

noon

SUGAR MILLS LTD.

Condensed Interim
Financial Statements
for the Half Year Ended

31 March, 2023
(Un-Audited)

2023



Noon Sugar Mills Limited

66 - Garden Block, New Garden Town, Lahore.

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CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. K. Iqbal Talib Lt Col Abdul Khaliq Khan (Retd) Mr. Saif Ullah Khan Noon Syed Ali Raza Mr. Irfan Ahmed Mr. Atta Ali Malik Ms. Maryam Mamdot	Chairman Chief Executive / Director (Executive Director) (Non- Executive Director) (Non- Executive Director) (Non- Executive / Independent Director) (Non- Executive / Independent Director)
AUDIT COMMITTEE	Mr. Atta Ali Malik Syed Ali Raza Ms. Maryam Mamdot	Chairman Member Member
HR & R COMMITTEE	Syed Ali Raza Mr. Saif Ullah Khan Noon Lt Col Abdul Khaliq Khan (Retd)	Chairman Member Member
TECHNICAL COMMITTEE	Mr. Irfan Ahmed Mr. Saif Ullah Khan Noon Lt Col Abdul Khaliq Khan (Retd)	Chairman Member Member
MANAGEMENT	Lt Col Abdul Khaliq Khan (Retd) Mr. Saif Ullah Khan Noon Mr. Rizwan Sohail (FCA)	Chief Executive Executive Director Chief Financial Officer
COMPANY SECRETARY	Mr. Nasir Iqbal Ansari	
HEAD INTERNAL AUDIT	Muhammad Ashfaq (FCMA)	
AUDITORS	Shinewing Hameed Chaudhri & Co., Chartered Accountants	
LEGAL ADVISERS	Hassan & Hassan (Advocates)	
BANKERS	Askari Bank Limited Bank Alfalah Limited - Islamic Banking Bank Islami Pakistan Limited Dubai Islamic Bank Pakistan Limited Habib Bank Limited - Islamic Banking MCB Bank Limited Meezan Bank Limited National Bank of Pakistan Samba Bank Limited United Bank Limited	

REGISTERED OFFICE	66-Garden Block, New Garden Town, Lahore. Tel. (042) 35831462-3, E-mail: noonshr@brain.net.pk noonshr66@gmail.com
SHARES REGISTRAR	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
MILLS	Bhalwal, District Sargodha.
WEBSITE	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 31st, 2023.

FINANCIAL RESULTS

A comparison of the financial results for the half year ended March 31st, 2023, as against March 31st, 2022, is as follows:

	Half Year Ended March 31 st	
	2023	2022
	---Rupees in million---	
Net Sales	3,581	5,079
Gross profit	732	569
Earnings before tax	175	243
Taxation	(41)	(57)
Earnings after tax	134	187
	- - - Rupees - - -	
Basic earnings per share	8.10	11.31

During the reporting period, the sales revenue of the Company was Rs.3,581 million, as compared to Rs.5,079 million for the corresponding period of last year. Gross profit was Rs.732 million as compared to Rs.569 million in the corresponding period. Despite a substantial improvement in gross profit during the period under review, the profit after taxation was Rs.134 million against Rs.187 million in the same period last year, reflecting mainly a phenomenal increase in financial cost, resulting in a reduced earnings per share of Rs.8.10, as compared to Rs.11.31 per share in the corresponding period, 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 st	
		2023	2022
		---Rupees in million---	
Operating Period	Days	101	134
Cane Crushed	M. Tons	807,367	1,073,285
Sugar Produced	M. Tons	75,717	99,395
Average Sucrose Recovery	%age	9.37	9.32
Molasses Recovery	%age	4.49	4.51
Molasses Produced	M. Tons	36,281	47,404

The current crushing season commenced on November 25, 2022. Your mills crushed 807,367 M.Tons of the sugarcane and produced 75,717 M. Tons sugar, with an average sucrose recovery of 9.37% in 101 days operation as compared to 1,073,285 M.Tons of the sugarcane crushed and 99,395 M.Tons of the sugar produced, with 9.32% sucrose recovery in 134 days operation till March 31, 2022, in the corresponding period of the last year.

The current crushing season had reduced because of poor sugarcane yield due to unfavorable weather in the main growth period of the crop and restricted application of fertilizer & pesticide owing to their unaffordable prices for majority of growers. The yield per acre of sugar cane was therefore seriously affected, resulting in a marked reduction in supply of cane to the mill during the current crushing season.

The Punjab government had increased the support price of cane by over 33%, from Rs.225 to Rs.300 per 40 kg, for the current crushing season. It was further aggravated by a historically high markup rate, and higher sales tax and an all-round inflationary trend was set in the cost of all components contributing to increase the cost of production. The slim profitability of the sugar sector was therefore seriously eroded. The government had allowed the export of small quantity of sugar during reporting period, which did help the sugar mills in some measure, to meet the working capital requirements during crushing period.

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 st	
		2023	2022
Operating Period	Days	118	116
Molasses Processed	M. Tons	57,216	60,488
Ethanol Produced	M. Tons	11,296	11,835
Average Yield	Ltrs./ M .Ton	247	245

The Distillery plants processed 57,216 M.Tons of the molasses and produced 11,296 M.Tons of the ethanol with an average yield of 247 liters of the ethanol per M. Ton of the molasses in 118 days operation, as compared to 60,488 M.Tons of the molasses processed and 11,835 M.Tons production of the ethanol at an average yield of 245 liters of the ethanol per M. Ton of the molasses, in 116 days operation, during the corresponding period of the last year.

Procurement of the molasses at reasonable prices remained a big challenge during reduced crushing season. Your management has successfully procured a reasonable quantity of the molasses to supplement their own production, to ensure smooth operations. Here also, the State Bank has substantially increased the export refinance markup rates, serving as an incentive for export oriented organizations, which coupled with the substantially increased cost of raw materials has drastically reduced the profitability of Distillery sector.

FUTURE OUTLOOK

Sugar Division

The progressively aggravating political instability, leading to rapidly worsening economic conditions are posing a looming threat to the stable business growth and a persistent inflationary trend has reduced the consumer's purchasing power resulting in changed consumption pattern of even essential commodities, including sugar. Subsequent to the reporting period, the Federal

Government has also decided to intervene in sugar price fixation to suppress it without taking into account the main components of a substantial increase in sugarcane price, successive increases in minimum wages of workers, in addition to all other inputs causing a substantial rise in the production cost of sugar. The sugar industry, therefore, continues to face a formidable challenge for its viability. Your management is, however, trying to meet these challenges through their prudent and flexible sales strategies, to maintain a reasonable profitability of this segment.

Propagation of unapproved varieties by small growers, scarcity of irrigation water and increased cost of fuel & electricity and other input costs, combined with unfavorable environmental changes, had a big impact on the growth of sugarcane, resulting in markedly lower sugar cane yield in the area. Your management is continuously working to address these issues by advancing loans for all important agricultural inputs, including the new improved varieties of cane, fertilizer, pesticide, etc and training the growers to apply improved agricultural techniques and ways of plantation and adopt effective ways of inputs application. The successive increase in sugarcane support price has also enabled the growers to get good returns from their crop, which should encourage them to get higher yield of cane in coming years.

Distillery Division

A substantial increase in raw material cost, combined with a massive increase from 3% to 18% export refinancing markup rates has seriously eroded the profit margin of this segment. However, a significant devaluation of the Pak Rupee has some mitigating impact towards maintaining their slim margin. The rising worldwide inflation and a declining trend in fuel prices, have also reduced the global ethanol demands, causing a negative impact on Ethanol prices in international markets. Your management is well aware of the upcoming challenges and have developed appropriate strategies to maximize the returns of shareholders from this sector, in the given circumstances.

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



IRFAN AHMED

Director

Lahore : May 30, 2023

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, 2023 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, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended March 31, 2023.

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: RR202310104evftB9VQR

Lahore: May 30, 2023

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

		Un-Audited March 31, 2023	Audited September 30, 2022
	Note	---- Rupees in '000 ----	
Equity and Liabilities			
Share Capital and Reserves			
Authorised capital		<u>500,000</u>	<u>200,000</u>
50,000,000 ordinary shares of Rs.10 each			
Issued, subscribed and paid-up capital		165,175	165,175
16,517,453 ordinary shares of Rs.10 each			
Reserves		249,217	249,217
Unappropriated profit		<u>1,386,258</u>	<u>1,318,552</u>
		1,800,650	1,732,944
Non-current Liabilities			
Long term finances		-	-
Lease liabilities		62	635
Staff retirement benefits - gratuity		80,798	72,875
		80,860	73,510
Current Liabilities			
Trade and other payables	5	1,211,391	607,845
Contract liabilities		36,214	16,744
Accrued mark-up		246,583	15,786
Short term finances	6	6,242,585	1,848,338
Current portion of non current liabilities		38,596	76,000
Unclaimed dividends		5,053	5,053
Unpaid dividends		5,797	4,801
Provision for taxation		244,886	203,726
		<u>8,031,105</u>	<u>2,778,293</u>
		8,111,965	2,851,803
Contingencies and commitments	7	<u>9,912,615</u>	<u>4,584,747</u>

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, 2023

	Note	Un-Audited March 31, 2023	Audited September 30, 2022
--- Rupees in '000 ---			
Assets			
Non-current Assets			
Property, plant and equipment	8	1,831,987	1,799,082
Loans and advances	9	9,743	1,633
Security Deposits		12,060	5,448
		1,853,790	1,806,163
Current Assets			
Stores, spares and loose tools		150,494	143,723
Stock-in-trade	10	6,689,527	1,160,752
Trade debts		33,910	313,026
Loans and advances		467,462	689,706
Deposits and prepayments		9,863	4,315
Other receivables		269,276	134,389
Income tax refundable, advance income tax and tax deducted at source		295,280	222,139
Cash and bank balances		143,013	110,534
		8,058,825	2,778,584
		9,912,615	4,584,747

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



IRFAN AHMED
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, 2023

	Note	Quarter ended		Six months period ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
----- Rupees in '000 -----					
Sales - net	11	2,317,749	3,070,712	3,580,509	5,078,577
Cost of sales		(1,858,678)	(2,722,307)	(2,848,262)	(4,509,846)
Gross profit		459,071	348,405	732,247	568,731
Distribution and marketing expenses		(63,544)	(69,713)	(94,232)	(110,330)
Administrative expenses		(75,105)	(65,628)	(144,091)	(127,299)
Other income		29,939	72,782	39,171	96,815
Other expenses		(6,608)	(11,727)	(14,383)	(30,362)
Profit from operations		343,753	274,119	518,712	397,555
Finance cost		(270,996)	(120,313)	(343,778)	(154,065)
Profit before taxation		72,757	153,806	174,934	243,490
Taxation	12	(23,130)	(32,589)	(41,158)	(56,705)
Profit after taxation		49,627	121,217	133,776	186,785
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		49,627	121,217	133,776	186,785
----- Rupees -----					
Earnings per share - basic and diluted		3.00	7.34	8.10	11.31

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


Lt Col ABDUL KHALIQ KHAN (Retd)
Chief Executive


IRFAN AHMED
Director


RIZWAN SOHAIL
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2023

	<u>Six months period ended</u>	
	<u>March 31,</u> <u>2023</u>	<u>March 31,</u> <u>2022</u>
	-- Rupees in '000 --	
Cash flow from operating activities		
Profit for the period before taxation	174,934	243,490
Adjustments for non-cash charges and other items:		
Depreciation on property, plant & equipment	82,407	76,723
(Gain) / loss on sale of operating fixed assets	(296)	681
Provision for staff retirement benefits - gratuity	11,322	7,614
Interest / mark-up income	(1,189)	(1,191)
Finance cost	343,778	154,065
Profit before working capital changes	<u>610,956</u>	<u>481,382</u>
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(6,771)	(37,870)
Stock-in-trade	(5,528,775)	(3,786,856)
Trade debts	279,116	(216,989)
Loans and advances	222,244	(487,914)
Short term prepayments	(5,548)	(10,964)
Other receivables	(134,887)	(72,057)
	<u>(5,174,621)</u>	<u>(4,612,650)</u>
Increase in current liabilities:		
Trade and other payables	603,546	1,016,841
Contract liabilities	19,470	24,533
	<u>623,016</u>	<u>1,041,374</u>
Cash used in operating activities	<u>(3,940,649)</u>	<u>(3,089,894)</u>
Income tax paid	(73,139)	(57,547)
Staff retirement benefits (gratuity) - paid	(3,399)	(2,750)
Net cash used in operating activities	<u>(4,017,187)</u>	<u>(3,150,191)</u>
Cash flow from investing activities		
Additions to property, plant and equipment	(116,016)	(240,429)
Sale proceeds of operating fixed assets	1,000	37,382
Long term deposits - net	(6,612)	(1,001)
Interest / mark-up received	1,189	1,191
Loans and advances - net	(8,110)	425
Net cash used in investing activities	<u>(128,549)</u>	<u>(202,432)</u>
Cash flow from financing activities		
Long term finances repaid	(37,500)	(37,500)
Short term finances - net	4,394,247	3,488,075
Lease liabilities - net	(477)	(1,166)
Finance cost paid	(112,981)	(82,678)
Dividend paid	(65,074)	(56,935)
Net cash generated from financing activities	<u>4,178,215</u>	<u>3,309,796</u>
Net increase / (decrease) in cash and cash equivalent	<u>32,479</u>	<u>(42,827)</u>
Cash and cash equivalents - at beginning of the period	<u>110,534</u>	<u>224,923</u>
Cash and cash equivalents - at end of the period	<u>143,013</u>	<u>182,096</u>

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


Lt Col ABDUL KHALIQ KHAN (Retd)
 Chief Executive


IRFAN AHMED
 Director


RIZWAN SOHAIL
 Chief Financial Officer

**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2023

	Reserves						
	Share Capital	Capital		Revenue		Sub-total	Total
		Share premium	General	Un- appropriated profits	Un- appropriated profits		
----- Rupees in '000 -----							
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	
Balance as at March 31, 2022 (Un-Audited)	165,175	119,217	130,000	1,042,239	1,291,456	1,456,631	
Balance as at October 01, 2022 (Audited)	165,175	119,217	130,000	1,318,552	1,567,769	1,732,944	
Cash dividend at the rate of Rs.4 per ordinary share for the year ended September 30, 2022	-	-	-	(66,070)	(66,070)	(66,070)	
Total comprehensive income for the period	-	-	-	133,776	133,776	133,776	
Balance as at March 31, 2023 (Un-Audited)	165,175	119,217	130,000	1,386,258	1,635,475	1,800,650	

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


Lt Col ABDUL KHALIQ KHAN (Retd)
Chief Executive


IRFAN AHMED
Director


RIZWAN SOHAIL
Chief Financial Officer

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

FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2023

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:

Sargodha	Purpose
Bhalwal	Mills / Production plant
Lahore 66-Garden Block, New Garden Town.	Head office
Karachi 1st Floor, P.I.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, 2022. 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, 2022 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, 2022.

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, 2022.

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, 2023 mainly includes trade creditors aggregating Rs. 301.389 million (September 30, 2022: Rs.364.410 million).

6. SHORT TERM FINANCES

		Un-Audited	Audited
		March 31,	September 30,
		2023	2022
	Note	-- Rupees in '000 --	
From banking companies - secured	6.1	5,852,585	1,841,193
From a related party - unsecured	6.2	390,000	-
Temporary bank overdraft	6.3	-	7,145
		<u>6,242,585</u>	<u>1,848,338</u>

- 6.1 Short term finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs.6.240 billion (September 30, 2022: Rs.4.600 billion). These finance facilities, during the period, carried mark-up at the rates ranging from 10.00% to 22.53% (September 30, 2022: 3.00% to 19.11%) per annum. Facilities available for opening letters of credit and guarantees aggregate to Rs.130.82 million (September 30, 2022: Rs.130.82 million) of which facilities aggregating Rs.115.109 million (September 30,

2022: Rs.111.742) remained unutilised at the reporting date. The aggregate finance facility are secured against charge over plant & machinery, pledge of refined sugar in bags, charge over current assets of the Company and lien over import & export documents. These facilities are expiring on various dates by January, 2024.

6.2 The Company during the period obtained a short term loan amounted Rs.390 million from one of its related party Mr. Adnan Hayat Noon (sponsor) to meet its working capital requirements. During the period, the loan carries mark-up at the rate of 18.06% per annum.

6.3 This had 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 15 to the Company's annual audited financial statements for the year ended September 30, 2022.

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

	Un-Audited March 31, 2023	Audited September 30, 2022
Note	-- Rupees in '000 --	
Not later than one year	-	80

8. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	8.1	1,769,861	1,476,205
Capital work-in-progress - at cost		60,372	320,872
Right-to-use assets	8.2	1,754	2,005
		<u>1,831,987</u>	<u>1,799,082</u>

8.1 Operating fixed assets

Book value at the beginning of the period / year		1,476,205	1,350,338
Additions during the period / year	8.1.1	376,516	315,800
Transfer from right of use to owned		-	7,321
Disposal of assets costing Rs.2.154 million (September 30, 2022: Rs.53.038 million) - at book value		(704)	(38,145)
Depreciation charge for the period / year		(82,156)	(159,109)
Book value at the end of the period / year		<u>1,769,861</u>	<u>1,476,205</u>

8.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:

Un-Audited Audited
March 31, September 30,
2023 2022
- - Rupees in '000 - -

Buildings on freehold land	37,173	60,957
Plant and machinery	315,135	163,530
Laboratory equipment	428	2,395
Other equipment	1,665	149
Electric installations and fittings	16,777	48,667
Office equipment	634	1,574
Furniture and fixture	1,411	461
Vehicles - owned	3,293	37,213
Farm tractors	-	201
Farm equipment	-	653
	376,516	315,800

8.2 Right-to-use assets

Opening balance	2,005	9,994
Transfer to operating fixed assets - at book value	-	(7,321)
Depreciation for the period / year	(251)	(668)
	1,754	2,005

9. LOANS AND ADVANCES

These include Rs.11.500 million advanced to Mr. Rizwan Sohail who is the Chief Financial Officer of the Company.

10. STOCK-IN-TRADE

Un-Audited Audited
March 31, September 30,
2023 2022

	Note	- - Rupees in '000 - -
Raw material - molasses		944,790 62,228
Work-in-process		75,373 35,097
Finished goods	10.1	5,668,663 1,062,026
Other stocks - (fair price shop and depot)		701 1,401
		6,689,527 1,160,752

10.1 Finished goods inventory mainly includes sugar stock costing Rs.4,700.111 million (September 30, 2022: Rs.938.140 million).

11. SALES - Net

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

	Quarter ended		Six months period ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
----- Rupees in '000 -----				
Local				
Sugar	927,589	1,825,419	1,799,047	3,258,201
Spirit	74,560	55,106	107,713	115,246
	1,002,149	1,880,525	1,906,760	3,373,447
Export				
Sugar	391,988	-	391,988	-
Spirit	923,612	1,190,187	1,281,761	1,705,130
	2,317,749	3,070,712	3,580,509	5,078,577

11.2 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.

12. 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.

13. SEGMENT INFORMATION

The Company's reportable segments are Sugar and Distillery.

13.1 Segment revenues and results	Sugar	Distillery	Elimination of inter segment transactions	Total
	----- Rupees in '000 -----			
For the Six months period ended				
March 31, 2023 (Un-Audited)				
Sales - net	3,247,049	1,389,474	(1,056,014)	3,580,509
Cost of sales	(3,007,158)	(897,118)	1,056,014	(2,848,262)
Gross profit	239,891	492,356	-	732,247
Selling and distribution expenses	(9,583)	(84,649)	-	(94,232)
Administrative expenses	(105,981)	(38,110)	-	(144,091)
Profit before taxation and unallocated income and expenses	124,327	369,597	-	493,924
Unallocatable income and expenses:				
Other income				39,171
Other expenses				(14,383)
Finance cost				(343,778)
Taxation				(41,158)
Profit for the period				133,776

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

13.2 Segment assets and liabilities

	Sugar	Distillery	Total
----- Rupees in '000 -----			
As at March 31, 2023 (Un-Audited)			
Segment assets	6,545,990	2,782,522	9,328,512
Unallocatable assets			584,103
Total assets as per statement of financial position			<u>9,912,615</u>
Segment liabilities	5,146,947	2,072,971	7,219,918
Unallocatable liabilities			892,047
Total liabilities as per statement of financial position			<u>8,111,965</u>
As at September 30, 2022 (Audited)			
Segment assets	2,965,210	1,118,566	4,083,776
Unallocatable assets			500,971
Total assets as per statement of financial position			<u>4,584,747</u>
Segment liabilities	575,390	1,855,360	2,430,750
Unallocatable liabilities			421,053
Total liabilities as per statement of financial position			<u>2,851,803</u>

13.3 Geographical information

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

14. 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.

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

Relationship	Nature of transactions	Un-Audited Six months period ended	
		March 31, 2023	March 31, 2022
-- Rupees in '000 --			
Associated persons	Consultancy paid	5,650	5,100
	Loan obtained	390,000	-
	Mark-up charged on loan	16,288	-
Directors and Key management personnel	Remuneration and other benefits	7,920	16,190
	Loan provided	12,500	-
	Loan recovered	1,000	-

14.2 Period / year end balances are as follows:

Un-Audited March 31, 2023	Audited September 30, 2022
-- Rupees in '000 --	

Receivable from related party:

Loans and advances	11,500	-
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Payable to related party:

Short term borrowing including mark-up	406,288	-
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15. 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, 2022, 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, 2022.

16. 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.

17. 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, 2022, 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, 2022.

18. GENERAL

18.1 These condensed interim financial statements have been authorised for issue by the Board of Directors of the Company on May 30, 2023.

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



Lt Col ABDUL KHALIQ KHAN (Retd)

Chief Executive



IRFAN AHMED

Director



RIZWAN SOHAIL

Chief Financial Officer


چھوٹے کاشتکاروں کی جانب سے غیر منظور شدہ اقسام کی کاشت، آبپاشی کے لیے پانی کی کمی اور ایندھن، بجلی اور دیگر پیداواری ضروریات کی بڑھتی ہوئی لاگتوں نے ناموافق ماحولیاتی تبدیلیوں کے ساتھ مل کر علاقے میں گنے کی نشوونما پر برا اثر ڈالا جس کے نتیجے میں علاقے میں گنے کی پیداوار میں نمایاں کمی ہوئی ہے۔ آپ کی انتظامیہ گنے کی نئی بہتر اقسام، کھاد، کیڑے مار دواسمیت تمام اہم پیداواری اخراجات کے لیے قرضے دے کر اور کاشتکاروں کو بہتر زراعتی تکنیکوں اور کاشتکاری کے طریقوں کو لاگو کرنے اور بنیادی عوامل کو موثر طریقے سے اپنانے کی تربیت دے کر ان مسائل کو حل کرنے کے لیے مسلسل کام کر رہی ہے۔ گنے کی قیمت میں لگاتار اضافے نے کاشتکاروں کو اپنی فصل سے اچھا منافع حاصل کرنے میں بھی مدد فراہم کی ہے جس سے انہیں آنے والے سالوں میں گنے کی زیادہ پیداوار حاصل کرنے کی ترغیب ملے گی۔

ڈسٹری کا شعبہ


خام مال کی قیمت میں خاطر خواہ اضافہ، برآمدی ری فائننگ مارک اپ کی شرحوں میں تین فیصد سے اٹھارہ فیصد اضافے کے ساتھ مل کر اس شعبے کے منافع کے حصہ کو شدید طور پر کم کر دیا ہے۔ تاہم، پاکستانی روپے کی قدر میں نمایاں کمی نے اس شعبے کے معمولی حصے کو برقرار رکھنے میں کچھ اثرات مرتب کیے ہیں۔ دنیا بھر میں بڑھتے ہوئے افراط زر اور ایندھن کی قیمتوں میں کمی کی رجحان نے بھی انتھوئل کی عالمی طلب کو کم کر دیا ہے جس سے بین الاقوامی منڈیوں میں انتھوئل کی قیمتوں پر منفی اثر پڑا ہے۔ آپ کی انتظامیہ آنے والے چیلنجوں سے بخوبی واقف ہے اور اس نے موجودہ حالات میں اس شعبے سے شیئر ہولڈروں کے لیے زیادہ سے زیادہ منافع حاصل کرنے کے لیے مناسب حکمت عملی تیار کی ہے۔

اعتراف

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



عرفان احمد
ڈائریکٹر



یوسف خان
چیف ایگزیکٹو
(ریٹائرڈ)

لاہور: 30 مئی، 2023

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:

ششماہی عرصہ 31 مارچ، 2022	ششماہی عرصہ 31 مارچ، 2023		
116	118	دن	پیداواری عرصہ
60,488	57,216	میٹرک ٹن	شیرے کی کھپت
11,835	11,296	میٹرک ٹن	انتھنول کی پیداوار
245	247	لیٹر فی میٹرک ٹن	پیداواری اوسط

ڈسٹلری پلانٹ نے 118 دنوں میں 247 لیٹر انتھنول فی میٹرک ٹن شیرے کی اوسط پیداواری شرح سے 57,216 میٹرک ٹن شیرے پر اس کر کے 11,296 میٹرک ٹن انتھنول پیدا کی جبکہ سابقہ سال کے اسی عرصہ کے دوران 116 دنوں میں 245 لیٹر انتھنول فی میٹرک ٹن شیرے کی اوسط پیداواری شرح سے 60,488 میٹرک ٹن شیرے پر اس کر کے 11,835 میٹرک ٹن انتھنول پیدا کی گئی تھی۔

کرٹنگ سیزن کے دورانیے میں کمی کی وجہ سے مناسب قیمت پر شیرے کی خریداری ایک بڑا چیلنج بنی ہوئی تھی۔ آپ کی انتظامیہ نے اپنی پیداوار کے علاوہ کامیابی کے ساتھ مناسب مقدار میں شیرے خرید لیا ہے تاکہ ہموار آپریشنز کو یقینی بنایا جاسکے۔ یہاں بھی، اسٹیٹ بینک آف پاکستان نے برآمدی ری فائنانس مارک اپ کی شرحوں میں خاطر خواہ اضافہ کیا ہے، جو برآمدی تنظیموں کے لیے ایک فائدے کے طور پر کام کرتی تھی، جس نے خام مال کی قیمتوں میں خاطر خواہ اضافہ کے ساتھ مل کر ڈسٹلری کے شعبہ کے منافع میں زبردست کمی کی ہے۔

مستقبل کی پیش گوئی

چینی کا شعبہ

بتدریج بڑھتا ہوا سیاسی عدم استحکام، جس کی وجہ سے معاشی حالات تیزی سے گڑھے ہیں، مضحکم کاروباری نمونے کے لیے خطرہ بن رہا ہے اور مزید گائی کے مسلسل بڑھتے ہوئے رجحان نے صارفین کی قوت خرید کو کم کر دیا ہے جس کے نتیجے میں چینی سمیت دیگر ایشیا، ضرورت کی کھپت کا انداز بھی بدل گیا ہے۔ رپورٹنگ کی مدت کے بعد، وفاقی حکومت نے گنے کی قیمت میں خاطر خواہ اضافے، مزدوروں کی کم از کم اجرت میں یکے بعد دیگرے اضافے اور دیگر تمام اخراجات جن کی وجہ سے چینی کی پیداواری لاگت میں اضافہ ہوا، کو مد نظر رکھے بغیر چینی کی قیمت کے تعین میں مداخلت کا بھی فیصلہ کیا ہے۔ لہذا چینی کی صنعت کو اپنی بقاء کے لیے ایک زبردست چیلنج کا سامنا ہے۔ تاہم، آپ کی انتظامیہ ان چیلنجوں کا مقابلہ فروخت کے معاملات میں اپنی دانشمندانہ اور چکدر حکمت عملیوں کے ذریعے کرنے کی کوشش کر رہی ہے تاکہ اس شعبہ کے معقول منافع کو برقرار رکھا جاسکے۔

پیداواری نتائج چینی کا شعبہ

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

ششماہی عرصہ 31 مارچ، 2022	ششماہی عرصہ 31 مارچ، 2023		
134	101	دن	پیداواری عرصہ
1,073,285	807,367	میٹرک ٹن	گنا بیلے جانے کی مقدار
99,395	75,717	میٹرک ٹن	چینی کی پیداوار
9.32	9.37	شرح فیصد	رس سے چینی کی پیداواری اوسط
4.51	4.49	شرح فیصد	شیرے کی پیداواری شرح
47,404	36,281	میٹرک ٹن	شیرے کی پیداوار

رواں کرشننگ سیزن کا آغاز 25 نومبر 2022 کو ہوا۔ آپ کی ملز نے 101 دنوں کے عرصہ میں 9.37 فیصد شرح کشید کے ساتھ 807,367 میٹرک ٹن گنا بیل کر 75,717 میٹرک ٹن چینی کی پیداوار حاصل کی جبکہ سابقہ سال 31 مارچ، 2022 تک کے تقابلی عرصہ میں 134 دنوں میں 9.32 فیصد شرح کشید کے ساتھ 1,073,285 میٹرک ٹن گنا بیل کر 99,395 میٹرک ٹن چینی کی پیداوار حاصل ہوئی تھی۔

فصل کی اہم نشوونما کے دوران ناموافق موسم کی وجہ سے گنے کی ناقص پیداوار اور زیادہ تر کاشتکاروں کے لیے کھاد اور کیڑے مار ادویات کی ناقابل برداشت قیمتوں کی وجہ سے ان کے محدود استعمال کے سبب حالیہ کرشننگ سیزن کے عرصہ میں کمی واقع ہوئی تھی۔ اس وجہ سے گنے کی فی ایکڑ پیداوار شدید متاثر ہوئی، جس کے نتیجے میں حالیہ کرشننگ سیزن کے دوران مل کو گنے کی سپلائی میں واضح کمی واقع ہوئی۔

پنجاب حکومت نے موجودہ کرشننگ سیزن کے لیے گنے کی امدادی قیمت %33 سے زائد اضافے کے ساتھ 225 روپے سے بڑھ کر 300 روپے فی 40 کلوگرام کر دی ہے۔ یہ تاریخی طور پر بلند مارک اپ کی شرح اور بلند ترین سیلز پرائس کی وجہ سے ایک اور ہمہ جہت افراطِ زر کا رجحان قائم ہوا جس سے پیداواری لاگت میں اضافہ کرنے والے تمام اجزاء کی لاگت میں اضافہ ہو گیا۔ اس کی وجہ سے چینی کے شعبہ کے معمولی منافع کو شدید نقصان پہنچا۔ حکومت نے رپورٹنگ کی مدت کے دوران چینی کی کم مقدار کی برآمد کی اجازت دی تھی، جس سے شوگر ملوں کو کرشننگ کی مدت کے دوران ورکنگ کیپٹل کی ضروریات کو پورا کرنے میں کسی حد تک مدد ملی۔

جائزہ ازاں ڈائریکٹران

معزز ممبران،

نون شوگر ملز لمیٹڈ کے ڈائریکٹران 31 مارچ، 2023 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، 2022 کے مقابل 31 مارچ، 2023 کو مکمل ہونے والے ششماہی عرصہ کے مالیاتی حسابات کا موازنہ حسب ذیل ہے:

ششماہی عرصہ 31 مارچ، 2022 (ملین روپے)	ششماہی عرصہ 31 مارچ، 2023 (ملین روپے)	
5,079	3,581	خالص فروخت
569	732	خام منافع
243	175	قبل از ٹیکس آمدنی
(57)	(41)	ٹیکس
187	134	بعد از ٹیکس آمدنی
(روپے)	(روپے)	
11.31	8.10	فی حصہ آمدن

سابقہ سال کے اسی عرصہ میں مصنوعات کی فروخت 5,079 ملین روپے کے مقابلے میں کمپنی نے زیر جائزہ عرصہ کے دوران 3,581 ملین روپے کی فروخت کی۔ گزشتہ سال کے تقابلی عرصہ میں حاصل کردہ 569 ملین روپے کے مقابلے میں خام منافع 732 ملین روپے رہا۔ زیر جائزہ مدت کے دوران مجموعی منافع میں خاطر خواہ بہتری کے باوجود، بعد از ٹیکس منافع گزشتہ سال کی اسی مدت میں 187 ملین روپے کے مقابلے میں 134 ملین روپے رہا، جو بنیادی طور پر مالیاتی لاگت میں غیر معمولی اضافے کو ظاہر کرتا ہے، جس کے نتیجے میں فی حصہ آمدنی میں کمی واقع ہوئی ہے اور فی حصہ منافع 8.10 روپے رہا جو گزشتہ سال کے اسی عرصہ میں 11.31 روپے فی حصہ تھا۔