees in millions			
STATEMENT OF PROFIT OR LOSS	2023		2024	
VERTICAL ANALYSIS	Rs.	%	Rs.	%
Turnover	22,884.47	100.00	25,737.19	100.00
Cost of sales	(17,246.00)	(75.36)	(23,555.77)	(91.52)
Gross Profit	5,638.47	24.64	2,181.42	8.48
Distribution costs	(176.76)	(0.77)	(151.58)	(0.59)
Administrative expenses	(373.45)	(1.63)	(456.02)	(1.77)
Other operating expenses	(330.04)	(1.44)	(51.43)	(0.20)
Other operating income	665.17	2.91	551.32	2.14
Share of Profit from associates	(0.05)	(0.00)	(0.04)	(0.00)
Finance costs	(1,012.86)	(4.43)	(1,650.04)	(6.41)
Profit before taxation	4,410.48	19.27	423.63	1.65
Levies & Income Tax	(582.86)	(2.55)	(371.23)	(1.44)
Net profit for the year	3,827.62	16.73	52.40	0.20

Analysis of Financial Results

STATEMENT OF FINANCIALS POSITION				
Rupees in millions				
HORIZONTAL ANALYSIS	2023		2024	
ASSETS	Rs.	%	Rs.	%
NON CURRENT ASSETS				
Property, plant and equipment	10,859.04	95.62	10,770.74	(0.81)
Intangible assets	0.00	0.00	0.00	0.00
Long term investment	0.97	(11.01)	1.21	24.54
Long term loans	1.87	64.04	1.43	(23.64)
Long term deposits	3.15	21.15	3.15	(0.03)
	10,865.03	95.56	10,776.52	(0.81)
CURRENT ASSETS				
Stores, spares parts and loose tools	356.28	47.39	514.02	44.27
Stock in trade	4,562.11	28.96	5,443.49	19.32
Trade debts	870.40	(17.82)	778.14	(10.60)
Loans and advances	710.21	24.99	611.52	(13.90)
Trade deposits and short term prepayments	1.17	(80.24)	2.09	78.63
Other receivables	109.06	610.03	74.59	(31.60)
Short term investment	24.24	(97.69)	2,824.32	11,551.47
Cash and bank balances	5,099.54	401.82	810.81	(84.10)
	11,733.01	56.55	11,058.97	(5.74)
	22,598.04	73.16	21,835.50	(3.37)

Analysis of Financial Results

STATEMENT OF FINANCIALS POSITION	Rupees in millions			
HORIZONTAL ANALYSIS	2023		2024	
	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	(2.27)	3.18	(1.99)	(12.29)
Unappropriated profit	7,563.14	67.57	7,392.92	(2.25)
Surplus on revaluation of property, plant & equipment	5,966.46	392.23	4,038.38	(32.32)
	13,818.52	129.75	11,720.50	(15.18)
NON CURRENT LIABILITIES				
Long term financing	388.65	(40.83)	260.43	(32.99)
Deferred taxation	956.06	489.76	2,716.46	184.13
	1,344.71	64.19	2,976.90	121.38
CURRENT LIABILITIES				
Trade and other payables	2,460.28	84.38	1,284.22	(47.80)
Accrued finance cost	127.09	107.63	138.68	9.12
Short term borrowings	4,562.32	0.67	5,575.59	22.21
Loan from related parties	8.03	(80.48)	0.00	(100.00)
Current portion of long term financing	178.22	(25.19)	78.22	(56.11)
Income tax - net of payments	98.86	879.78	61.39	(37.90)
	7,434.81	19.59	7,138.10	(3.99)
	22,598.04	73.16	21,835.50	(3.37)

Analysis of Financial Results

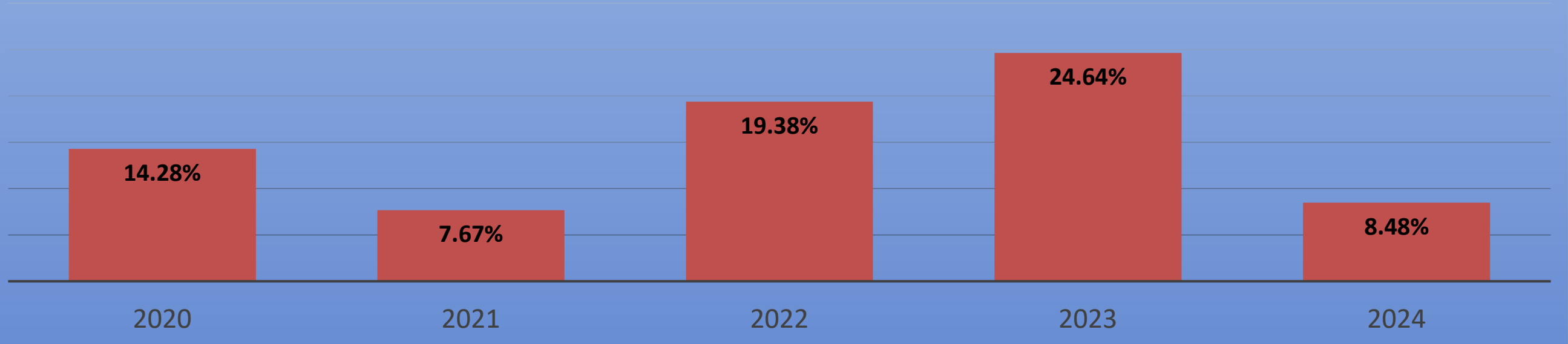
STATEMENT OF FINANCIALS POSITION		Rupees in millions		
VERTICAL ANALYSIS	2023		2024	
ASSETS	Rs.	%	Rs.	%
NON CURRENT ASSETS				
Property, plant and equipment	10,859.04	48.05	10,770.74	49.33
Intangible assets	0.00	0.00	0.00	0.00
Long term investment	0.97	0.00	1.21	0.01
Long term loans	1.87	0.01	1.43	0.01
Long term deposits	3.15	0.01	3.15	0.01
	10,865.03	48.08	10,776.52	49.35
CURRENT ASSETS				
Stores, spares parts and loose tools	356.28	1.58	514.02	2.35
Stock in trade	4,562.11	20.19	5,443.49	24.93
Trade debts	870.40	3.85	778.14	3.56
Loans and advances	710.21	3.14	611.52	2.80
Trade deposits and short term prepayments	1.17	0.01	2.09	0.01
Other receivables	109.06	0.48	74.59	0.34
Short term investment	24.24	0.11	2,824.32	12.93
Cash and bank balances	5,099.54	22.57	810.81	3.71
	11,733.01	51.92	11,058.97	50.65
	22,598.04	100.00	21,835.50	100.00

Analysis of Financial Results

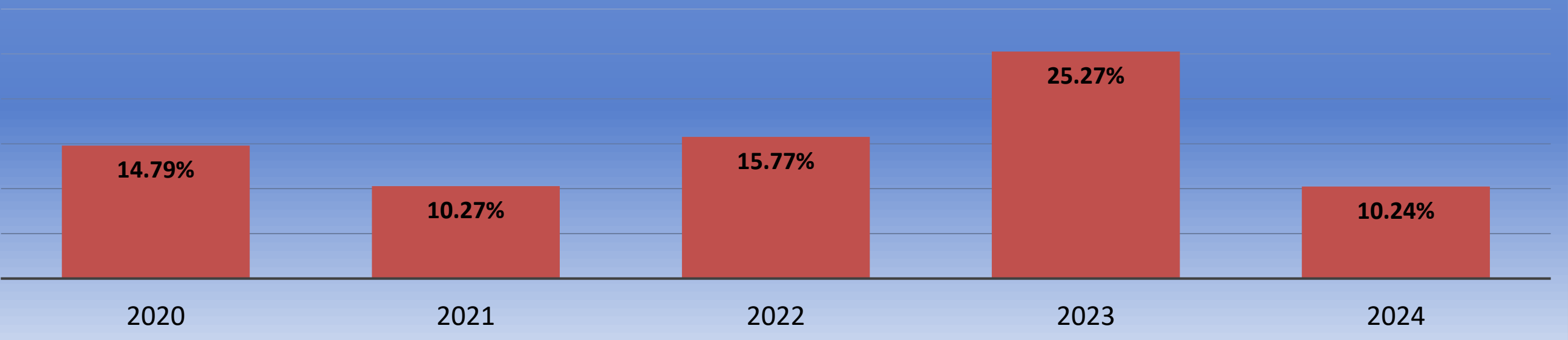
STATEMENT OF FINANCIALS POSITION				
Rupees in millions				
VERTICAL ANALYSIS	2023		2024	
EQUITY AND LIABILITIES	Rs.	%	Rs.	%
SHARE CAPITAL AND RESERVES				
Issued, subscribed and paid up capital	211.19	0.93	211.19	0.97
General reserves	80.00	0.35	80.00	0.37
Shares of associate's unrealised loss on remeasurement of its investments	(2.27)	(0.01)	(1.99)	(0.01)
Unappropriated profit	7,563.14	33.47	7,392.92	33.86
Surplus on revaluation of property, plant & equipment	5,966.46	26.40	4,038.38	18.49
	13,818.52	61.15	11,720.50	53.68
NON CURRENT LIABILITIES				
Long term financing	388.65	1.72	260.43	1.19
Deferred taxation	956.06	4.23	2,716.46	12.44
	1,344.71	5.95	2,976.90	13.63
CURRENT LIABILITIES				
Trade and other payables	2,460.28	10.89	1,284.22	5.88
Accrued finance cost	127.09	0.56	138.68	0.64
Short term borrowings	4,562.32	20.19	5,575.59	25.53
Loan from related parties	8.03	0.04	0.00	0.00
Current portion of long term financing	178.22	0.79	78.22	0.36
Income tax - net of payments	98.86	0.44	61.39	0.28
	7,434.81	32.90	7,138.10	32.69
	22,598.04	100.00	21,835.50	100.00

Key Financials Indicators

Gross Profit Margin % Sales

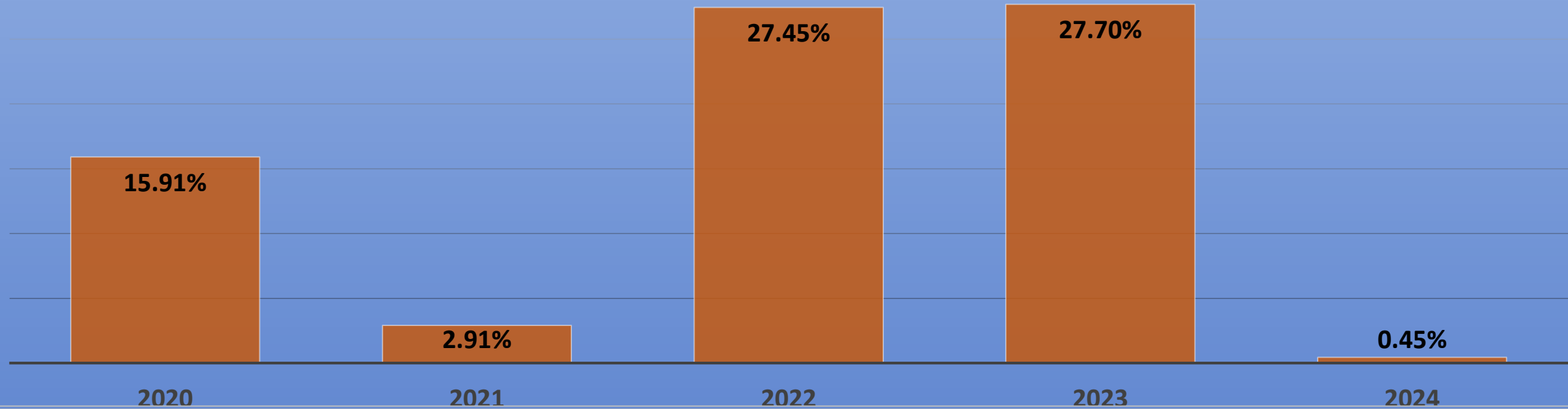


EBITDA Margin % sales

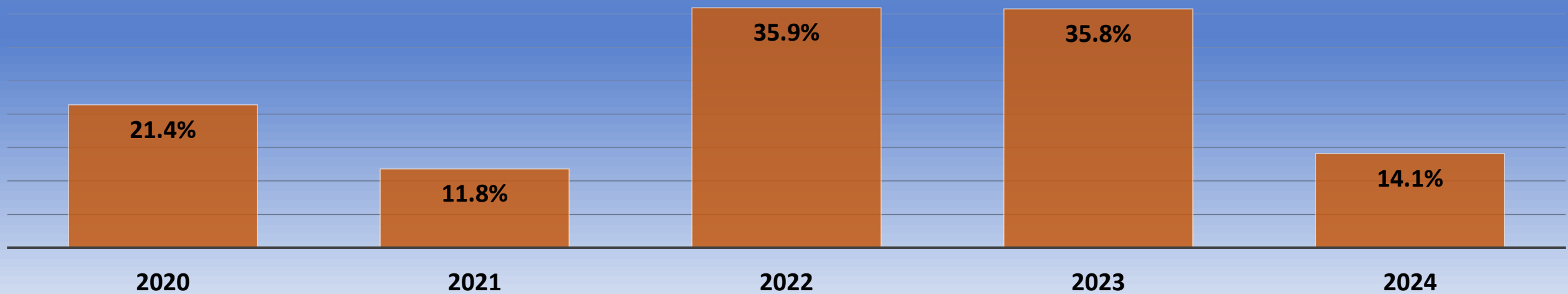


Key Financials Indicators

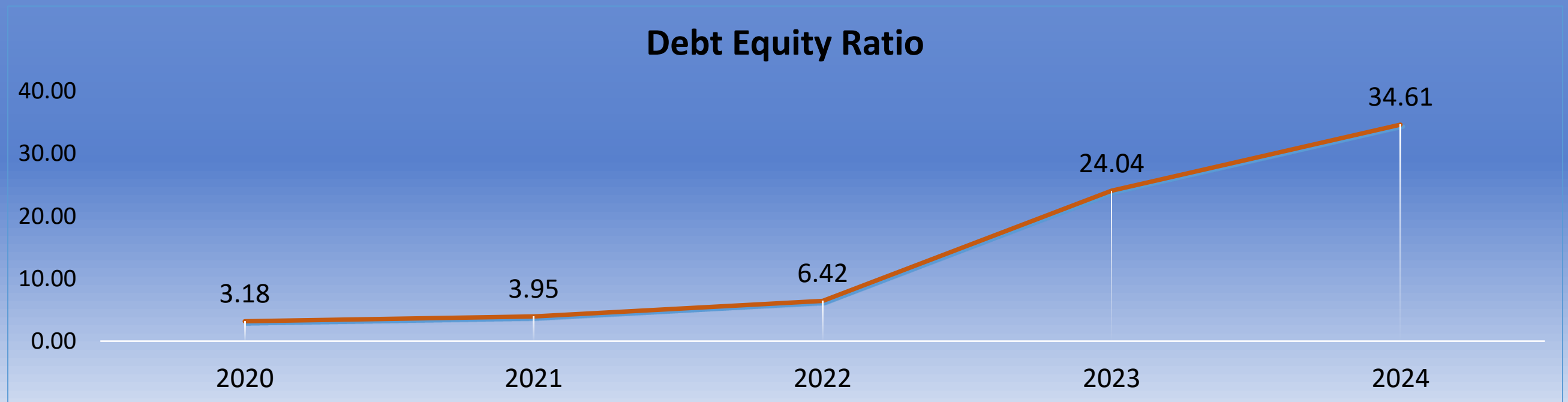
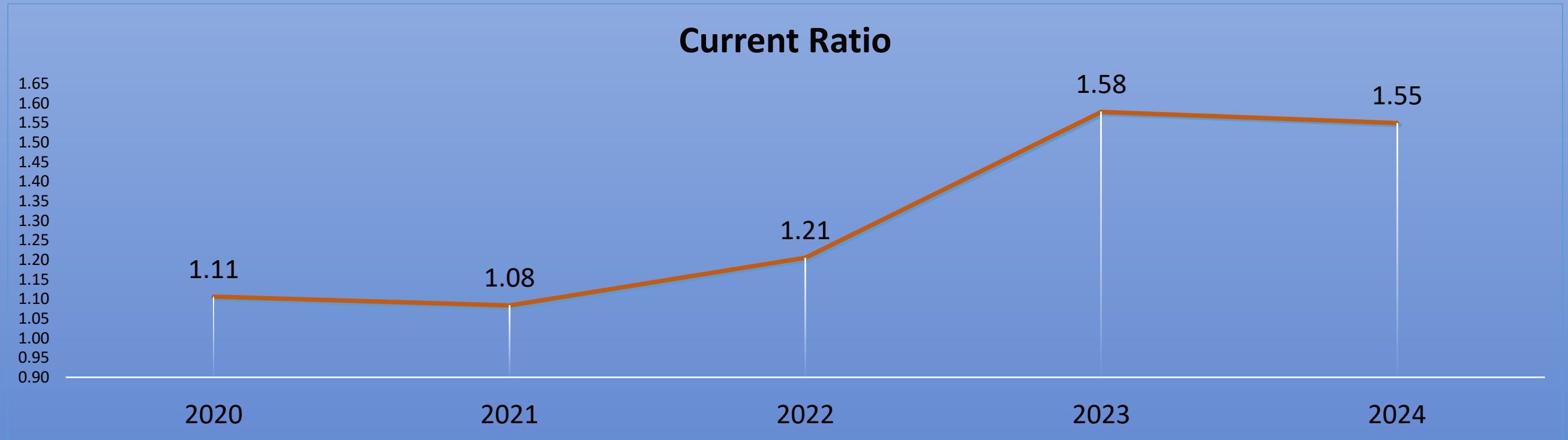
Return on Equity % (Net)



Return on capital employed %

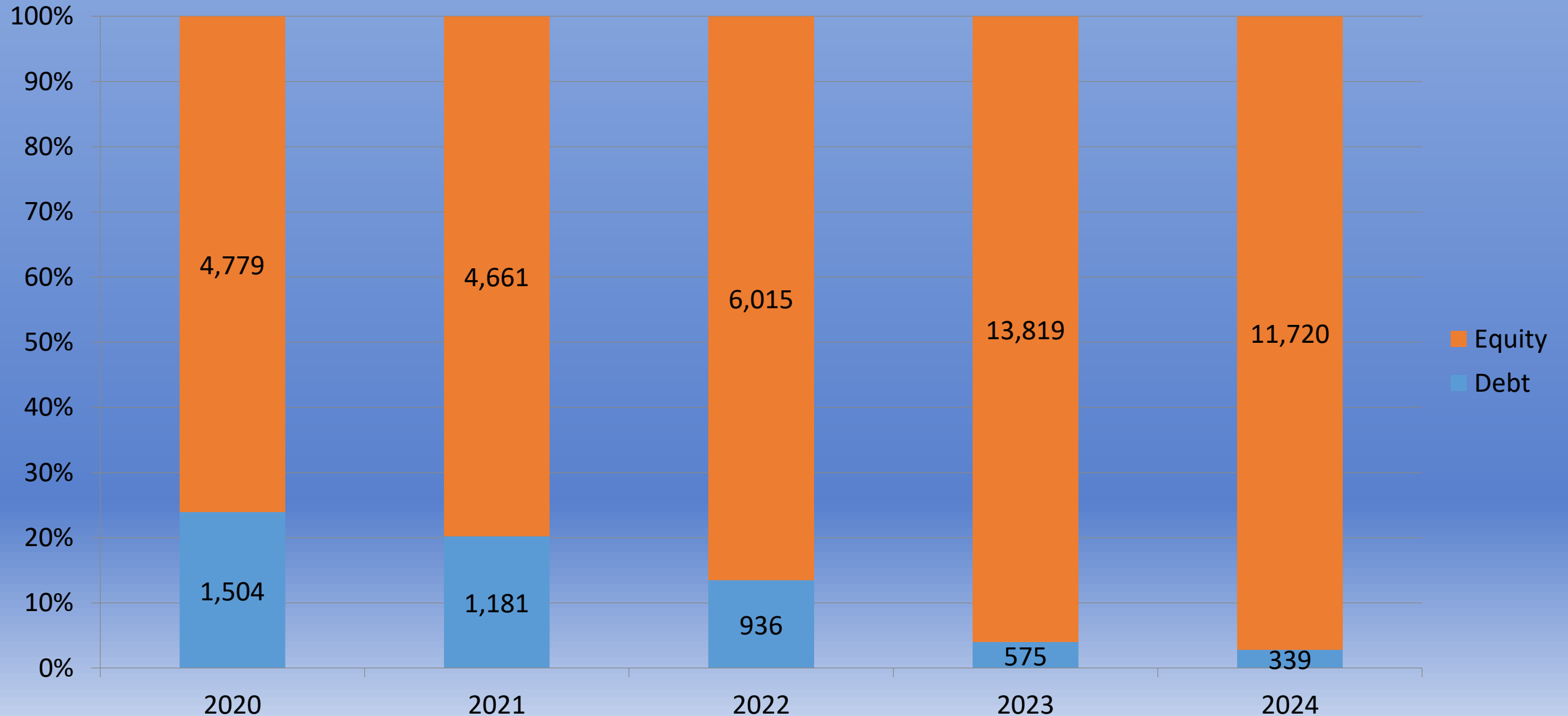


Key Financials Indicators



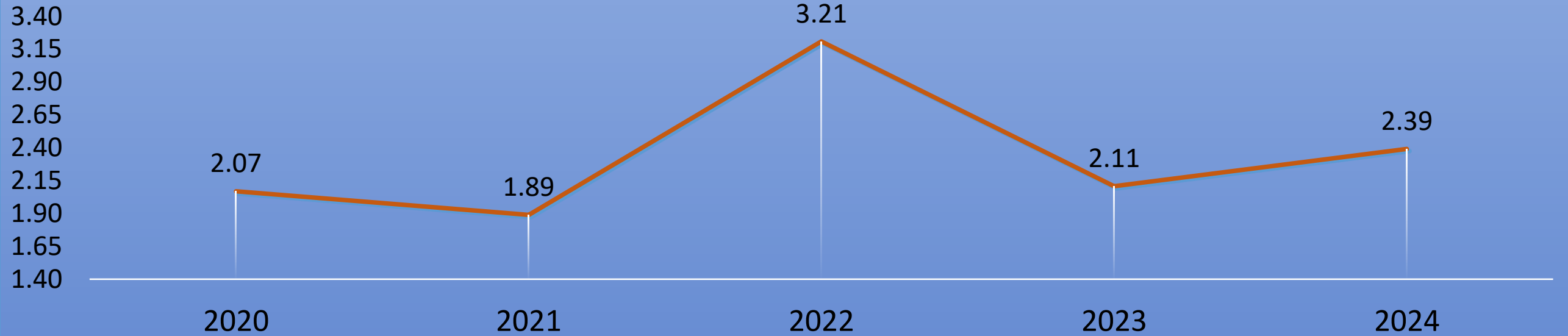
Key Financials Indicators

Debt Equity in %

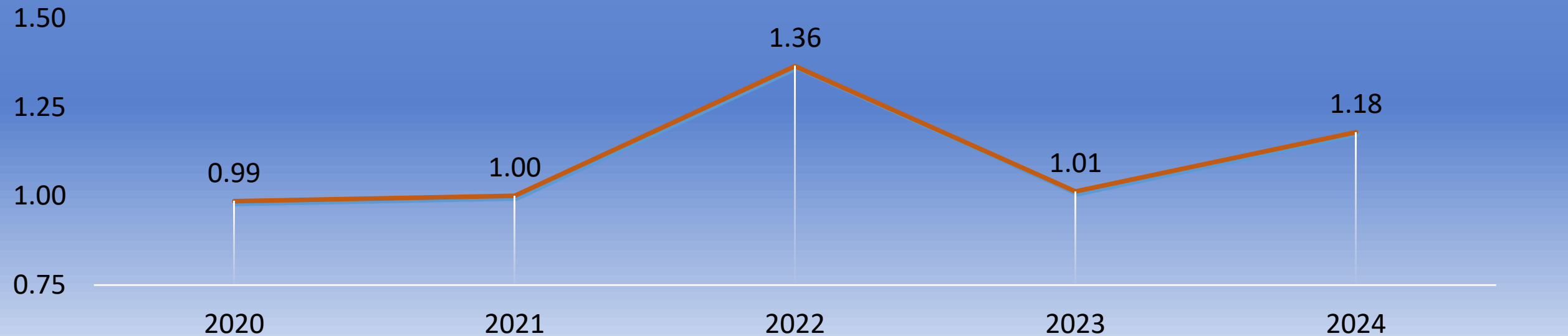


Key Financials Indicators

Fixed Assets Turnover Ratio



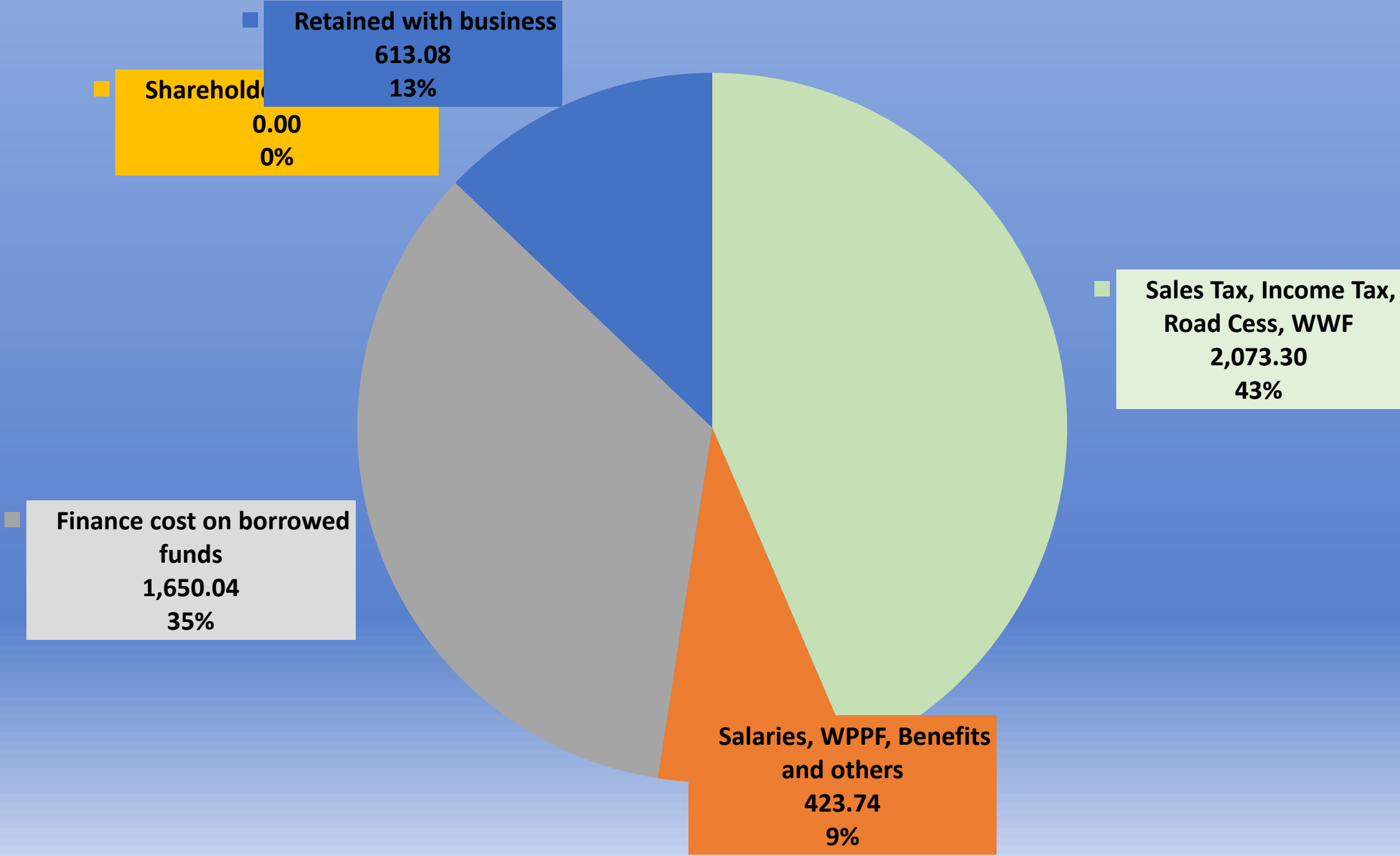
Assets Turnover Ratio



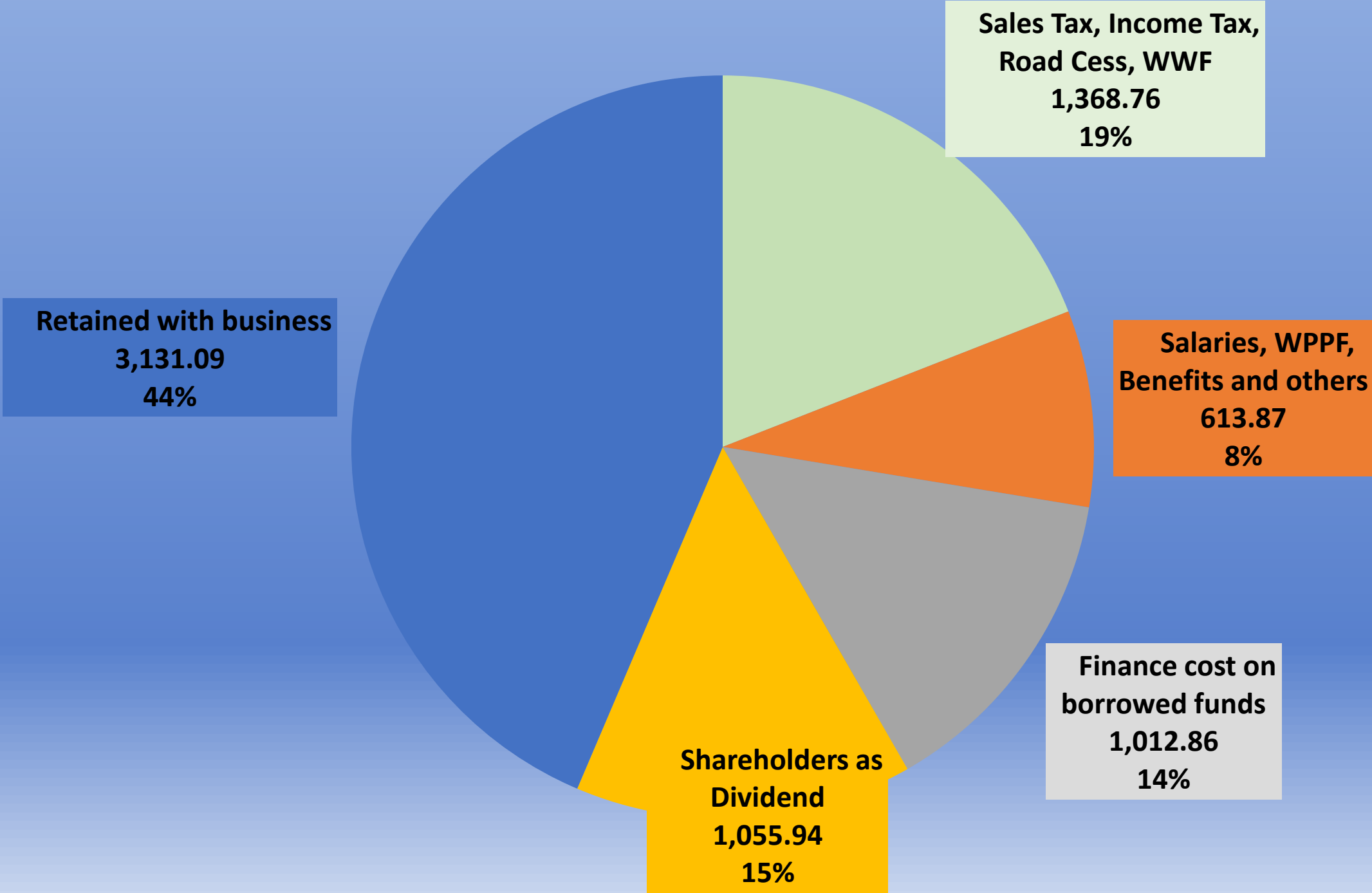
Value Additions

STATEMENT OF VALUE ADDITION				
	Rupees in Millions		Rupees in Millions	
	2024	%	2023	%
WEALTH GENERATED				
Revenue	28,014.32		24,344.69	
Expenses	23,254.16		17,162.17	
Wealth generated	4,760.16	100.00	7,182.52	100.00
WEALTH DISTRIBUTED				
To Government				
Sales Tax, Income Tax, Road Cess, WWF	2,073.30	43.56	1,368.76	19.06
To Employees				
Salaries, WPPF, Benefits and others	423.74	8.90	613.87	8.55
To Providers of Capital				
Finance cost on borrowed funds	1,650.04	34.66	1,012.86	14.10
Shareholders as Dividend	0.00	0.00	1,055.94	14.70
Retained with business				
Depreciation	560.68	11.78	359.42	5.00
Retained profit	52.40	1.10	2,771.67	38.59
	4,760.16	100.00	7,182.52	100.00

Value Additions - 2024



Value Additions - 2023



Investor Relations

Share Registrar

C & K Management Associates (Pvt.) Ltd

M-13, Progressive Plaza, Civil Lines Quarter, Near P.I.D.C Beaumont Road

Karachi

2020

2021

2022

2023

2024

Number of Shares (Issued/ Paid-up)

21118663

21118663

21118663

21118663

21118663

Earning per share

36.00

6.42

78.17

181.24

2.48

Break-up value per share

160.49

158.73

227.40

371.81

363.76

Market capitalization in millions

2,090.75

1,647.26

2,259.91

4,213.17

7,264.82

Market value of share on 30th September

99

78

107.01

199.5

344

P/E Ratio

2.75

12.15

1.37

1.1

138.71

Cash Dividend %

120

30

200

500

0

Highest price during the year

143

117

107.01

200

625

Lowest price during the year

69

73

107.01

199.5

188.19

FUTURE OUTLOOK

Rupees in millions				
STATEMENT OF PROFIT OR LOSS	2023		2024	
	October to December		October to December	
VERTICAL ANALYSIS	Rs.	%	Rs.	%
Turnover	6,993.41	100.00	5,900.62	100.00
Cost of sales	(5,647.34)	(80.75)	(5,469.80)	(92.70)
Gross Profit	1,346.07	19.25	430.81	7.30
Distribution costs	(35.04)	(0.50)	(53.03)	(0.90)
Administrative expenses	(122.03)	(1.74)	(117.34)	(1.99)
Other operating expenses	(91.36)	(1.31)	(16.09)	(0.27)
Other operating income	310.47	4.44	148.76	2.52
Finance costs	(227.93)	(3.26)	(190.42)	(3.23)
Profit before levies and income tax	1,180.18	16.88	202.69	3.44
Levies and income tax	(213.63)	(3.05)	(59.99)	(1.02)
Net profit for the period	966.55	13.82	142.70	2.42
Earning per share-Basic and diluted-Rupees	45.77		6.76	

FUTURE OUTLOOK

	December-23	December-24
Actual Crushing (M.Tons)	174,715	68,677
Sugar Production (M.Tons)	15,815	5,440
Recovery %	10.41	10.06
Ethanol Production (M.Tons)	12,651	14,867

FUTURE OUTLOOK

The sugar division of the Company produced sugar up to the end of January crushed 268,112 M.Tons (463,955 M.Tons January, 2024) with an average sucrose recovery of 10.03% (10.73% January, 2024) and produced sugar of 24,930 (48,095 M.Tons January, 2024) M.Tons. The ethanol division of the Company produced 21,653 M.Ton (18,660 M.Tons January, 2024) 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, including slow growth, political conflicts, and trade tariff wars among major economies. Additionally, ongoing conflicts in the Middle East have further driven costs to record highs and severely disrupted supply chain operations worldwide.

Internally, economic conditions are stabilizing, but policies related to the deregulation of sugarcane prices and administrative control over sugar prices are negatively impacting the overall health of the sugar industry. While relaxed monetary policies help reduce the financial burden on industries, tax rates remain excessively high.

Q & A Session

Thank You