



**SHAHMURAD SUGAR MILLS LIMITED**

3rd Quarterly Results for the period  
1st October 2010 to 30th June, 2011

## SHAHMURAD SUGAR MILLS LTD.

### COMPANY INFORMATION

#### BOARD OF DIRECTORS

|                              |                   |
|------------------------------|-------------------|
| MR. ISMAIL H. ZAKARIA        | Chairman          |
| MR. YUSUF AYOOB              | Managing Director |
| MR. SULEMAN AYOOB            |                   |
| MR. A. AZIZ AYOOB            |                   |
| MR. ZIA ZAKARIA              | Resident Director |
| MR. GHULAM MOHIUDDIN ZAKARIA |                   |
| MR. ZOHAIR ZAKARIA           |                   |
| MR. AAMIR AMIN               | (N.I.T. Nominee)  |
| MR. KHURRAM AFTAB            | (N.I.T. Nominee)  |

#### BOARD AUDIT COMMITTEE

|                    |          |
|--------------------|----------|
| MR. SULEMAN AYOOB  | Chairman |
| MR. ZOHAIR ZAKARIA | Member   |
| MR. AAMIR AMIN     | Member   |

#### CHIEF FINANCIAL OFFICER

MR. IQBAL UMER

#### COMPANY SECRETARY

MR. MOHAMMAD YASIN MUGHAL  
FCMA

#### LEGAL ADVISOR

MR. ABDUL SATTAR PINGAR  
Advocate

#### AUDITORS

HYDER BHIMJI & COMPANY  
Chartered Accountants

#### REGISTERED OFFICE

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

#### FACTORY

JHOK SHARIF,  
TALUKA MIRPUR BATHORO,  
DISTRICT THATTA (S1NDH)

#### REGISTRAR & SHARE REGISTRATION OFFICE

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

#### WEBSITE

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

## DIRECTORS' REPORT

IN THE NAME OF ALLAH THE MOST GRACIOUS AND MOST MERCIFUL

Dear members:

Assalam-o-Alaikum

On behalf of Board of Directors it is my pleasure to present the un-audited financial statements of your Company for the period ended June 30, 2011. During the period under review your company operated satisfactorily and earned a pre tax profit of Rs.156.327 million as against Rs.20.866 million earned in the same period last year. Financial results for the nine months period are summarized as under:-

|                           | <u>Rupees in thousand</u> |
|---------------------------|---------------------------|
| Profit before taxation    | Rs.156,328                |
| Provision for taxation    | Rs. 37,268                |
| Profit after taxation     | Rs.119,060                |
| Earning per share (basic) | Rs.5.64                   |

### PERFORMANCE REVIEW:

The Government fixed minimum support price of sugarcane for the crushing season 2010-11 at Rs.127 per 40 kg but due to competition amongst the sugar mills the average sugarcane cost incurred was Rs. 205 per 40 kg of sugarcane. Crushing operations 2010-11 commenced on December 08, 2010 and the mills operated up to March 30, 2011 for 113 days as against 92 days operation in the last year's crushing season. During the current crushing season the mill crushed 654,892 metric tons of sugarcane as against 521,063 metric tons crushed during the last crushing season. Due to the higher crushing the production of sugar was also higher at 60,775 metric tons as against 49,565 metric tons produced last year indicating an increase of 22.62%. The sugar recovery rate, however, has reduced during the period under review at 9.27% as against 9.51% achieved last year reflecting a reduction of 2.52 percent. This was due to significant water absorption in the cane due to previous year's flood and some sugarcane being affected by whitefly pest attack.

### DISTILLERY DIVISION:

During the period under consideration the Distillery Division produced 20,727 metric tons of Ethanol as against 16,419 metric tons produced last year. The production is higher than last year due to better molasses availability and timely procurement of the same.

### BOARD OF DIRECTORS:

There has been no change in the composition of the Board of Directors during the period under review.

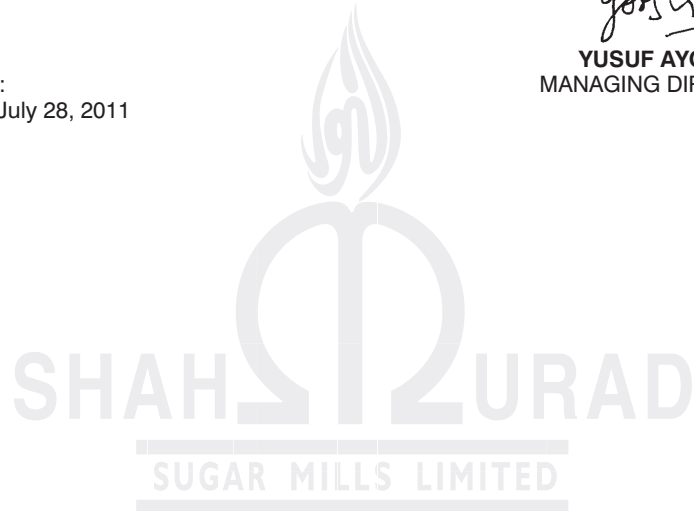
**FUTURE OUTLOOK:**

As always we look ahead with optimism that agriculture base in Pakistan will continue to grow. Availability of water in canals has been timely and regular which should greatly benefit the planted sugarcane.

The management and Directors are pleased to place on record their appreciation for the dedicated and devoted efforts of officers, staff and workers of the company.

Karachi:  
Dated; July 28, 2011

  
**YUSUF AYOOB**  
MANAGING DIRECTOR

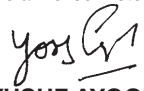


**SHAHMURAD SUGAR MILLS LTD.**

**CONDENSED INTERIM BALANCE SHEET  
AS AT JUNE 30, 2011**

|  | Note | Un-Audited<br>June<br>2011 | Audited<br>September<br>2010 |
|--|------|----------------------------|------------------------------|
| (Rupees in thousand)   |      |                            |                              |
| <b>ASSETS</b>  |      |                            |                              |
| <b>NON CURRENT ASSETS</b>  |      |                            |                              |
| Property, plant and equipment  | 2    | 2,039,939                  | 1,957,988                    |
| Long Term Investments  |      | 4,366                      | 4,365                        |
| Long Term Deposits   |      | 2,175                      | 2,037                        |
| Long Term Loan   |      | 485                        | 651                          |
|  |      | <u>2,046,965</u>           | <u>1,965,041</u>             |
| <b>CURRENT ASSETS</b>  |      |                            |                              |
| Stores, spare parts and loose tools                                  |      | 143,324                    | 160,319                      |
| Stock-in-trade   |      | 3,479,031                  | 954,493                      |
| Trade debts  |      | 87,668                     | 732                          |
| Loans and advances - unsecured considered good                       |      | 157,680                    | 199,311                      |
| Short term prepayments   |      | 1,403                      | 105                          |
| Other receivables  |      | 8,493                      | 15,945                       |
| Cash and bank balances   |      | 60,316                     | 14,540                       |
|  |      | <u>3,937,915</u>           | <u>1,345,445</u>             |
|  |      | <u>5,984,880</u>           | <u>3,310,486</u>             |
| <b>EQUITY AND LIABILITIES</b>  |      |                            |                              |
| <b>SHARE CAPITAL AND RESERVES</b>                                    |      |                            |                              |
| Authorised Capital<br>25,000,000 ordinary shares of Rs. 10 each      |      | <u>250,000</u>             | <u>250,000</u>               |
| Issued, subscribed and paid-up capital                               |      | 211,187                    | 211,187                      |
| General reserve  |      | 80,000                     | 80,000                       |
| Unrealised loss on remeasurement of investment                       |      | (13)                       | (13)                         |
| Un-appropriated Profit   |      | <u>242,590</u>             | <u>128,363</u>               |
|  |      | 533,764                    | 419,537                      |
| <b>SURPLUS ON REVALUATION OF PROPERTY,<br/>PLANT &amp; EQUIPMENT</b> |      | 457,415                    | 473,701                      |
| <b>NON CURRENT LIABILITIES</b>                                       |      |                            |                              |
| Long Term Financing  |      | 638,114                    | 510,166                      |
| Loan from Related Parties  |      | 230,855                    | 230,855                      |
| Liabilities against assets subject to finance lease                  |      | 24,202                     | -                            |
| Deferred liabilities   |      | 180,185                    | 173,525                      |
|  |      | <u>1,073,356</u>           | <u>914,546</u>               |
| <b>CURRENT LIABILITIES</b>   |      |                            |                              |
| Trade and other Payables   |      | 1,058,172                  | 393,278                      |
| Accrued markup   |      | 125,670                    | 43,385                       |
| Short term borrowings  |      | 2,511,883                  | 767,549                      |
| Current portion of long term financing and finance lease             |      | 207,255                    | 282,167                      |
| Provision for tax-Net of payment                                     |      | 17,365                     | 16,323                       |
|  |      | <u>3,920,345</u>           | <u>1,502,702</u>             |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                 | 3    | -                          | -                            |
|  |      | <u>5,984,880</u>           | <u>3,310,486</u>             |

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

  
**YUSUF AYOOB**  
Chief Executive

4

  
**ZIA ZAKARIA**  
Director

SHAHMURAD SUGAR MILLS LTD.

**CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2011**

|   | Notes | For the Nine Months<br>October to June |             | For the Quarter<br>April to June |             |
|---|-------|--|-------------|----------------------------------|-------------|
|   |       | 2011                                   | 2010        | 2011                             | 2010        |
|   |       | (Rupees in thousand)                   |             |                                  |             |
| Sales   |       | 3,057,161                              | 2,806,312   | 673,321                          | 1,198,629   |
| Cost of Sales                                     | 4     | (2,393,476)                            | (2,395,248) | (494,943)                        | (1,065,277) |
| Gross profit                                      |       | 663,685                                | 411,064     | 178,378                          | 133,352     |
| Distribution expenses                             |       | (64,961)                               | (45,721)    | (22,564)                         | (13,679)    |
| Administration expenses                           |       | (82,638)                               | (78,719)    | (26,989)                         | (24,346)    |
| Other Operating Charges                           |       | (21,718)                               | (3,122)     | 1,695                            | 2,453       |
|   |       | (169,317)                              | (127,562)   | (47,858)                         | (35,572)    |
| Operating Profit                                  |       | 494,368                                | 283,502     | 130,520                          | 97,780      |
| Other Operating Income                            |       | 3,358                                  | 3,277       | 366                              | 2,111       |
|   |       | 497,726                                | 286,779     | 130,886                          | 99,891      |
| Finance Cost                                      |       | (341,398)                              | (265,913)   | (156,375)                        | (108,849)   |
| <b>Profit/(Loss) before taxation</b>              |       | 156,328                                | 20,866      | (25,489)                         | (8,958)     |
| Taxation  |       | (37,268)                               | (9,873)     | 54,348                           | (1,622)     |
| <b>Profit/(Loss) for the period</b>               |       | 119,060                                | 10,993      | 28,859                           | (10,580)    |
| <b>Earning per share-Basic and diluted-Rupees</b> |       | 5.64                                   | 0.52        | 1.37                             | (0.50)      |

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

  
**YUSUF AYOOB**  
Chief Executive

  
**ZIA ZAKARIA**  
Director

SHAHMURAD SUGAR MILLS LTD.

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2011**

|  | For the Nine Months<br>October to June |               | For the quarter<br>April to June |                 |
|--|--|---------------|----------------------------------|-----------------|
|  | 2011                                   | 2010          | 2011                             | 2010            |
|  | (Rupees in thousand)                   |               |                                  |                 |
| <b>Profit/(Loss) for the nine months<br/>after taxation</b>              | 119,060                                | 10,993        | 28,859                           | (10,580)        |
| <b>Other Comprehensive Income/ (Loss)</b>                                |  |               |                                  |                 |
| Shares of associate's un-realised profit<br>on revaluation of investment | -                                      | -             | -                                | -               |
| <b>Total Comprehensive Income<br/>for the nine months</b>                | <u>119,060</u>                         | <u>10,993</u> | <u>28,859</u>                    | <u>(10,580)</u> |

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

  
**YUSUF AYOOB**  
Chief Executive

SHAHMURAD  
SUGAR MILLS LIMITED


  
**ZIA ZAKARIA**  
Director

SHAHMURAD SUGAR MILLS LTD.

**CONDENSED INTERIM CASH FLOW STATEMENT  
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2011**

|  | June<br>2011         | June<br>2010 |
|--|----------------------|--------------|
|  | (Rupees in thousand) |              |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>  |                      |              |
| Profit before taxation   | 156,328              | 20,866       |
| <b>Adjustment for non cash charges and other items:</b>  |                      |              |
| Depreciation   | 75,043               | 73,414       |
| Profit on disposal of property, plant & equipments   | (138)                | (325)        |
| Finance cost   | 341,398              | 265,913      |
|  | 416,303              | 339,002      |
| <b>Cash generated before working capital changes<br/>(Increase) / decrease in current assets</b> | 572,631              | 359,868      |
| Stores spares and loose tools  | 16,995               | (38,688)     |
| Stock in trade   | (2,524,538)          | (1,427,769)  |
| Trade debts  | (86,936)             | (119,671)    |
| Loans & advances   | 41,631               | (67,914)     |
| Short term prepayments   | (1,298)              | (1,197)      |
| Other receivables  | 7,452                | (1,649)      |
|  | (2,546,694)          | (1,656,888)  |
| <b>Increase / (decrease) in current liabilities</b>  |                      |              |
| Trade and Other payables   | 664,894              | 862,482      |
| Short term borrowings  | 1,744,334            | 990,495      |
|  | 2,409,228            | 1,852,977    |
| Cash generated from operations   | 435,165              | 555,957      |
| Taxes paid   | (29,589)             | (8,657)      |
| Finance cost paid  | (259,113)            | (195,292)    |
|  | (288,702)            | (203,949)    |
| Net cash in flow from operating activities   | 146,463              | 352,008      |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>  |                      |              |
| Addition in Property, Plant & Equipment  | (156,994)            | (57,935)     |
| Long term deposits   | (138)                | 517          |
| Long term Loan   | 166                  | -            |
| Sale proceeds of Property, Plant & Equipment   | 160                  | 325          |
| Net cash out flow from investing activities  | (156,806)            | (57,093)     |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>  |                      |              |
| Long term financing  | 708,571              | -            |
| Finance lease  | 30,000               | -            |
| Repayment of Loan from Related Parties   | -                    | (40,505)     |
| Repayment of long term financing   | (661,333)            | (151,407)    |
| Dividend Paid  | (21,119)             | (31,678)     |
| Net cash inflow / (outflow) from financing activities  | 56,119               | (223,590)    |
| Net increase in cash and bank balances (A+B+C)   | 45,776               | 71,325       |
| Cash and bank balance at the beginning of the period   | 14,540               | 9,644        |
| Cash and bank balance at the end of period   | 60,316               | 80,969       |

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

  
**YUSUF AYOOB**  
Chief Executive

  
**ZIA ZAKARIA**  
Director



SHAHMURAD SUGAR MILLS LTD.

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2011**

|  | Issued,<br>Subscribed<br>& paid up<br>capital | General<br>reserves | Unrealized<br>(loss on)/profit<br>remeasurement<br>of investment | Un-appropriated<br>profit | Total          |
|--|---|---------------------|--|---------------------------|----------------|
|  | (Rupees in thousand)                          |                     |  |                           |                |
| Balances as at October 01, 2009  | 211,187                                       | 80,000              | (404)  | 104,933                   | 395,716        |
| Final Dividend for 30-September-2009<br>@ 1.50 Per Share   | -   | -                   | -  | (31,678)                  | (31,678)       |
| Transfer from surplus on revaluation of property,<br>plant and equipment on account of incremental<br>depreciation net of deferred tax | -   | -                   | -  | 17,179                    | 17,179         |
| Total Comprehensive Income for the<br>nine months ended 30-June-2010   | -   | -                   | -  | 10,993                    | 10,993         |
| <b>Balances as at June 30, 2010</b>  | <b>211,187</b>                                | <b>80,000</b>       | <b>(404)</b>   | <b>101,427</b>            | <b>392,210</b> |
| Reversal due to diminution in the<br>value of investment   | -   | -                   | 391  | -                         | 391            |
| Transfer from surplus on revaluation of property,<br>plant and equipment on account of incremental<br>depreciation net of deferred tax | -   | -                   | -  | 5,681                     | 5,681          |
| Total Comprehensive Income for the<br>year ended -30-September-2010  | -   | -                   | -  | 21,255                    | 21,255         |
| <b>Balances as at September 30, 2010</b>   | <b>211,187</b>                                | <b>80,000</b>       | <b>(13)</b>  | <b>128,363</b>            | <b>419,537</b> |
| Final Dividend for 30-September-2010<br>@ 1 per share  | -   | -                   | -  | (21,119)                  | (21,119)       |
| Transfer from surplus on revaluation of property,<br>plant and equipment on account of incremental<br>depreciation net of deferred tax | -   | -                   | -  | 16,286                    | 16,286         |
| Total Comprehensive Income for the<br>nine months ended 30-June-2010   | -   | -                   | -  | 119,060                   | 119,060        |
| <b>Balances as at June 30, 2011</b>  | <b>211,187</b>                                | <b>80,000</b>       | <b>(13)</b>  | <b>242,590</b>            | <b>533,764</b> |

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

  
**YUSUF AYOOB**  
Chief Executive

  
**ZIA ZAKARIA**  
Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2011**

**1 SELECTED EXPLANATORY NOTES TO THE ACCOUNTS**

**1.1 The Company and its Operations**

The Company was incorporated in Pakistan under the repealed Companies Act, 1913 (now companies Ordinance, 1984) as a public limited company. Its shares are listed in Karachi stock Exchange. The company owns and operate sugar and ethyl Alcohol units which are located at Jhoke Sharif, District Thatta in the province of Sindh, while Company's registered office is located at 96-A, Sindhi Muslim Cooperative Housing Society, Karachi, Sindh.

**1.2 Accounting Convention**

These financial statements have been prepared under "Historical cost convention" as modified by revaluation of certain property, plant and equipments, and long term investments, which is stated at fair value and stock in trade when valued at net realizable value. The Financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

**1.3 Basis of Preparation**

These financial statements are unaudited and are being submitted to the shareholders as required under section 245 of Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard-34 "Interim Financial Reporting" as applicable in Pakistan.

These interim financial statements are in condensed form and should be read in conjunction with the annual financial statements of the company for the year ended September 30, 2010.

**1.4 Accounting Policies**

The accounting policies and basis for accounting estimates adopted for the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the company's annual financial statements for the year ended September 30, 2010. Since the latest financial statement of associate are available for the year ended June 30, 2010, hence the value of investment has been taken on the basis of these financial statement.

**1.5 Due to the seasonal availability of sugarcane, the manufacture of sugar is carried out during the period of availability of sugarcane and costs incurred/accrued upto the reporting date have been accounted for. Accordingly, the costs incurred/accrued after the reporting date will be reported in the subsequent interim and annual financial statements.**

## SHAHMURAD SUGAR MILLS LTD.

|  | June<br>2011         | June<br>2010      |
|--|----------------------|-------------------|
| (Rupees in thousand)   |                      |                   |
| <b>2 ADDITIONS AND DISPOSAL IN OPERATING ASSETS</b>  |                      |                   |
| <b>Additions:</b>  |                      |                   |
| Land   | 19,302               |                   |
| Factory Building   | 5,826                | -                 |
| Non-Factory Building   | 4,383                | 523               |
| Residential Quarter  | 160                  | 1,290             |
| Plant and machinery  | 139,448              | 67,458            |
| Furniture and fixtures   | 398                  | 56                |
| Vehicles   | 2,413                | 2,058             |
| Office equipment   | 2,859                | 1,243             |
|  | 174,789              | 72,628            |
| Disposal of Vehicle (W.D.V) :  | 22                   | 524               |
| <b>CAPITAL WORK IN PROGRESS</b>  |                      |                   |
| Opening Balance  |                      |                   |
| Civil  | 8,716                | 5,666             |
| Plant & Machinery  | 112,807              | 52,794            |
|  | 121,523              | 58,460            |
| Addition during the nine months  |                      |                   |
| Civil  | 21,538               | 3,427             |
| Plant & Machinery  | 108,514              | 91,641            |
|  | 130,052              | 95,068            |
| Capitalization during the nine months  |                      |                   |
| Civil  | (10,369)             | (1,203)           |
| Plant & Machinery  | (137,453)            | (108,533)         |
|  | (147,822)            | (109,736)         |
| Closing Balance  |                      |                   |
| Civil  | 19,885               | 7,890             |
| Plant & Machinery  | 83,868               | 35,902            |
|  | 103,753              | 43,792            |
| <b>3 CONTINGENCIES AND COMMITMENTS</b>   |                      |                   |
| <b>3.1 Contingencies</b>   |                      |                   |
| <p>Material change in status of contingencies as disclosed in note No. 27.1 of the published annual audited financial statement for the year ended 30th September 2010 is stated below.</p> <p>As reported earlier the company has filed appeals before honorable High Court of Sindh, Karachi against the orders of the department of excise demanding Rs 16.65 Million for the crushing season 1991-92 and Rs 24.232 Million for the crushing season 1992-93, being 50 % excise duty rebate availed by the company relating to the production of relevant crushing season. Honorable High Court of Sindh has remanded back the cases to the adjudicating authorities to examine whether the period which has been declared in RT-4 form to be the period during which the factory was in operation for more than 180 days including the period during which the cane was crushed , after providing an opportunity to the company of being heard. The company has not yet received hearing notice from the adjudicating authority.</p> <p>No provision has been made in the accounts since the management of the company is confident that the outcome of the matter will be in favor of the company.</p> |                      |                   |
|  | June<br>2011         | September<br>2010 |
| <b>3.2 Commitment</b>  | (Rupees in thousand) |                   |
| Letter of credit for Store and Spares  | 6,750                | 24,724            |

## SHAHMURAD SUGAR MILLS LTD.

|  | For the Nine Month |                  | For the Quarter |                  |
|--|--------------------|------------------|-----------------|------------------|
|  | October to June    |                  | April to June   |                  |
|  | 2011               | 2010             | 2011            | 2010             |
| (Rupees in thousand)                   |                    |                  |                 |                  |
| <b>4 COST OF GOODS SOLD</b>            |                    |                  |                 |                  |
| Cost of goods manufactured<br>Note 4.1 | 4,497,295          | 3,588,024        | 485,258         | 433,195          |
| Finished goods (Opening stock)         | 606,711            | 695,612          | -               | 2,520,470        |
| Finished goods (Closing stock)         | (2,710,530)        | (1,888,388)      | 9,685           | (1,888,388)      |
|  | (2,103,819)        | (1,192,776)      | 9,685           | 632,082          |
|  | <u>2,393,476</u>   | <u>2,395,248</u> | <u>494,943</u>  | <u>1,065,277</u> |
| <b>4.1 Cost of goods manufactured</b>  |                    |                  |                 |                  |
| Raw material consumed                  | 4,447,454          | 3,540,298        | 399,531         | 345,047          |
| Salaries,wages and benefits            | 47,776             | 39,871           | 13,162          | 10,887           |
| Stores and spares consumed             | 75,159             | 51,922           | 22,492          | 16,667           |
| Packing materials                      | 26,836             | 29,721           | 1               | 11,601           |
| Chemical and process                   | 24,474             | 15,553           | 5,830           | 2,972            |
| Fuel and oil                           | 37,213             | 40,641           | 5,195           | 11,069           |
| Power and water                        | 14,527             | 11,642           | 5,129           | 5,045            |
| Repair and maintenance                 | 23,661             | 22,596           | 4,491           | 3,704            |
| Insurance                              | 9,366              | 6,623            | 3,873           | 2,724            |
| Depreciation                           | 66,570             | 65,187           | 22,752          | 21,789           |
| Cane Development Cess                  | 4,093              | 3,257            | -               | -                |
| Other manufacturing expenses           | 18,026             | 9,807            | 3,556           | 2,302            |
|  | <u>4,795,155</u>   | <u>3,837,118</u> | <u>486,012</u>  | <u>433,807</u>   |
| Less: by product transfer/sale         |                    |                  |                 |                  |
| Molasses                               | (299,088)          | (244,349)        | -               | -                |
| Sale of Scrap                          | (1,685)            | (1,115)          | (308)           | (494)            |
|  | (300,773)          | (245,464)        | (308)           | (494)            |
| Work-in-process                        |                    |                  |                 |                  |
| Opening stock                          | 10,052             | 5,974            | -               | 9,486            |
| Closing stock                          | (7,139)            | (9,604)          | (446)           | (9,604)          |
|  | 2,913              | (3,630)          | (446)           | (118)            |
|  | <u>4,497,295</u>   | <u>3,588,024</u> | <u>485,258</u>  | <u>433,195</u>   |

### 5 AGGREGATE TRANSACTION WITH ASSOCIATED UNDERTAKINGS

The associated undertakings and related parties comprises associated companies staff retirement funds, directors and key management personnel. The significant transactions with associated undertakings and related parties other than contribution to retirement benefits scheme during the period are given below:

|                                 | June<br>2011         | June<br>2010 |
|---------------------------------|----------------------|--------------|
|                                 | (Rupees in thousand) |              |
| Insurance premium               | 15,847               | 8,522        |
| <b>Key Management Personnel</b> |                      |              |
| Directors remuneration          | 7,895                | 6,585        |
| Executive remuneration          | 20,268               | 8,803        |
|                                 | 28,163               | 15,388       |
| Directors' meeting fee          | 108                  | 80           |
| Purchase of Goods               | 194,693              | 232,901      |
| Insurance claim received        | -                    | 1,000        |

## SHAHMURAD SUGAR MILLS LTD.

### 6 SEGMENT INFORMATION

The Company 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 Ethyl Alcohol (rectified spirit). The following tables represents revenue and profit information regarding business segment for the period ended June 30, 2011 and June 30, 2010 and assets and liabilities information regarding business segments as at June 30, 2011 and September 30, 2010.

(Rupees in thousand)

| Sugar                                  |      | Ethanol                                |      | Consolidated                           |      |
|--|------|--|------|--|------|
| For the Nine Month<br>June 30,<br>2011 |      | For the Nine Month<br>June 30,<br>2010 |      | For the Nine Month<br>June 30,<br>2011 |      |
| 2011                                   | 2010 | 2011                                   | 2010 | 2011                                   | 2010 |

#### REVENUE

|                |                  |                  |                  |                |                  |                  |
|----------------|------------------|------------------|------------------|----------------|------------------|------------------|
| External Sales | 1,791,668        | 1,931,748        | 1,265,493        | 874,564        | 3,057,161        | 2,806,312        |
| Total Revenue  | <u>1,791,668</u> | <u>1,931,748</u> | <u>1,265,493</u> | <u>874,564</u> | <u>3,057,161</u> | <u>2,806,312</u> |

#### RESULTS

|   |                |                |                |                |                |               |
|---|----------------|----------------|----------------|----------------|----------------|---------------|
| Profit/(Loss) from operation              | <u>333,361</u> | <u>139,491</u> | <u>161,007</u> | <u>144,011</u> | 494,368        | 283,502       |
| Other Operating Income                    |                |                |                |                | 3,358          | 3,277         |
| Finance charges                           |                |                |                |                | (341,398)      | (265,913)     |
| Profit before tax                         |                |                |                |                | 156,328        | 20,866        |
| Taxation (net)                            |                |                |                |                | (37,268)       | (9,873)       |
| Profit for the period                     |                |                |                |                | 119,060        | 10,993        |
| Other comprehensive Income                |                |                |                |                | -              | -             |
| Total Comprehensive Income for the period |                |                |                |                | <u>119,060</u> | <u>10,993</u> |

#### OTHER INFORMATION

|  |        |        |         |        |         |        |
|--|--------|--------|---------|--------|---------|--------|
| Additions in Property, Plant & Equipment | 49,003 | 69,106 | 125,786 | 3,522  | 174,789 | 72,628 |
| Depreciation                             | 45,493 | 46,159 | 29,550  | 27,255 | 75,043  | 73,414 |
| Disposal                                 | 22     | 524    | -       | -      | 22      | 524    |

| June<br>2011 | September<br>2011 | June<br>2011 | September<br>2011 | June<br>2011 | September<br>2011 |
|--------------|-------------------|--------------|-------------------|--------------|-------------------|
|--------------|-------------------|--------------|-------------------|--------------|-------------------|

#### BALANCE SHEET

##### Assets

|                     |           |           |           |           |                  |                  |
|---------------------|-----------|-----------|-----------|-----------|------------------|------------------|
| Segment Assets      | 3,752,623 | 2,012,995 | 2,140,895 | 1,225,431 | 5,893,518        | 3,238,426        |
| Un-allocated Assets |           |           |           |           | 91,362           | 72,060           |
| Total Assets        |           |           |           |           | <u>5,984,880</u> | <u>3,310,486</u> |

##### Liabilities

|                     |           |           |           |         |           |           |
|---------------------|-----------|-----------|-----------|---------|-----------|-----------|
| Segment Liabilities | 3,183,858 | 1,501,670 | 1,809,843 | 915,578 | 4,993,701 | 2,417,248 |
|---------------------|-----------|-----------|-----------|---------|-----------|-----------|

## SHAHMURAD SUGAR MILLS LTD.

---

### 7 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.

### 8 Authorization

These financial statements were authorized for issue on July 28, 2011 by the Board of Directors of the Company.

### 9 GENERAL

9.1 Figures have been rounded off nearest to thousand rupees.

  
**YUSUF AYOOB**  
Chief Executive

  
**ZIA ZAKARIA**  
Director



**BOOK POST**  
**PRINTED MATTER**

*If undelivered please return to :*

**SHAHMURAD SUGAR MILLS LTD.**

96-A, SINDHI MUSLIM SOCIETY,  
KARACHI-74400.

