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CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. K. Iqbal Talib Lt Col Abdul Khaliq Khan (Retd) Malik Adnan Hayat Noon Mr. Salman Hayat Noon Muhammad Sohail Khokhar Muhammad Tariq Mir Syed Ali Raza	Chairman Chief Executive / Director (Non- Executive Director) (Non- Executive Director) (Executive Director) (Non- Executive / Independent Director) (Non- Executive / Independent Director)
AUDIT COMMITTEE	Muhammad Tariq Mir Mr. Salman Hayat Noon Syed Ali Raza	Chairman Member Member
HR & R COMMITTEE	Syed Ali Raza Malik Adnan Hayat Noon Mr. Salman Hayat Noon Lt Col Abdul Khaliq Khan (Retd)	Chairman Member Member Member
TECHNICAL COMMITTEE	Muhammad Tariq Mir Mr. Salman Hayat Noon Lt Col Abdul Khaliq Khan (Retd) Syed Ali Raza	Chairman Member Member Member
MANAGEMENT	Lt Col Abdul Khaliq Khan (Retd) Muhammad Sohail Khokhar Mr. Rizwan Sohail (FCA)	Chief Executive Executive Director Chief Financial Officer
COMPANY SECRETARY	Syed Anwar Ali	
AUDITORS	Shinewing Hameed Chaudhri & Co., Chartered Accountants	
HEAD INTERNAL AUDIT	Muhammad Ashfaq (FCMA)	
LEGAL ADVISERS	Hassan & Hassan (Advocates)	
BANKERS	Askari Bank Limited Bank Alfalah Limited – Islamic Banking Bank Islami Pakistan Limited Dubai Islamic Bank Pakistan Limited JS Bank Limited MCB Bank Limited MCB Islamic Bank National Bank of Pakistan SAMBA Bank Limited United Bank Limited	

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Tel. # (042) 36655777, Fax # (042) 36662244

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Tel. (042) 35831462 -3,
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Wings Arcade, 1 -K Commercial,
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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 your company are pleased to present the condensed un-audited interim financial information of the company for the half year ended on March 31st, 2019.

FINANCIAL RESULTS

A comparison of the financial results for the half year ended March 31st, 2019, as against March 31st, 2018, is as follows:

	Half year ended March 31 st	
	2019	2018
	(Rs. in millions)	
Net sales	2,538	3,550
Gross profit	301	232
Earnings after tax	62	25
Basic earnings per share – Rupees	3.75	1.49

During the reporting period, the sales revenue of the Company was Rs. 2,538 million as compared to Rs. 3,550 million for the corresponding period of last year. Gross profit is Rs.301 million as compared to Rs. 232 million in corresponding period. Profit after taxation, for the period, is Rs. 62 million against Rs. 25 million of same period last year and earnings per share of Rs. 3.75 per share, as compared to earnings of Rs. 1.49 per share in the corresponding period of last year.

OPERATIONAL RESULTS

Sugar Division

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

		Half year ended March 31 st	
		2019	2018
Operating period	Days	102	121
Cane crushed	M. Tons	630,929	1,008,945
Sugar produced	M. Tons	63,098	98,655
Average sucrose recovery	%age	10.01	9.77
Molasses recovery	% age	4.57	4.51
Molasses Produced	M. Tons	28,800	45,500

The current crushing season commenced on December 12, 2018. Your mills crushed 630,929 M.Tons of sugarcane and produced 63,098 M.Tons sugar, with an average sucrose recovery of 10.01% in 102 days operation as compared to 1,008,945 M.Tons of sugarcane crushing and 98,655 M.Tons of sugar production with 9.77% sucrose recovery in 121 days' operation in the corresponding period of last year.

The sugar production was affected by a reduction in sugarcane crop as the result of reduced cultivation in the area as well as a comparatively poor sugarcane yield. The resulting intense competition in cane procurement price among the regional mills, during later part of the crushing season, had a negative effect on the production cost of sugar. However, an increasing trend of sugar price in the subsequent period may provide a much needed breathing space for the sugar industry.

Distillery Division

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

		Half year ended March 31 st	
		2019	2018
Operating period	Days	105	141
Molasses Processed	M.Tons	46,413	39,367
Ethanol produced	M.Tons	9,581	8,105
Average yield	Ltrs./ M.Ton	258	257

The Distillery plants processed 46,413 M.Tons of molasses and produced 9,581M.Tons of ethanol with an average yield of 258 liters of ethanol per M.Ton of molasses in 105 days operation, as compared with 39,367 M.Tons of molasses processed and 8,105 M.Tons production of ethanol at an average yield of 257 liters of ethanol per ton of molasses, in 141 days operation, during the corresponding period of last year.

Distillery operational days were reduced due to installation of new distillery plant. The increased capacity of 132,000 liters per day is fully operational now.

FUTURE OUTLOOK

Reduced sugar production coupled with carry forward stocks from previous year will be sufficient to meet the local consumption. Reduction in excess availability of sugar has had a positive impact on sugar prices, which will help the sugar industry to overcome the crises period.

However, an extended period of oversupply of sugar in the domestic market, with habitually delayed and fragmented supportive steps, taken by the govt. to enable the mills for timely payment to the growers, has resulted in a dramatic reduction in sugarcane cultivation, which is a major concern for the industry. Your company has however, initiated corrective measures by providing loans for Fertilizer and other inputs to the farmers, so as to improve our mutually beneficial partnership with them.

Ethanol prices in International market have improved after the reporting period. The prospects of export of Ethanol to China under FTA combined with marked devaluation of Pak Rupee, offer a better outlook to this segment, to give further support to the improved trend in sugar market.

However, as reported earlier, a significant reduction in sugarcane cultivation may hurt the future prospects of both segments.

ACKNOWLEDGEMENT

The Board is thankful to all of its stakeholders for their invaluable continued 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



Lt Col Abdul Khaliq Khan (Retd)
Chief Executive



M. SOHAIL KHOKHAR
Director

Lahore: 27 May, 2019

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, 2019 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, 2019 and 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended March 31, 2019.

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 Mr. Osman Hameed Chaudhri.

Lahore : 27 May, 2019

Shinewing Hameed Chaudhri & Co.
SHINEWING HAMEED CHAUDHRI & CO.,
Chartered Accountants

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	Un-Audited March 31, 2019	Audited September 30, 2018
Equity and Liabilities			
Share Capital and Reserves			
Authorised capital 20,000,000 ordinary shares of Rs.10 each		200,000	200,000
Issued, subscribed and paid-up capital 16,517,453 ordinary shares of Rs.10 each		165,175	165,175
Reserves		249,217	249,217
Unappropriated profit		346,715	327,659
		761,107	742,051
Non-current Liabilities			
Long term finances		187,500	225,000
Liabilities against assets subject to finance lease		12,443	4,778
Staff retirement benefits - gratuity		47,903	43,991
		247,846	273,769
Current Liabilities			
Trade and other payables	6	534,124	290,872
Contract liabilities		269,208	75,924
Accrued mark-up		78,013	67,948
Short term finances	7	3,481,546	2,386,078
Current portion of non current liabilities		80,239	77,039
Unclaimed dividend		5,100	5,100
Unpaid dividend		6,271	1,969
Provision for taxation		59,399	59,399
		4,513,900	2,964,329
		4,761,746	3,238,098
Contingencies and commitments	8		
		5,522,853	3,980,149

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, 2019

	Un-Audited March 31, 2019	Audited September 30, 2018
Note	-- Rupees in '000 --	
Assets		
Non-current Assets		
Property, plant and equipment	9 1,477,186	1,350,449
Investment property	7,845	7,874
Loans and advances	635	360
Deposits	10,437	11,933
	1,496,103	1,370,616
Current Assets		
Stores, spares and loose tools	72,989	101,955
Stock-in-trade	10 3,410,369	1,997,542
Trade debts	40,906	39,553
Loans and advances	88,769	110,106
Short term prepayments	2,434	2,844
Other receivables	11 249,404	236,230
Income tax refundable, advance income tax and tax deducted at source	90,221	75,295
Bank balances	71,658	46,008
	4,026,750	2,609,533
	5,522,853	3,980,149

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


M. SOHAIL KHOKHAR
 Director


RIZWAN SOHAIL
 Chief Financial Officer

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

FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2019

Quarter ended		Six months period ended	
March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018

Note ----- Rupees in '000 -----

Sales - net	12	1,216,059	1,439,145	2,537,685	3,550,216
Cost of sales		(1,070,303)	(1,314,413)	(2,236,217)	(3,317,886)
Gross profit		145,756	124,732	301,468	232,330
Distribution and marketing expenses		(24,224)	(34,247)	(41,860)	(50,565)
Administrative expenses		(38,204)	(36,427)	(70,330)	(68,993)
Other income	13	15,649	53,017	19,085	62,010
Other expenses		(4,214)	(1,413)	(4,229)	(1,428)
Profit from operations		94,763	105,662	204,134	173,354
Finance cost		(84,634)	(64,776)	(142,133)	(103,732)
Profit before taxation		10,129	40,886	62,001	69,622
Taxation	14	16,968	(25,509)	-	(44,995)
Profit after taxation		27,097	15,377	62,001	24,627
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		27,097	15,377	62,001	24,627
----- Rupees -----					
(Loss) / earnings per share					
- basic and diluted		1.64	0.93	3.75	1.49

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



Lt Col ABDUL KHALIQ KHAN (Retd)
Chief Executive



M. SOHAIL KHOKHAR
Director



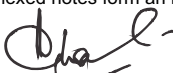
RIZWAN SOHAIL
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2019

	Six months period ended	
	March 31, 2019	March 31, 2018
	-- Rupees in '000 --	
Cash flow from operating activities		
Profit for the period	62,001	69,622
Adjustments for non-cash charges and other items:		
Depreciation on property, plant & equipment and investment property	71,851	50,375
Gain on sale of operating fixed assets	(973)	(11)
Provision for staff retirement benefits - gratuity	5,000	3,880
Interest / mark-up income	(686)	(530)
Provision / (reversal) for slow moving stores and spares inventory	937	(308)
Finance cost	142,133	88,817
Profit before working capital changes	280,263	211,845
(Increase) / decrease in current assets:		
Stores, spares and loose tools	28,029	4,411
Stock-in-trade	(1,412,827)	(1,710,931)
Trade debts	(1,353)	54,311
Loans and advances	21,337	(179,213)
Prepayments	410	(2,213)
Other receivables	(13,174)	(150,800)
Increase in trade and other payables	436,536	937,152
	(941,042)	(1,047,283)
Cash used in operating activities	(660,779)	(835,438)
Income tax paid	(14,926)	(27,136)
Staff retirement benefits (gratuity) - paid	(1,088)	(1,385)
Net cash used in operating activities	(676,793)	(863,959)
Cash flow from investing activities		
Additions to property, plant and equipment	(198,686)	(208,270)
Sale proceeds of operating fixed assets	1,100	287
Long term deposits - net	1,496	3,014
Interest / mark-up received	686	530
Loans and advances - net	(275)	(82)
Net cash used in investing activities	(195,679)	(204,521)
Cash flow from financing activities		
Long term finances repaid	(37,500)	(47,853)
Short term finances - net	1,095,468	1,149,868
Liabilities against assets subject to finance lease - net	10,865	(965)
Finance cost paid	(132,068)	(96,712)
Dividend paid	(38,643)	(54,406)
Net cash generated from financing activities	898,122	949,932
Net increase / (decrease) in cash and cash equivalent	25,650	(118,548)
Cash and cash equivalents - at beginning of the period	46,008	309,615
Cash and cash equivalents - at end of the period	71,658	191,067

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



Lt Col ABDUL KHALIQ KHAN (Retd)
Chief Executive



M. SOHAIL KHOKHAR
Director



RIZWAN SOHAIL
Chief Financial Officer

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

FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2019

Share Capital	Reserves				Sub-total	Total
	Capital	Revenue		Un- appropriated profits		
	Share premium	General				

----- Rupees in '000 -----

Balance as at October 01, 2017 (<i>Audited</i>)	165,175	119,217	130,000	177,541	426,758	591,933
Cash dividend at the rate of Rs.3.5 per ordinary share for the year ended September 30, 2017	-	-	-	(57,811)	(57,811)	(57,811)
Total comprehensive income period ended	-	-	-	24,627	24,627	24,627
Balance as at March 31, 2018 (<i>Un-Audited</i>)	165,175	119,217	130,000	144,357	393,574	558,749
Balance as at October 01, 2018 (<i>Audited</i>)	165,175	119,217	130,000	327,659	576,876	742,051
Cash dividend at the rate of Rs.2.6 per ordinary share for the year ended September 30, 2018	-	-	-	(42,945)	(42,945)	(42,945)
Total comprehensive income for the period	-	-	-	62,001	62,001	62,001
Balance as at March 31, 2019 (<i>Un-Audited</i>)	165,175	119,217	130,000	346,715	595,932	761,107

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


Lt Col ABDUL KHALIQ KHAN (Retd)
Chief Executive


M. SOHAIL KHOKHAR
Director


RIZWAN SOHAIL
Chief Financial Officer

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

FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2019

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.

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

Sargodha	Purpose
Bhalwal	Mills / Production plant
Lahore	
4-Sarwar Road, Cantt,	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. The accounting and reporting standards applicable in Pakistan 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, 2018. These condensed interim financial statements are being submitted to the shareholders as required by the section 237 of the Companies Act, 2017.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except for staff retirement benefits (gratuity) which is stated at their present value.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupees, which is the functional currency of the Company. All financial information presented in Pak Rupees has been rounded-off to the nearest thousand, unless otherwise stated.

2.4 New standards, amendments to approved accounting standards and interpretations that are effective during the period and are relevant to the Company

2.4.1 During the period, the Company has adopted following new standard / interpretation:

- IFRS 15, 'Revenue from contracts with customers' which is effective for the Company from the annual period beginning on September 01, 2018. IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

2.5 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, 2018, except for the change specified in note-3 below.

3. CHANGE IN ACCOUNTING POLICY

3.1 IFRS 15 'Revenue from Contracts with Customers'

Following the application of IFRS 15, the Company policy for revenue recognition under different contracts with customers stands amended as follows:

Sale of goods

The Company sold its products in separately identifiable contracts. The contracts entered into with the customers generally includes one performance obligation i.e. the provision of goods to the customer.

Revenue from local sale of goods is recognised when the Company satisfies a performance obligation under a contract by transferring promised goods to the customer. Goods are considered to be transferred at the point in time when the customer obtains control over the goods (i.e. on dispatch of goods from the mills to the customer). Revenue from the export sale of goods is recognised at the point in time when the customer obtains control over the goods dependent on the relevant incoterms of shipment. Generally it is on the date of bill of lading or at the time of delivery of goods to the destination port.

3.2 Effect of change in accounting policy

- a) The Company has applied IFRS 15 using the modified retrospective approach for transition. This approach requires entity to recognise the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of unappropriated profit in the period of initial application. The above mentioned revised policy do not have any significant impact on these condensed interim financial statements as the revised policy do not have an impact on the timing or the amount of revenue recognition from the contracts with customers.
- b) The adoption of IFRS 15 also resulted in reclassification of "Advance payments from customers", previously grouped under trade and other payables, to the statement financial position as 'Contract liabilities'. The affect of which is presented below:

	As previously reported	Re-statement	As restated
----- Rupees -----			
As at September 30, 2018			
Effect on statement of financial position			
Trade and other payable	366,796	(75,924)	290,872
Contract liabilities	-	75,924	75,924
As at October 01, 2017			
Trade and other payable	558,230	(281,995)	276,235
Contract liabilities	-	281,995	281,995

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements require management to make judgements, 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.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements for the year ended September 30, 2018.

5. SEASONALITY OF OPERATIONS

The Company is inter-alia engaged in manufacturing of sugar for which the season begins in October / November 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.

6. TRADE AND OTHER PAYABLES

Balance as at March 31, 2019 mainly includes trade creditors aggregating Rs.442.237 million (September 30, 2018: Rs.189.214 million).

7. SHORT TERM FINANCES - Secured

Short term finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs.4.300 billion (September 30, 2018: Rs.4.000 billion). These finance facilities, during the current period, carried mark-up at the rates ranging from 3.00% to 13.34% (September 30, 2018: 3.00% to 10.01%) per annum. The aggregate finance facilities are secured against charge over plant & machinery, pledge of refined sugar in bags, charge over current assets, equitable mortgage over land & building of the Company, lien over import & export documents. These facilities are expiring on various dates by December, 2019.

8. 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, 2018.

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

	Un-Audited March 31, 2019	Audited September 30, 2018
Note	-- Rupees in '000 --	
Not later than one year	2,252	2,747
Later than one year but not later than five years	3,379	4,328
	<u>5,631</u>	<u>7,075</u>

9. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	9.1	1,453,835	1,124,636
Capital work-in-progress - at cost		23,351	225,813
		<u>1,477,186</u>	<u>1,350,449</u>

9.1 Operating fixed assets

Book value at the beginning of the period / year		1,124,636	939,521
Additions during the period / year	9.1.1	401,148	300,073
Disposal of assets costing Rs.6.782 million (September 30, 2018: Rs.4.088 million) - at book value		(127)	(299)
Assets written-off costing Rs.Nil (September 30, 2018: Rs.8.034 million) - at book value		-	(4,170)
Depreciation charge for the period / year		<u>(71,822)</u>	<u>(110,489)</u>
Book value at the end of the period / year		<u>1,453,835</u>	<u>1,124,636</u>

	Un-Audited March 31, 2019	Audited September 30, 2018
Note	-- Rupees in '000 --	
9.1.1 Additions during the period / year:		
Buildings on freehold land:		
- colony	26	2,996
- factory	29,613	97,814
Plant and machinery	320,362	179,822
Scales and weighbridges	-	42
Laboratory equipment	-	235
Other equipment	126	3,709
Electric installations and fittings	29,168	10,789
Office equipment	6,366	367
Furniture and fixture	244	90
Vehicles:		
- owned	-	4,209
- leased	15,243	-
	401,148	300,073

10. STOCK-IN-TRADE

Raw material - molasses		257,089	95,765
Work-in-process		14,195	6,605
Finished goods	10.1	3,138,646	1,894,928
Other stocks - (Fair Price Shop and Depot)		439	244
		3,410,369	1,997,542

10.1 Finished goods inventory mainly includes sugar stock costing Rs.2,890.897 million (September 30, 2018: Rs.1,814.883 million).

11. OTHER RECEIVABLES

This mainly includes Rs.79.452 million (September 30, 2018: Rs.106.030 million) receivable against freight support subsidy on export of sugar and Rs.57.119 million (September 30, 2018: Rs.33.153 million) against sale of electricity to Faisalabad Electric Supply Company (FESCO).

12. SALES - Net

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

	Quarter ended		Six months period ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
----- Rupees in '000 -----				
Local				
Sugar	672,649	904,899	1,820,273	2,526,670
Sprit	47,636	44,320	110,746	126,382
	720,285	949,219	1,931,019	2,653,052
Export				
Sugar	153,626	147,102	153,626	437,261
Sprit	342,148	342,824	453,040	459,903
	495,774	489,926	606,666	897,164
	1,216,059	1,439,145	2,537,685	3,550,216

12.2 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.

13. OTHER INCOME

This mainly includes sale of electricity amounting Rs.16.873 million (March 31, 2018: Rs. 27.427 million) to FESCO and sale of bagasse amounting Rs.Nil (March 31, 2018: Rs.31.694 million).

14. TAXATION

No provision for taxation (minimum tax payable under section 113 and final tax deducted at source on realisation of foreign exchange proceeds under section 154) has been made in these condensed interim financial statements due to availability of excess tax credit under section 65B, of the Income Tax Ordinance, 2001.

15. SEGMENT INFORMATION

The Company's reportable segments are Sugar and Distillery.

15.1 Segment revenues and results

Sugar	Distillery	Elimination of inter segment transactions	Total
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----- Rupees in '000 -----

For the Six months period ended March 31, 2019 (Un-Audited)

Sales - net	2,280,810	563,786	(306,911)	2,537,685
Cost of sales	(2,206,139)	(336,989)	306,911	(2,236,217)
Gross profit	74,671	226,797	-	301,468
Selling and distribution expenses	(7,237)	(34,623)	-	(41,860)
Administrative expenses	(52,266)	(18,064)	-	(70,330)
Profit before taxation and unallocated income and expenses	15,168	174,110	-	189,278
Unallocatable income and expenses:				
Other income				19,085
Other expenses				(4,229)
Finance cost				(142,133)
Taxation				-
Profit for the period				62,001

Sugar	Distillery	Elimination of inter segment transactions	Total
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----- Rupees in '000 -----

For the Six months period ended March 31, 2018 (Un-Audited)

Sales - net	3,252,084	586,285	(288,153)	3,550,216
Cost of sales	(3,252,783)	(353,256)	288,153	(3,317,886)
Gross (loss) / profit	(699)	233,029	-	232,330
Selling and distribution expenses	(14,249)	(36,316)	-	(50,565)
Administrative expenses	(50,637)	(18,356)	-	(68,993)
(Loss) / profit before taxation and unallocated income and expenses	(65,585)	178,357	-	112,772
Unallocatable income and expenses:				
Other income				62,010
Other expenses				(1,428)
Finance cost				(103,732)
Taxation				(44,995)
Profit for the period				24,627

15.2 Segment assets & liabilities

	Sugar	Distillery	Total
----- Rupees in '000 -----			
As at March 31, 2019 (Un-Audited)			
Segment assets	4,505,427	848,342	5,353,769
Unallocatable assets			169,084
Total assets as per statement of financial position			<u>5,522,853</u>
Segment liabilities	787,947	9,516	797,463
Unallocatable liabilities			3,964,283
Total liabilities as per statement of financial position			<u>4,761,746</u>
As at September 30, 2018 (Audited)			
Segment assets	3,249,683	625,048	3,874,731
Unallocatable assets			105,418
Total assets as per statement of financial position			<u>3,980,149</u>
Segment liabilities	352,676	68,638	421,314
Unallocatable liabilities			2,816,784
Total liabilities as per statement of financial position			<u>3,238,098</u>

15.3 Geographical information

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

16. TRANSACTIONS WITH RELATED PARTIES

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

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

Relationship	Nature of transactions	Un-Audited Six months period ended	
		March 31, 2019	March 31, 2018
-- Rupees in '000 --			
Directors and Key management personnel	Remuneration and other benefits	11,184	18,190

17. 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, 2018, except for the change in exposure from liquidity risks due to increase in short term borrowings. 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, 2018.

18. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34 'Interim Financial Reporting', the condensed interim statement of financial position have been compared with the balances of annual audited financial statements of the preceding financial year, 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 the immediately preceding financial year.

19. GENERAL

19.1 These condensed interim financial statement has been authorised for issue by the Board of Directors of the Company on.

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



Lt Col ABDUL KHALIQ KHAN (Retd)
Chief Executive



M. SOHAIL KHOKHAR
Director



RIZWAN SOHAIL
Chief Financial Officer

جائزہ ازاں ڈائریکٹران

معزز ممبران،

آپ کی کمپنی کے ڈائریکٹران 31 مارچ 2019 کو اختتام پزیر ہونے والے ششماہی عرصہ کے لیے غیر آڈٹ شدہ مالیاتی حسابات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالیاتی نتائج

31 مارچ 2018 کے مقابل 31 مارچ 2019 کو اختتام پزیر ہونے والے ششماہی عرصہ کے غیر آڈٹ شدہ مالیاتی حسابات کا موازنہ حسب ذیل ہے:

ششماہی عرصہ 2018	ششماہی عرصہ 2019	
(ملین روپے)	(ملین روپے)	
3,550	2,538	پیداواری کی فروخت سے حاصل شدہ کل رقم
232	301	خام منافع
25	62	قبل از ٹیکس منافع
1.49	3.75	فی حصص آمدن (روپے)

گزشتہ سال کے تقابلی عرصہ میں مصنوعات کی فروخت سے حاصل شدہ رقم 3,550 ملین روپے کے مقابلے میں زیر جائزہ عرصہ کے دوران 2,538 ملین روپے رہی۔ گزشتہ سال کے تقابلی عرصہ میں 232 ملین روپے کے خام منافع کے مقابلے میں زیر جائزہ عرصہ کے دوران خام منافع 301 ملین روپے ہے۔ گزشتہ سال کے تقابلی عرصہ میں ہونے والے 25 ملین روپے بعد از ٹیکس منافع کے مقابلے میں اس عرصہ کے دوران بعد از ٹیکس منافع 62 ملین روپے ہے اور گزشتہ سال کے تقابلی عرصہ کے دوران فی حصص آمدن 1.49 روپے کے مقابلے میں اس عرصہ کے دوران فی حصص آمدن 3.75 روپے ہے۔

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:

2018	2019		
121	102	دن	پیداواری عرصہ
1,008,945	630,929	میٹرک ٹن	گنا نیلے جانے کی مقدار
98,655	63,098	میٹرک ٹن	چینی کی پیداوار
9.77	10.01	شرح فیصد	رس سے چینی کی پیداواری اوسط
4.51	4.57	شرح فیصد	شیرے کا پیداواری تناسب
45,500	28,800	میٹرک ٹن	شیرے کی پیداوار

روان کرشنگ میزن کا آغاز 12 دسمبر 2018 کو ہوا۔ آپ کی مل میں گزشتہ سال 121 دنوں میں 1,008,945 میٹرک ٹن گنا نیل کر 9.77 فیصد شرح کشید سے 98,655 میٹرک ٹن چینی کی پیداوار کے مقابلے میں اس سال 102 دنوں میں 630,929 میٹرک ٹن گنا نیل کر 10.01 فیصد شرح کشید سے 63,098 میٹرک ٹن چینی کی پیداوار حاصل کی گئی۔

ایر یا بس کم مقدار میں کاشت کیے جانے اور مقابلتا گنے کی کم پیداوار کے سبب چینی کی پیداوار متاثر ہوئی۔ مقامی ملوں کی جانب سے گنے کی تحصیل کے لیے کرسٹل سیزن کے آخر میں قیمت کی شدید مقابلہ بازی کے سبب چینی کی پیداواری لاگت منفی طور پر متاثر ہوئی۔ تاہم آئندہ عرصہ میں چینی کی قیمت کا بڑھتا ہوا رجحان چینی کی صنعت کے لیے سود مند ثابت ہو سکتا ہے۔

ڈسٹری کا شعبہ

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

2018	2019		
141	105	دن	پیداواری عرصہ
39,367	46,413	میٹرک ٹن	شیرے کی پیداوار
8,105	9,581	میٹرک ٹن	اتھنول کی پیداوار
257	258	لیٹر فی میٹرک ٹن	پیداواری اوسط

ڈسٹری پلانٹ نے 105 دنوں میں 258 لیٹر اتھنول فی میٹرک ٹن شیرہ کی اوسط پیداواری شرح سے 46,413 میٹرک ٹن شیرہ پراسس کر کے 9,581 میٹرک ٹن اتھنول پیدا کی جبکہ سابقہ سال کے اسی عرصہ کے دوران 141 دنوں میں 257 لیٹر اتھنول فی میٹرک ٹن شیرہ کی اوسط پیداواری شرح سے 39,367 میٹرک ٹن شیرہ پراسس کر کے 8,105 میٹرک ٹن اتھنول پیدا کی گئی تھی۔ نیا ڈسٹری پلانٹ نصب کیے جانے کی بنا پر ڈسٹری کے پیداواری دنوں میں کمی واقع ہوئی۔ 132,000 لیٹر فی دن کی اضافی پیداواری صلاحیت مکمل طور پر آپریشنل ہے۔


مستقبل کی پیش گوئی


چینی کی پیداوار میں کمی اور گزشتہ سال کے سچے ہوئے ذخائر مقامی ضرورت کو پورا کرنے کے لیے کافی ہوں گے۔ چینی کی فالو پیداوار کی کمی نے چینی کی قیمتوں پر مثبت اثر مرتب کیا ہے جو چینی کی صنعت کو بحرانی کیفیت سے نکلانے میں مددگار ہوگا۔ تاہم ملوں کی جانب سے کاشتکاروں کو بروقت ادائیگی کے لیے حکومت کی جانب سے عموماً تاخیری اور وقفوں کے ساتھ کیے جانے والے امدادی اقدامات کی وجہ سے گنے کی کاشت میں ڈرامائی کمی واقع ہوئی جو چینی کی صنعت کے لیے باعث تشویش ہے۔ تاہم آپ کی کمپنی نے باہمی مفادات کی شرکت کو بہتر بنانے کے لیے کاشتکاروں کو کھاد اور دیگر مراعات کے حصول کے لیے قرض دے کر اصلاحی اقدامات اٹھائے ہیں۔

مراستاتی عرصہ کے بعد بین الاقوامی منڈی میں اتھنول کی قیمتوں میں بہتری واقع ہوئی ہے۔ روپے کی قدر میں کمی اور FTA کے تحت اتھنول کے چین کو برآمد کیے جانے کے امکانات اس شعبے میں بہتری کا پیش خیمہ ہیں جو چینی کی مارکیٹ کی بہتری کے رجحان میں مزید تقویت کا سبب ہوگا۔ تاہم جیسا کہ پہلے بیان کیا گیا، گنے کی کاشت میں نمایاں کمی دونوں شعبوں میں بہتری کے امکانات کو متاثر کر سکتی 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۔


لیفٹیننٹ کرنل عبدالخالق خان (ریٹائرڈ)
چیف ایگزیکٹو


محمد سہیل کھوکھر
ڈائریکٹر

مورخہ 27 مئی 2019

31 مارچ 2019 کو ختم ہونے والی
دوسری سہ ماہی کے اختتام پر
غیر آڈٹڈ حسابات کا جائزہ

نون شوگر ملز لمیٹڈ
۴۔ سرور روڈ، لاہور کینٹ۔