

# noon

SUGAR MILLS LTD.

Condensed Interim  
Financial Statements  
for the Half Year Ended

31 March, 2022  
(Un-Audited)

# 2022



**Noon Sugar Mills Limited**

66 - Garden Block, New Garden Town, Lahore.

—دوبہ—





## CONTENTS

Corporate Information	2-3
Directors' Review	4-6
Auditor's Report	7
Condensed Interim Statement of Financial Position	8-9
Condensed Interim Statement of Profit or Loss and Other Comprehensive Income	10
Condensed Interim Statement of Cash Flows	11
Condensed Interim Statement of Changes in Equity	12
Notes to the Condensed Interim Financial Statements	13-20
Directors' Review (Urdu)	21-24

## CORPORATE INFORMATION

<b>BOARD OF DIRECTORS</b>	Mr. K. Iqbal Talib Lt Col Abdul Khaliq Khan (Retd) Mr. Salman Hayat Noon Mr. Saif Ullah Khan Noon Mr. Irfan Ahmed Syed Ali Raza - Resigned on 24th May 2022 Ms. Maryam Mamdot	Chairman Chief Executive / Director (Non- Executive Director) (Non- Executive Director) (Non- Executive Director) (Non- Executive / Independent Director) (Non- Executive / Independent Director)
<b>AUDIT COMMITTEE</b>	Syed Ali Raza Mr. Salman Hayat Noon Mr. Saif Ullah Khan Noon Ms. Maryam Mamdot	Chairman Member Member Member
<b>HR &amp; R COMMITTEE</b>	Syed Ali Raza Mr. Salman Hayat Noon Mr. Saif Ullah Khan Noon Lt Col Abdul Khaliq Khan (Retd)	Chairman Member Member Member
<b>TECHNICAL COMMITTEE</b>	Mr. Irfan Ahmed Mr. Salman Hayat Noon Mr. Saif Ullah Khan Noon Lt Col Abdul Khaliq Khan (Retd)	Chairman Member Member Member
<b>MANAGEMENT</b>	Lt Col Abdul Khaliq Khan (Retd) Mr. Rizwan Sohail (FCA)	Chief Executive Chief Financial Officer
<b>COMPANY SECRETARY</b>	Mr. Nasir Iqbal Ansari	
<b>HEAD INTERNAL AUDIT</b>	Muhammad Ashfaq (FCMA)	
<b>AUDITORS</b>	Shinewing Hameed Chaudhri & Co., Chartered Accountants	
<b>LEGAL ADVISERS</b>	Hassan & Hassan (Advocates)	
<b>BANKERS</b>	Al Baraka Bank (Pakistan) Limited Askari Bank Limited Bank Alfalah Limited – Islamic Banking Bank Islami Pakistan Limited Dubai Islamic Bank Pakistan Limited JS Bank Limited MCB Bank Limited Meezan Bank Limited Standard Chartered Bank (Pakistan) Limited United Bank Limited	

<b>REGISTERED OFFICE</b>	66-Garden Block, New Garden Town, Lahore. Tel. (042) 35831462-3, E-mail: noonshr@brain.net.pk noonshr66@gmail.com
<b>SHARES REGISTRAR</b>	Corplink (Pvt.) Limited Wings Arcade, 1-K Commercial, Model Town, Lahore. Tel. # (042) 35839182, 35916714, 35916719 Fax # (042) 35869037, E-mail: shares@corplink.com.pk Website: www.corplink.com.pk
<b>MILLS</b>	Bhalwal, District Sargodha.
<b>WEBSITE</b>	www.noonsugar.com

## DIRECTORS' REVIEW

### DEAR MEMBERS

The Directors of Noon Sugar Mills Limited are pleased to present the condensed interim financial statements of the Company for the half year ended on March 31<sup>st</sup>, 2022.

### FINANCIAL RESULTS

A comparison of the financial results for the half year ended March 31<sup>st</sup>, 2022, as against March 31<sup>st</sup>, 2021, is as follows:

	Half Year Ended March 31 <sup>st</sup>	
	2022	2021
	---Rupees in million---	
Net Sales	5,079	4,236
Gross profit	569	453
Earnings before tax	243	159
Taxation	(57)	(57)
Earnings after tax	187	102
	- - - Rupees - - -	
Basic earnings per share	11.31	6.20

During the reporting period, the sales revenue of the Company was Rs.5,079 million as compared to Rs. 4,236 million for the corresponding period of the last year. Gross profit was Rs.569 million as compared to Rs.453 million in the corresponding period. Profit after taxation, for the period is Rs.187 million against Rs. 102 million of the same period of last year and earnings per share is Rs.11.31, as compared to the earnings of Rs.6.20 per share in the corresponding period of the last year.

### OPERATIONAL RESULTS

#### Sugar Division

The operational performance of the Sugar segment for the period under review, with comparative statistics of the corresponding period are tabulated below:

		Half Year Ended March 31 <sup>st</sup>	
		2022	2021
Operating Period	Days	134	121
Cane Crushed	M. Tons	1,073,285	863,552
Sugar Produced	M. Tons	99,395	82,710
Average Sucrose Recovery	%age	9.32	9.60
Molasses Recovery	%age	4.51	4.30
Molasses Produced	M. Tons	47,404	37,033

The current crushing season commenced on November 18, 2021. Your mills crushed 1,073,285 M.Tons of the sugarcane and produced 99,395 M. Tons sugar, with an average sucrose recovery of 9.32% in 134 days operation till March 31, 2022 as compared to 863,552 M.Tons of the sugarcane crushed and 82,710 M.Tons of the sugar production with 9.60% sucrose recovery in 121 days' operation, in the corresponding period of the last year.

The Punjab government has increased the minimum support price of cane from Rs.200 to Rs.225 per 40 kg for the current crushing season, which had increased the sugar production cost. Your management, having exercised a better control on cane procurement strategy & significantly improved the economical gate supply to out-zone ratio, to maintain an affordable cost of raw material. A slight reduction in sucrose recovery has also been observed due to climate changes, premature harvesting of sugarcane crop and procurement of cane from distant areas to maximize the sugar & molasses production.

### Distillery Division:

The operational performance of Distillery segment for the period under review with the comparative statistics of the comparative period is tabulated below:

		Half Year Ended March 31 <sup>st</sup>	
		2022	2021
Operating Period	Days	116	119
Molasses Processed	M. Tons	60,488	57,515
Ethanol Produced	M. Tons	11,835	11,364
Average Yield	Ltrs./ M .Ton	245	247

The Distillery plants processed 60,488 M.Tons of the molasses and produced 11,835M.Tons of the ethanol with an average yield of 245 liters of the ethanol per M.Ton of the molasses in 116 days operation, as compared to 57,515 M.Tons of the molasses processed and 11,364 M.Tons production of the ethanol at an average yield of 247 liters of the ethanol per M.Ton of the molasses, in 119 days operation, during the corresponding period of the last year. Due to procurement of a larger quantity of the molasses from multiple sources with varying qualities, the yield of the ethanol is marginally low, as compared to the same period of last year.

### FUTURE OUTLOOK

#### Sugar Division

Prompt payment to growers, continual development and promotion of sugarcane cultivation have strengthen our relationship with growers. Your management puts special emphasis on improving both the quality of sugarcane and yield per acre in surrounding area. Increased sugarcane support price coupled with increased interest rates significantly raise the sugar production cost. However, your management has already taken few measures to safeguard against the rising trend in costs of several areas and remained successful in limiting their effect on cost of sugar production.

#### Distillery Division

Subsequent to the reporting period, a healthy increase in the Ethanol prices is being witnessed, that will restore the distillery segment profitability, which remained suppressed due to higher molasses cost during reporting period. Your management has successfully procured a

substantially higher quantity of molasses at reasonable rates and shall have a larger volume of Ethanol to secure the prevailing higher Prices of Ethanol during second half of the current financial year. The current devaluation of Pak Rupee is also likely to support the export oriented industries, though the rising inflation, higher transportation and export refinancing costs are the worrying factors to absorb some of the profit margins of this division. Your management is however, well aware of the upcoming challenges and have developed appropriate strategies to maximize the returns of shareholders, Inshallah.

**ACKNOWLEDGEMENT**

The Board is thankful to all of its stakeholders for their invaluable consistent support to the Company. The Board would also like to place on record its appreciation to all the employees of the Company for their dedication, diligence and hard work.

For and on behalf of the Board of Directors

**Lt Col ABDUL KHALIQ KHAN (Retd)**  
Chief Executive

**SALMAN HAYAT NOON**  
Director

Lahore: May 30, 2022

## INDEPENDENT AUDITORS' REVIEW REPORT

To the Members of Noon Sugar Mills Limited  
Report on Review of Interim Financial Statements

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Noon Sugar Mills Limited** (the Company) as at March 31, 2022 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended March 31, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended March 31, 2022.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditors' review report is Osman Hameed Chaudhri.

*Shinewing Hameed Chaudhri & Co.*

**SHINEWING HAMEED CHAUDHRI & CO.,  
CHARTERED ACCOUNTANTS**

**UDIN: RR202210104r5zUYu4I7**

Lahore: May 30, 2022



## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	Un-Audited March 31, 2022	Audited September 30, 2021
- - - - Rupees in '000 - - - -			
<b>Equity and Liabilities</b>			
<b>Share Capital and Reserves</b>			
Authorised capital 20,000,000 ordinary shares of Rs.10 each		<b>200,000</b>	200,000
Issued, subscribed and paid-up capital 16,517,453 ordinary shares of Rs.10 each		<b>165,175</b>	165,175
Reserves		<b>249,217</b>	249,217
Unappropriated profit		<b>1,042,239</b>	913,265
		<b>1,456,631</b>	1,327,657
<b>Non-current Liabilities</b>			
Long term finance		<b>37,500</b>	75,000
Lease liabilities		<b>1,149</b>	1,613
Staff retirement benefits - gratuity		<b>64,940</b>	60,076
		<b>103,589</b>	136,689
<b>Current Liabilities</b>			
Trade and other payables	5	<b>1,374,975</b>	358,134
Contract liabilities		<b>45,569</b>	21,036
Accrued mark-up		<b>109,513</b>	38,126
Short term finances	6	<b>5,823,410</b>	2,335,335
Current portion of non current liabilities		<b>75,938</b>	76,640
Unclaimed dividends		<b>5,053</b>	5,100
Unpaid dividends		<b>4,802</b>	3,879
Provision for taxation		<b>179,763</b>	123,057
		<b>7,619,023</b>	2,961,307
		<b>7,722,612</b>	3,097,996
<b>Contingencies and commitments</b>	<b>7</b>	<b>9,179,243</b>	4,425,653

The annexed notes form an integral part of these condensed interim financial statements.

**Lt Col ABDUL KHALIQ KHAN (Retd)**  
Chief Executive

## AS AT MARCH 31, 2022

		<b>Un-Audited March 31, 2022</b>	Audited September 30, 2021
	<b>Note</b>	<b>- - - Rupees in '000 - - -</b>	
<b>Assets</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	<b>8</b>	<b>1,736,670</b>	1,611,027
Loans and advances		<b>1,628</b>	2,053
Security Deposits		<b>3,848</b>	2,847
		<b>1,742,146</b>	1,615,927
<b>Current Assets</b>			
Stores, spares and loose tools		<b>126,276</b>	88,406
Stock-in-trade	<b>9</b>	<b>5,192,828</b>	1,405,972
Trade debts		<b>554,857</b>	337,868
Loans and advances		<b>857,569</b>	369,655
Short term prepayments		<b>13,917</b>	2,953
Other receivables		<b>295,650</b>	223,593
Income tax refundable, advance income tax and tax deducted at source		<b>213,904</b>	156,356
Cash and bank balances		<b>182,096</b>	224,923
		<b>7,437,097</b>	2,809,726
		<b>9,179,243</b>	4,425,653

The annexed notes form an integral part of these condensed interim financial statements.

  
**SALMAN HAYAT NOON**  
Director

  
**RIZWAN SOHAIL**  
Chief Financial Officer

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER AND SIX MONTHS PERIOD ENDED MARCH 31, 2022

	Note	Quarter ended		Six months period ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
----- Rupees in '000 -----					
Sales - net	10	3,070,712	2,968,279	5,078,577	4,236,162
Cost of sales		(2,722,307)	(2,702,765)	(4,509,846)	(3,782,867)
<b>Gross profit</b>		<b>348,405</b>	265,514	<b>568,731</b>	453,295
Distribution and marketing expenses		(69,713)	(70,007)	(110,330)	(99,708)
Administrative expenses		(65,628)	(57,446)	(127,299)	(108,743)
Other income		72,782	47,357	96,815	48,553
Other expenses		(11,727)	(8,079)	(30,362)	(11,990)
<b>Profit from operations</b>		<b>274,119</b>	177,339	<b>397,555</b>	281,407
Finance cost		(120,313)	(93,910)	(154,065)	(122,411)
<b>Profit before taxation</b>		<b>153,806</b>	83,429	<b>243,490</b>	158,996
Taxation	11	(32,589)	(38,822)	(56,705)	(56,519)
<b>Profit after taxation</b>		<b>121,217</b>	44,607	<b>186,785</b>	102,477
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>121,217</b>	44,607	<b>186,785</b>	102,477
----- Rupees -----					
<b>Earnings per share - basic and diluted</b>		<b>7.34</b>	2.70	<b>11.31</b>	6.20

The annexed notes form an integral part of these condensed interim financial statements.

  
**Lt Col ABDUL KHALIQ KHAN (Retd)**  
 Chief Executive

  
**SALMAN HAYAT NOON**  
 Director

  
**RIZWAN SOHAIL**  
 Chief Financial Officer

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2022

	<b>Six months period ended</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	<b>-- Rupees in '000 --</b>	
<b>Cash flow from operating activities</b>		
Profit for the period before taxation	243,490	158,996
Adjustments for non-cash charges and other items:		
Depreciation on property, plant & equipment and investment property	76,723	74,353
Loss / (gain) on sale of operating fixed assets	681	(743)
Provision for staff retirement benefits - gratuity	7,614	6,806
Interest / mark-up income	(1,191)	(741)
Finance cost	154,065	122,411
<b>Profit before working capital changes</b>	<b>481,382</b>	<b>361,082</b>
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(37,870)	(12,567)
Stock-in-trade	(3,786,856)	(3,964,767)
Trade debts	(216,989)	210,333
Loans and advances	(487,914)	270,134
Short term prepayments	(10,964)	(2,447)
Other receivables	(72,057)	(30,271)
	<b>(4,612,650)</b>	<b>(3,529,585)</b>
<b>Increase in current liabilities:</b>		
Trade and other payables	1,016,841	73,571
Contract liabilities	24,533	732,257
	<b>1,041,374</b>	<b>805,828</b>
<b>Cash used in operating activities</b>	<b>(3,089,894)</b>	<b>(2,362,675)</b>
Income tax paid	(57,547)	(54,043)
Staff retirement benefits (gratuity) - paid	(2,750)	(3,117)
<b>Net cash used in operating activities</b>	<b>(3,150,191)</b>	<b>(2,419,835)</b>
<b>Cash flow from investing activities</b>		
Additions to property, plant and equipment	(240,429)	(76,608)
Additions to Investment property	-	(8,576)
Sale proceeds of operating fixed assets	37,382	2,569
Long term deposits - net	(1,001)	-
Interest / mark-up received	1,191	741
Loans and advances - net	425	(691)
<b>Net cash used in investing activities</b>	<b>(202,432)</b>	<b>(82,565)</b>
<b>Cash flow from financing activities</b>		
Long term finances repaid	(37,500)	-
Short term finances - net	3,488,075	2,818,134
Lease liabilities - net	(1,166)	(3,164)
Finance cost paid	(82,678)	(90,260)
Dividend paid	(56,935)	(56,807)
<b>Net cash generated from financing activities</b>	<b>3,309,796</b>	<b>2,667,903</b>
<b>Net (decrease) / increase in cash and cash equivalent</b>	<b>(42,827)</b>	<b>165,503</b>
<b>Cash and cash equivalents</b> - at beginning of the period	<b>224,923</b>	<b>51,526</b>
<b>Cash and cash equivalents</b> - at end of the period	<b>182,096</b>	<b>217,029</b>

The annexed notes form an integral part of these condensed interim financial statements.

  
**Lt Col ABDUL KHALIQ KHAN (Retd)**  
 Chief Executive

  
**SALMAN HAYAT NOON**  
 Director

  
**RIZWAN SOHAIL**  
 Chief Financial Officer

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2022

	Reserves					Total
	Share Capital	Capital		Revenue		
		Share premium	General	Un- appropriated profits	Sub-total	
----- Rupees in '000 -----						
Balance as at October 01, 2020 (Audited)	165,175	119,217	130,000	718,618	967,835	1,133,010
Cash dividend at the rate of Rs.3.50 per ordinary share for the year ended September 30, 2020	-	-	-	(57,811)	(57,811)	(57,811)
Total comprehensive income for the period	-	-	-	102,477	102,477	102,477
<b>Balance as at March 31, 2021 (Un-Audited)</b>	<b>165,175</b>	<b>119,217</b>	<b>130,000</b>	<b>763,284</b>	<b>1,012,501</b>	<b>1,177,676</b>
Balance as at October 01, 2021 (Audited)	165,175	119,217	130,000	913,265	1,162,482	1,327,657
Cash dividend at the rate of Rs.3.50 per ordinary share for the year ended September 30, 2021	-	-	-	(57,811)	(57,811)	(57,811)
Total comprehensive income for the period	-	-	-	186,785	186,785	186,785
<b>Balance as at March 31, 2022 (Un-Audited)</b>	<b>165,175</b>	<b>119,217</b>	<b>130,000</b>	<b>1,042,239</b>	<b>1,291,456</b>	<b>1,456,631</b>

The annexed notes form an integral part of these condensed interim financial statements.



**Lt Col ABDUL KHALIQ KHAN (Retd)**  
Chief Executive



**SALMAN HAYAT NOON**  
Director



**RIZWAN SOHAIL**  
Chief Financial Officer

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2022

### 1. LEGAL STATUS AND NATURE OF BUSINESS

Noon Sugar Mills Limited (the Company) was incorporated in the year 1964 as a Public Company and its shares are quoted on the Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of white sugar and spirit.

**1.1** Geographical location and addresses of major business units including mills / plant of the Company are as under:

<b>Sargodha</b>	<b>Purpose</b>
Bhalwal	Mills / Production plant
<b>Lahore</b> 66-Garden Block, New Garden Town.	Head office
<b>Karachi</b> 1st Floor, P.I.A Building, Mulana Deen Muhammad Wafai Road,	Marketing office

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

**2.1.1** These 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 applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standards (IAS) 34, 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.1.2** These condensed interim financial statements does not include all the information and disclosures as required in an annual audited financial statements, and these should be read in conjunction with the Company's annual audited financial statements for the year ended September 30, 2021. These condensed interim financial statements are being submitted to the shareholders as required by the section 237 of the Companies Act, 2017.

## 2.2 New standards, amendments to approved accounting standards and interpretations that are effective during the period

Certain standards, amendments and interpretations to IFRSs are effective for accounting periods beginning on October 01, 2021 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed financial statements.

## 2.3 Accounting policies

All the accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of annual financial statements for the year ended September 30, 2021.

## 3. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended September 30, 2021.

## 4. SEASONALITY OF OPERATIONS

The Company is inter-alia engaged in manufacturing of sugar for which the season begins in November / December and ends in March / April. Therefore, majority of expenses are incurred and production activities are undertaken in the first half of the Company's financial year thus increasing volume of inventories, trade payables and borrowings at the end of first half.

## 5. TRADE AND OTHER PAYABLES

Balance as at March 31, 2022 mainly includes trade creditors aggregating Rs.1,068.928 million (September 30, 2021: Rs.222.099 million).

## 6. SHORT TERM FINANCES

		<b>Un-Audited</b>	Audited
		<b>March 31,</b>	September 30,
		<b>2022</b>	2021
	<b>Note</b>	- - Rupees in '000 - -	
From banking companies - secured	<b>6.1</b>	<b>5,386,748</b>	1,901,835
From a related party - unsecured	<b>6.2</b>	<b>433,500</b>	433,500
Temporary bank overdraft	<b>6.3</b>	<b>3,162</b>	-
		<b>5,823,410</b>	<b>2,335,335</b>

**6.1** Short term finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs.5.290 billion (September 30, 2021: Rs.4.725 billion). These finance facilities, during the current period, carried mark-up at the rates ranging from 3.00% to 13.75% (September 30, 2021: 3.00% to 10.91%) per annum. The aggregate finance

facilities are secured against charge over plant & machinery, pledge of refined sugar in bags, charge over current assets, lien over import & export documents. These facilities are expiring on various dates by December, 2022.

**6.2** The Company, during the financial year September 30, 2020, has obtained a short term loan amounted Rs. 450 million from one of its related party Mr. Adnan Hayat Noon (sponsor) to meet its working capital requirements. This loan is interest free and is of short term in nature.

**6.3** This has arisen due to issuance of cheques in excess of available balance with bank.

## 7. CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies as detailed in note 14 to the Company's annual audited financial statements for the year ended September 30, 2021.

Aggregate commitments for rentals under Ijarah arrangement as at reporting date are as follows:

Note	Un-Audited March 31, 2022	Audited September 30, 2021
	- - Rupees in '000 - -	
Not later than one year	324	480
Later than one year but not later than five years	-	80
	<u>324</u>	<u>560</u>

## 8. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	<b>8.1</b>	<b>1,508,411</b>	1,350,338
Capital work-in-progress - at cost		<b>226,464</b>	250,695
Right-to-use assets	<b>8.2</b>	<b>1,795</b>	9,994
		<u><b>1,736,670</b></u>	<u>1,611,027</u>

### 8.1 Operating fixed assets

<b>Book value at the beginning of the period / year</b>		<b>1,350,338</b>	1,355,615
Additions during the period / year	<b>8.1.1</b>	<b>264,660</b>	127,108
Transfer from right of use to owned		<b>7,943</b>	-
Disposal of assets costing Rs.50.019 million (September 30, 2021: Rs.6.091 million) - at book value		<b>(38,063)</b>	(2,249)
Transfer from investment property		-	16,288
Depreciation charge for the period / year		<b>(76,467)</b>	(146,424)
<b>Book value at the end of the period / year</b>		<u><b>1,508,411</b></u>	<u>1,350,338</u>



	Note	Un-Audited March 31, 2022	Audited September 30, 2021
<b>8.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:</b>			
Buildings on freehold land		<b>60,957</b>	87,837
Plant and machinery		<b>161,946</b>	2,934
Laboratory equipment		<b>2,394</b>	521
Other equipment		<b>149</b>	15
Electric installations and fittings		<b>24,779</b>	14,826
Tubewell		-	1,348
Office equipment		<b>1,143</b>	1,549
Furniture and fixture		<b>207</b>	2,322
Vehicles - owned		<b>12,231</b>	12,353
Farm equipment		<b>854</b>	3,403
		<b>264,660</b>	127,108
<b>8.2 Right-to-use assets</b>			
Opening balance		<b>9,994</b>	13,324
Transfer to operating fixed assets - at book value		<b>(7,943)</b>	-
Depreciation for the period / year		<b>(256)</b>	(3,330)
		<b>1,795</b>	9,994
<b>9. STOCK-IN-TRADE</b>			
Raw material - molasses		<b>946,555</b>	35,452
Work-in-process		<b>114,601</b>	61,818
Finished goods	<b>9.1</b>	<b>4,129,756</b>	1,307,183
Other stocks - (fair price shop and depot)		<b>1,916</b>	1,519
		<b>5,192,828</b>	1,405,972

**9.1** Finished goods inventory mainly includes sugar stock costing Rs. 3,985.171 million (September 30, 2021: Rs.763.875 million).

**9.2** Finished goods inventories as at March 31, 2022 include inventories of Spirit costing Rs.220.972 million, which have been stated at net realisable value; the amount charged to statement of profit or loss in respect of inventories write down to net realisable value worked-out to Rs.76.388 million approximately. These write downs have been made based on management assessment of future usability of these inventory items comprising of spirit and prevalent market conditions.

## 10. SALES - Net

10.1 Detail of the Company's revenue from contract with customers is as follows:

	Quarter ended		Six months period ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
----- Rupees in '000 -----				
<b>Local</b>				
Sugar	<b>1,825,419</b>	1,660,782	<b>3,258,201</b>	2,648,486
Spirit	<b>55,106</b>	69,292	<b>115,246</b>	85,126
	<b>1,880,525</b>	1,730,074	<b>3,373,447</b>	2,733,612
<b>Export</b>				
Spirit	<b>1,190,187</b>	1,238,205	<b>1,705,130</b>	1,502,550
	<b>3,070,712</b>	2,968,279	<b>5,078,577</b>	4,236,162

10.2 All the contracts were under one performance obligation and revenue has been recognised at the point of time when the goods have been transferred to the customers.

## 11. TAXATION

Provision for taxation, made during the current period, represent minimum tax payable under section 113 and final tax deducted at source on realisation of foreign exchange proceeds under section 154 of the Income Tax Ordinance, 2001.

## 12. SEGMENT INFORMATION

The Company's reportable segments are Sugar and Distillery.

### 12.1 Segment revenues and results

	Sugar	Distillery	Elimination of inter segment transactions	Total
----- Rupees in '000 -----				
<b>For the Six months period ended March 31, 2022 (Un-Audited)</b>				
Sales - net	4,214,963	1,820,376	(956,762)	5,078,577
Cost of sales	(3,765,846)	(1,700,762)	956,762	(4,509,846)
Gross profit	449,117	119,614	-	568,731
Selling and distribution expenses	(7,337)	(102,993)	-	(110,330)
Administrative expenses	(93,937)	(33,362)	-	(127,299)
<b>Profit before taxation and unallocated income and expenses</b>	<b>347,843</b>	<b>(16,741)</b>	-	<b>331,102</b>
<b>Unallocatable income and expenses:</b>				
Other income				96,815
Other expenses				(30,362)
Finance cost				(154,065)
Taxation				(56,705)
<b>Profit for the period</b>				<b>186,785</b>

	Sugar	Distillery	Elimination of inter segment transactions	Total
----- Rupees in '000 -----				
<b>For the Six months period ended March 31, 2021 (Un-Audited)</b>				
Sales - net	3,361,786	1,587,676	(713,300)	4,236,162
Cost of sales	(3,120,853)	(1,375,314)	713,300	(3,782,867)
Gross profit	240,933	212,362	-	453,295
Selling and distribution expenses	(6,265)	(93,443)	-	(99,708)
Administrative expenses	(80,052)	(28,691)	-	(108,743)
<b>Profit before taxation and unallocated income and expenses</b>	<b>154,616</b>	<b>90,228</b>	<b>-</b>	<b>244,844</b>
<b>Unallocatable income and expenses:</b>				
Other income				48,553
Other expenses				(11,990)
Finance cost				(122,411)
Taxation				(56,519)
<b>Profit for the period</b>				<b>102,477</b>

## 12.2 Segment assets and liabilities

	Sugar	Distillery	Total
----- Rupees in '000 -----			
<b>As at March 31, 2022 (Un-Audited)</b>			
Segment assets	<b>6,120,800</b>	<b>2,736,836</b>	<b>8,857,636</b>
Unallocatable assets			<b>321,607</b>
<b>Total assets as per statement of financial position</b>			<b>9,179,243</b>
Segment liabilities	<b>1,154,624</b>	<b>107,100</b>	<b>1,261,724</b>
Unallocatable liabilities			<b>6,460,888</b>
<b>Total liabilities as per statement of financial position</b>			<b>7,722,612</b>
<b>As at September 30, 2021 (Audited)</b>			
Segment assets	2,770,705	1,261,793	4,032,498
Unallocatable assets			393,155
<b>Total assets as per statement of financial position</b>			<b>4,425,653</b>
Segment liabilities	364,358	85,678	450,036
Unallocatable liabilities			2,647,960
<b>Total liabilities as per statement of financial position</b>			<b>3,097,996</b>

### 12.3 Geographical information

All segments of the Company are managed on nation-wide basis and operate manufacturing facilities and sale offices in Pakistan.

### 13. TRANSACTIONS WITH RELATED PARTIES

The Company has related party relationship with its Associated Companies, associated persons, employee benefit plan, its directors and key management personnel. Transactions with related parties are carried-out on arm's length basis.

13.1 Aggregate transactions with related parties, during the current period, were as follows:

Relationship	Nature of transactions	Un-Audited Six months period ended	
		March 31, 2022	March 31, 2021
<b>-- Rupees in '000 --</b>			
Associated Company	Sales of sugar	-	35,902
Related party	Consultancy paid	<b>5,100</b>	5,100
Directors and Key management personnel	Remuneration and other benefits	<b>16,190</b>	20,131

13.2 Period / year end balances are as follows:

Un-Audited March 31, 2022	Audited September 30, 2021
<b>-- Rupees in '000 --</b>	

Trade debts	<b>-</b>	<b>680</b>
-------------	----------	------------

### 14. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

There has been no change in the Company's sensitivity to these risks since September 30, 2021, except for the change in exposure from liquidity risks due to increase in borrowings and general exposure due to fluctuations in foreign currency and interest rates. There have been no change in risk management objectives and policies of the Company during the current period.

These condensed interim financial statements does not include all financial risk management information and disclosures as required in the audited annual financial statements and should be read in conjunction with the Company's annual audited financial statement as at September 30, 2021.

## 15. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

Fair values categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- 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 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

## 16. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the Company for the year ended September 30, 2021, whereas, the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of comparable period of condensed interim financial statements of the Company for the six months period ended March 31, 2021.

## 17. GENERAL

**17.1** These condensed interim financial statements have been authorised for issue by the Board of Directors of the Company on May 30, 2022.

**17.2** Figures have been rounded off to the nearest thousand except stated otherwise.

**Lt Col ABDUL KHALIQ KHAN (Retd)**  
Chief Executive


**SALMAN HAYAT NOON**  
Director

**RIZWAN SOHAIL**  
Chief Financial Officer


برآمدی ری فائنسنگ لاگت اس شعبے کے منافع کے کچھ حصہ کو جذب کرنے کے لیے پریشان کن عوامل ہیں۔ تاہم، آپ کی انتظامیہ آنے والے ان چیلنجوں سے بخوبی آگاہ ہے اور انشا اللہ، شیئر ہولڈرز کے منافع کو زیادہ سے زیادہ کرنے کے لیے مناسب حکمت عملیاں تیار کر چکی ہے۔

### اعتراف

بورڈ کمپنی کے لیے مسلسل اور انمول تعاون کے لیے تمام وابستگان کا شکر گزار ہے۔ بورڈ کمپنی کے تمام ملازمین کی جانب سے لگن، توجہ اور محنت سے کی گئی ان کی تمام کاوشوں کے لیے اپنی ستائش کو بھی ریکارڈ پر لانا پسند کرتا ہے۔



سلمان حیات نون  
ڈائریکٹر



لیفٹیننٹ کرنل عبدالخالق خان (ریٹائرڈ)  
چیف ایگزیکٹو

لاہور : 30 مئی، 2022

ششماہی عرصہ 2021، مارچ، 31	ششماہی عرصہ 2022، مارچ، 31		
119	<b>116</b>	دن	پیداواری عرصہ
57,515	<b>60,488</b>	میٹرک ٹن	شیرے کی کھپت
11,364	<b>11,835</b>	میٹرک ٹن	انتھنول کی پیداوار
247	<b>245</b>	لیٹر فی میٹرک ٹن	پیداواری اوسط

ڈسٹری پلانٹ نے 116 دنوں میں 245 لیٹر انتھنول فی میٹرک ٹن شیرہ کی اوسط پیداواری شرح سے 60,488 میٹرک ٹن شیرہ پراسس کر کے 11,835 میٹرک ٹن انتھنول پیدا کی جبکہ سابقہ سال کے اسی عرصہ کے دوران 119 دنوں میں 247 لیٹر انتھنول فی میٹرک ٹن شیرہ کی اوسط پیداواری شرح سے 57,515 میٹرک ٹن شیرہ پراسس کر کے 11,364 میٹرک ٹن انتھنول پیدا کی گئی تھی۔ متعدد ذرائع سے مختلف خصوصیات کے حامل شیرے کی بڑی مقدار کی خریداری کی وجہ سے انتھنول کی پیداوار گزشتہ سال کے تقابلی عرصہ کے دوران کی پیداوار سے معمولی کم ہے۔

## مستقبل کی پیش گوئی

### چینی کا شعبہ

کاشتکاروں کو فوری ادائیگی، مسلسل ترقی اور گنے کی کاشت کے فروغ نے کاشتکاروں کے ساتھ ہمارے تعلقات کو مضبوط کیا ہے۔ آپ کی انتظامیہ اردگرد کے علاقے میں گنے کے معیار اور فی ایکڑ پیداوار دونوں کو بہتر بنانے پر خصوصی زور دیتی ہے۔ گنے کی امدادی قیمت میں اضافہ اور شرح سود میں اضافہ چینی کی پیداواری لاگت میں نمایاں اضافہ کرتا ہے۔ تاہم، آپ کی انتظامیہ نے کئی مدتوں میں لاگت کے بڑھتے ہوئے رجحان سے بچاؤ کے لیے پہلے ہی کچھ اقدامات کئے ہیں اور چینی کی پیداواری لاگت پر ان کے اثرات کو محدود کرنے میں کامیاب رہی ہے۔

### ڈسٹری کا شعبہ

روپوننگ کی مدت کے بعد، انتھنول کی قیمتوں میں صحت مند اضافہ دیکھا جا رہا ہے جو کہ ڈسٹری کے شعبے کے منافع کو بحال کرے گا جو روپوننگ کی مدت کے دوران شیرے کی زیادہ لاگت کی وجہ سے دبا ہوا تھا۔ آپ کی انتظامیہ نے کامیابی کے ساتھ مناسب نرخوں پر کافی زیادہ مقدار میں شیرے کی خریداری کی ہے اور موجودہ مالی سال کی دوسرے ششماہی عرصہ کے دوران انتھنول کی موجودہ بلند قیمتوں سے استفادہ کے لیے انتھنول کی ایک بڑی مقدار محفوظ ہوگی۔ پاکستانی روپے کی موجودہ قدر میں کمی سے بھی برآمدات پر مبنی صنعتوں کو سہارا ملنے کا امکان ہے، حالانکہ بڑھتی ہوئی نقل و حمل اور افراط کی

## پیداواری نتائج

### چینی کا شعبہ

زیر جائزہ سال اور سابقہ سال کے عرصہ میں چینی کے شعبے میں پیداواری نتائج کے اعداد و شمار کا تقابلی گوشوارہ حسب ذیل ہے:

ششماہی عرصہ 2021، مارچ، 31	ششماہی عرصہ 2022، مارچ، 31	دن	پیداواری عرصہ
121	<b>134</b>		گنا نیلے جانے کی مقدار
863,552	<b>1,073,285</b>	میٹرک ٹن	چینی کی پیداوار
82,710	<b>99,395</b>	میٹرک ٹن	رس سے چینی کی پیداواری اوسط
9.60	<b>9.32</b>	شرح فیصد	شیرے کی پیداواری شرح
4.30	<b>4.51</b>	شرح فیصد	شیرے کی پیداوار
37,033	<b>47,404</b>	میٹرک ٹن	

رواں کرشنگ سیزن کا آغاز 18 نومبر 2021 کو ہوا۔ آپ کی ملز نے 134 دنوں کے عرصہ میں 9.32 فیصد شرح کشید کے ساتھ 1,073,285 میٹرک ٹن گنا نیل کر 99,395 میٹرک ٹن چینی کی پیداوار حاصل کی جبکہ سابقہ سال 121 دنوں تک 9.60 فیصد شرح کشید کے ساتھ 863,552 میٹرک ٹن گنا نیل کر 82,710 میٹرک ٹن چینی کی پیداوار حاصل ہوئی تھی۔

پنجاب حکومت نے موجودہ کرشنگ سیزن کے لیے گنے کی کم از کم امدادی قیمت 200 روپے سے بڑھا کر 225 روپے فی 40 کلوگرام کردی ہے جس سے چینی کی پیداواری لاگت میں اضافہ ہوا ہے۔ آپ کی انتظامیہ نے گنے کی خریداری کی حکمت عملی کے مطابق بہتر انتظام کرتے ہوئے خام مال کی مناسب لاگت کو برقرار رکھنے کے لیے آڈٹ زون کے تناسب سے مناسب قیمت گیٹ سپلائی کو نمایاں طور پر بہتر کیا۔ موسمیاتی تبدیلیوں، گنے کی فصل کی قبل از وقت کٹائی اور چینی اور شیرے کی زیادہ پیداوار کے لیے دور دراز علاقوں سے گنے کی فراہمی کی وجہ سے سکروریکوری میں معمولی کمی دیکھی گئی۔

### ڈسٹلری کا شعبہ

زیر جائزہ سال اور سابقہ سال کے عرصہ میں ڈسٹلری کے شعبے میں پیداواری نتائج کے اعداد و شمار کا تقابلی گوشوارہ حسب ذیل ہے:



## جائزہ ازاں ڈائریکٹران

معزز ممبران،

نون شوگر ملز لمیٹیڈ کے ڈائریکٹران 31 مارچ، 2022 کو مکمل ہونے والے ششماہی عرصہ کے لیے غیر آڈٹ شدہ عبوری مالیاتی بیانات پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

### مالیاتی نتائج

31 مارچ، 2021 کے مقابل 31 مارچ، 2022 کو مکمل ہونے والے ششماہی عرصہ کے مالیاتی حسابات کا موازنہ حسب ذیل ہے:

ششماہی عرصہ 31 مارچ، 2021 (ملین روپے)	ششماہی عرصہ 31 مارچ، 2022 (ملین روپے)	
4,236	<b>5,079</b>	پیداوار کی فروخت سے حاصل شدہ کل رقم
453	<b>569</b>	خام منافع
159	<b>243</b>	قبل از ٹیکس آمدنی
(57)	<b>(57)</b>	ٹیکس
102	<b>187</b>	بعد از ٹیکس آمدنی
(روپے)	(روپے)	
6.20	<b>11.31</b>	فی حصہ آمدن

سابقہ سال کے اسی عرصہ میں مصنوعات کی فروخت سے حاصل شدہ کل رقم 4,236 ملین روپے کے مقابلے میں کمپنی نے زبر جائزہ عرصہ کے دوران 5,079 ملین روپے کا حصول کیا۔ گزشتہ سال کے تقابلی عرصہ میں حاصل کردہ 453 ملین روپے کے مقابلے میں خام منافع 569 ملین روپے رہا۔ رپورٹنگ کے عرصہ کے دوران بعد از ٹیکس منافع گزشتہ سال 102 ملین روپے کے مقابلے میں 187 ملین روپے رہا اور فی حصہ منافع 11.31 روپے رہا جو گزشتہ سال کے اسی عرصہ میں 6.20 روپے فی حصہ تھا۔