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## 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 Muhammad Sohail Khokhar Syed Ali Raza Ms. Maryam Mamdot	Chairman Chief Executive / Director (Non- Executive Director) (Non- Executive Director) (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. Salman Hayat Noon Mr. Saif Ullah Khan Noon Lt Col Abdul Khaliq Khan (Retd) Muhammad Sohail Khokhar	Chairman Member Member Member
<b>MANAGEMENT</b>	Lt Col Abdul Khaliq Khan (Retd) Muhammad Sohail Khokhar Mr. Rizwan Sohail (FCA)	Chief Executive Executive Director Chief Financial Officer
<b>COMPANY SECRETARY</b>	Syed Anwar Ali	
<b>AUDITORS</b>	Shinewing Hameed Chaudhri & Co., Chartered Accountants	
<b>HEAD INTERNAL AUDIT</b>	Muhammad Ashfaq (FCMA)	
<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	

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<b>HEAD OFFICE</b>	4- Sarwar Road, Lahore Cantt. Tel. # (042) 36655777 Fax # (042) 36662244
<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>	<a href="http://www.noonsugar.com">www.noonsugar.com</a>

## DIRECTORS' REVIEW

### DEAR MEMBERS

The directors of your Company are pleased to present the condensed un-audited interim financial statements of the Company for the nine months period ended on June 30<sup>th</sup>, 2020.

### FINANCIAL RESULTS

A comparison of the financial results for the nine months period ended June 30<sup>th</sup>, 2020, as against June 30<sup>th</sup>, 2019, is as follow:

	<b>Nine Months Period Ended June 30<sup>th</sup></b>	
	<b>2020</b>	<b>2019</b>
	(Rs. in millions)	
Net sales	4,193	4,579
Gross profit	817	636
Earnings after tax	202	163
Basic earnings per share - Rupees	12.21	9.87

During the reporting period, the sales revenue of the Company was Rs.4,193 million as compared to Rs.4,579 million for the corresponding period of the last year. Gross profit was Rs.817 million as compared to Rs.636 million in the corresponding period. Profit after taxation, for the period, is Rs.202 million against Rs.163 million of the same period last year and earnings per share is Rs.12.21 per share, as compared to the earnings of Rs.9.87 per share in the corresponding period of the last year.

### OPERATIONAL RESULTS

#### Sugar Division

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

		<b>Nine Months Period Ended June 30<sup>th</sup></b>	
		<b>2020</b>	<b>2019</b>
Operating period	Days	105	102
Cane crushed	M. Tons	543,477	630,929
Sugar produced	M. Tons	52,788	63,098
Average sucrose recovery	%age	9.71	10.01
Molasses recovery	% age	4.48	4.57
Molasses Produced	M. Tons	24,341	28,800

The current crushing season commenced on November 29, 2019. Your mills crushed 543,477 M.Tons of the sugarcane and produced 52,788 M.Tons sugar, with an average sucrose recovery of 9.71% in the 105 days operation as compared to 630,929 M.Tons of sugarcane crushing and 63,098 M.Tons of sugar production with 10.01% sucrose recovery in 102 days' operation, in the corresponding period of the last year.

The sugar production was adversely affected by a reduced availability of cane resulting from both, the reduction in cane cultivated area and comparatively poor yield of sugarcane due to climatic factors. An intense competition for procurement of cane resulted in a price war among the mills of area, had a negative impact on the cost of sugar production, which your management is striving to match through the sale of balance stock of sugar, if the sugar market remains stable.

#### Distillery Division

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

### Nine Months Period Ended June 30<sup>th</sup>

		2020	2019
Operating period	Days	263	151
Molasses Processed	M. Tons	73,676	56,615
Ethanol produced	M. Tons	14,680	11,761
Average yield	Ltrs./ M.Ton	249	260

The Distillery plants processed 73,676 M.Tons of the molasses and produced 14,680 M.Tons of the ethanol with an average yield of 249 liters of the ethanol per M.Ton of molasses in 263 days operation, as compared with 56,615 M.Tons of the molasses processed and 11,761 M.Tons production of the ethanol at an average yield of 260 liters of the ethanol per M. Ton of the molasses, in 151 days operation, during the corresponding period of the last year.

Since a relatively higher percentage of molasses (66% in 2019-2020, against 48% in 2018- 2019) of low sugar content, was procured from multiple outside sources, it resulted in a comparatively lower yield of ethanol. The improved international and local ethanol markets have however enabled the management to offset this setback to maintain your margins in this sector.

### FUTURE OUTLOOK

#### Sugar Division:

Subsequent to the reporting period, we have witnessed a healthy increase in sugar demand and sugar prices. We are hopeful that the current price trend will prevail in coming months.

The final survey of cane crop is under way and will be available soon to share with the members. But the information gathered so far, indicates an appreciable increase in cultivation of cane crop with a better yield per acre due to timely rains in growth period. The planned long term strategy of a progressive increase in mills operated sugarcane farms to supply high yield sugarcane varieties to the growers, has also started giving its dividends now. Further, the higher purchase prices sugarcane during the last crushing season, have also attracted the growers to switch back to sugarcane crop for better returns. The initial survey of crop has also validated these projections.

#### Distillery Division:

The socio-economic impact of Covid-19 Pandemic has significantly increased the demand of the Ethanol based sanitizing products all over the world. Increase in demand has caused a decent increase in Ethanol prices in Local and International markets. Your management is optimistic that the said demand and prices will prevail in coming months and will contribute toward a healthy addition in bottom line of your company.

### ACKNOWLEDGEMENT

The Board is thankful to all of its stakeholders for their consistent and 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: July 28, 2020

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

		Un-Audited June 30, 2020	Audited September 30, 2019
<b>Equity and Liabilities</b>	<b>Note</b>	- - - Rupees in '000 - - -	
<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>666,597</b>	514,449
		<b>1,080,989</b>	928,841
<b>Non-current Liabilities</b>			
Long term finances		<b>187,500</b>	150,000
Lease liabilities		<b>5,079</b>	9,797
Staff retirement benefits - gratuity		<b>52,747</b>	45,926
		<b>245,326</b>	205,723
<b>Current Liabilities</b>			
Trade and other payables	5	<b>443,765</b>	354,220
Contract liabilities		<b>56,941</b>	14,780
Accrued mark-up		<b>99,176</b>	73,118
Short term finances	6	<b>3,265,672</b>	2,402,453
Current portion of non current liabilities		<b>6,272</b>	118,008
Unclaimed dividend		<b>5,100</b>	5,100
Unpaid dividend		<b>3,702</b>	2,798
Provision for taxation		<b>103,766</b>	106,413
		<b>3,984,394</b>	3,076,890
		<b>4,229,720</b>	3,282,613
<b>Contingencies and commitments</b>	<b>7</b>		
		<b>5,310,709</b>	4,211,454

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



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

## AS AT JUNE 30, 2020

	Un-Audited June 30, 2020	Audited September 30, 2019
Note	--- Rupees in '000 ---	
<b>Assets</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	8      1,485,026	1,478,649
Investment property	7,781	7,817
Loans and advances	2,531	1,985
Deposits	3,654	3,879
	1,498,992	1,492,330
<b>Current Assets</b>		
Stores, spares and loose tools	74,256	96,252
Stock-in-trade	9      2,657,336	1,147,288
Trade debts	494,724	679,756
Loans and advances	178,653	431,559
Short term prepayments	9,967	6,133
Other receivables	194,336	191,875
Income tax refundable, advance income tax and tax deducted at source	107,533	107,655
Cash and bank balances	94,912	58,606
	3,811,717	2,719,124
	5,310,709	4,211,454



**M. SOHAIL KHOKHAR**  
Director



**RIZWAN SOHAIL**  
Chief Financial Officer

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

FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2020

Quarter ended		Nine months period ended	
June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019

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

Sales - net	10	1,839,550	2,040,980	4,193,416	4,578,665
Cost of sales		(1,481,733)	(1,706,288)	(3,376,560)	(3,942,505)
<b>Gross profit</b>		<b>357,817</b>	334,692	<b>816,856</b>	636,160
Distribution and marketing expenses		(67,312)	(55,686)	(136,992)	(97,546)
Administrative expenses		(40,009)	(41,865)	(132,244)	(112,195)
Other income		7,393	1,019	11,874	20,104
Other expenses		(19,307)	(6,138)	(25,586)	(10,367)
<b>Profit from operations</b>		<b>238,582</b>	232,022	<b>533,908</b>	436,156
Finance cost		(105,577)	(116,172)	(275,930)	(258,305)
<b>Profit before taxation</b>		<b>133,005</b>	115,850	<b>257,978</b>	177,851
Taxation	11	(24,025)	(14,811)	(56,278)	(14,811)
<b>Profit after taxation</b>		<b>108,980</b>	101,039	<b>201,700</b>	163,040
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>108,980</b>	101,039	<b>201,700</b>	163,040
----- Rupees -----					
<b>Earnings per share - basic and diluted</b>		<b>6.60</b>	6.12	<b>12.21</b>	9.87

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 FLOWS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2020

	Nine months period ended	
	June 30, 2020	June 30, 2019
	- - - Rupees in '000 - - -	
<b>Cash flow from operating activities</b>		
Profit for the period before taxation	257,978	177,851
Adjustments for non-cash charges and other items:		
Depreciation on property, plant & equipment and investment property	119,279	111,925
Gain on sale of operating fixed assets	-	(973)
Provision for staff retirement benefits - gratuity	9,036	5,000
Interest / mark-up income	(1,728)	(686)
Provision for slow moving stores and spares inventory	356	937
Finance cost	275,930	258,305
<b>Profit before working capital changes</b>	660,851	552,359
Decrease / (increase) in current assets:		
Stores, spares and loose tools	21,640	11,644
Stock-in-trade	(1,510,048)	103,345
Trade debts	185,032	(856,321)
Loans and advances	252,906	(32,609)
Short term prepayments	(3,834)	500
Other receivables	(2,461)	42,986
Increase in trade and other payables	89,545	50,713
Increase in contract liabilities	42,161	52,296
	(925,059)	(627,446)
<b>Cash used in operating activities</b>	(264,208)	(75,087)
Income tax paid	(58,803)	(20,039)
Staff retirement benefits (gratuity) - paid	(2,215)	732
<b>Net cash used in operating activities</b>	(325,226)	(94,394)
<b>Cash flow from investing activities</b>		
Additions to property, plant and equipment	(125,620)	(227,202)
Sale proceeds of operating fixed assets	-	1,100
Long term deposits - net	225	8,291
Interest / mark-up received	1,728	686
Loans and advances - net	(546)	(288)
<b>Net cash used in investing activities</b>	(124,213)	(217,413)
<b>Cash flow from financing activities</b>		
Long term finances repaid	(75,000)	(37,500)
Short term finances - net	863,219	646,142
Lease liabilities - net	(3,954)	9,385
Finance cost paid	(249,872)	(204,065)
Dividend paid	(48,648)	(41,975)
<b>Net cash generated from financing activities</b>	485,745	371,987
<b>Net increase in cash and cash equivalent</b>	36,306	60,180
<b>Cash and cash equivalents - at beginning of the period</b>	58,606	46,008
<b>Cash and cash equivalents - at end of the period</b>	94,912	106,188

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 NINE MONTHS PERIOD ENDED JUNE 30, 2020

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

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

Balance as at October 01, 2018 (Audited)	165,175	119,217	130,000	327,659	576,876	742,051
Cash dividend at the rate of Rs.2.60 per ordinary share for the year ended September 30, 2018	-	-	-	(42,945)	(42,945)	(42,945)
Total comprehensive income for the period	-	-	-	163,040	163,040	163,040
<b>Balance as at June 30, 2019 (Un-Audited)</b>	<b>165,175</b>	<b>119,217</b>	<b>130,000</b>	<b>447,754</b>	<b>696,971</b>	<b>862,146</b>
Balance as at October 01, 2019 (Audited)	165,175	119,217	130,000	514,449	763,666	928,841
Cash dividend at the rate of Rs.3.00 per ordinary share for the year ended September 30, 2019	-	-	-	(49,552)	(49,552)	(49,552)
Total comprehensive income for the period	-	-	-	201,700	201,700	201,700
<b>Balance as at June 30, 2020 (Un-Audited)</b>	<b>165,175</b>	<b>119,217</b>	<b>130,000</b>	<b>666,597</b>	<b>915,814</b>	<b>1,080,989</b>

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 STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2020**

**I. 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.

I.1 Geographical location and addresses of major business units including mills / plant of the Company are as under:

<b>Sargodha</b> Bhalwal	<b>Purpose</b> Mills / Production plant
<b>Lahore</b> 4-Sarwar Road, Cantt,	Head office
<b>Karachi</b> 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, 2019. 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**

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for accounting periods beginning on or after October 01, 2019 but are considered not to be relevant or have any significant effect on the Company's financial reporting, except as mentioned below:

### **Adoption of IFRS 16 'Lease'**

The Company has adopted IFRS 16, 'Leases' which replaces existing guidance on accounting for leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains a lease', SIC-15 'Operating leases - incentive' and SIC-27 'Evaluating the substance of transactions involving the legal form of a lease'. IFRS 16 has introduced single, on balance sheet accounting model for all lessees. Adoption of IFRS 16 resulted in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under IFRS 16, a new concept of right-of-use leased item is introduced requiring recognition of right-of-use asset and a financial liability to pay rentals. The only exceptions are short-term and low-value leases.

The Company has applied IFRS 16 using the modified retrospective approach. Under this approach the cumulative effect of the initial application is to be recognised in the retained earnings as on October 01, 2019. Accordingly, the comparative information presented for September 30, 2019 need not to be re-stated i.e. it is presented, as previously reported under IAS 17. The adoption of IFRS 16 did not have a material effect on the Company's financial reporting except for the reclassification of leased assets as right-of-use assets (refer note 8).

The Company has elected not to recognise right-of-use assets and its corresponding liabilities in respect of low-value leases and for the operating leases having a remaining lease term of 12 months or less.

## **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, 2019.

## **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, 2019.

#### 4. 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.

#### 5. TRADE AND OTHER PAYABLES

Balance as at June 30, 2020 mainly includes trade creditors aggregating Rs.209.338 million (September 30, 2019: Rs.226.106 million).

#### 6. SHORT TERM FINANCES

		<b>Un-Audited</b>	Audited
		<b>June 30,</b>	September 30,
		<b>2020</b>	2019
	<b>Note</b>	<b>- - Rupees in '000 - -</b>	
From banking companies - secured	<b>6.1</b>	<b>2,812,348</b>	2,401,266
From a related party - unsecured	<b>6.2</b>	<b>450,000</b>	-
Temporary bank overdraft	<b>6.3</b>	<b>3,324</b>	1,187
		<b><u>3,265,672</u></b>	<b><u>2,402,453</u></b>

**6.1** Short term finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs.4.125 billion (September 30, 2019: Rs.4.390 billion). These finance facilities, during the current period, carried mark-up at the rates ranging from 3.00% to 17.12% (September 30, 2019: 3.00% to 15.91%) 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 November, 2020.

**6.2** The Company, during the current period, obtained short term loan amounted Rs.450 million from one of its related party Mr. Adnan Hayat Noon to meet its working capital requirements. This loan is interest free and is payable by the Company within one year.

**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 15 to the Company's annual audited financial statements for the year ended September 30, 2019.

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

		<b>Un-Audited June 30, 2020</b>	Audited September 30, 2019
	<b>Note</b>	<b>- - Rupees in '000 - -</b>	
Not later than one year		2,241	3,583
Later than one year but not later than five years		560	4,416
		<u>2,801</u>	<u>7,999</u>
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	8.1	1,360,900	1,452,618
Capital work-in-progress - at cost		109,898	26,031
Right-of-use assets	8.2	14,228	-
		<u>1,485,026</u>	<u>1,478,649</u>
<b>8.1 Operating fixed assets</b>			
<b>Book value at the beginning of the period / year</b>		<b>1,452,618</b>	<b>1,124,636</b>
Additions during the period / year	8.1.1	41,753	487,789
Disposal of assets costing Rs. Nil (September 30, 2019: Rs.6.782 million) - at book value		-	(127)
Right-of-use assets	8.2	(17,767)	-
Depreciation charge for the period / year		(115,704)	(159,680)
<b>Book value at the end of the period / year</b>		<u><b>1,360,900</b></u>	<u><b>1,452,618</b></u>
<b>8.1.1 Additions during the period / year:</b>			
Buildings on freehold land:			
- colony		-	26
- factory		-	37,574
Plant and machinery		1,295	365,217
Laboratory equipment		3,307	-
Other equipment		1,480	126
Electric installations and fittings		6,212	43,760
Tube-well		258	-
Office equipment		575	7,144
Furniture and fixture		141	316
Vehicles:			
- owned		9,690	197
- leased		-	15,539
Farm tractors		6,162	2,750
Farm equipment		12,633	-
Power project		-	15,140
		<u>41,753</u>	<u>487,789</u>

		Un-Audited June 30, 2020	Audited September 30, 2019
<b>8.2 Right-to-use assets</b>	<b>Note</b>	-- Rupees in '000 --	
Opening balance		-	-
Transfer from operating assets		<b>17,767</b>	-
Depreciation for the period		<b>(3,539)</b>	-
		<b>14,228</b>	-

## 9. STOCK-IN-TRADE

Raw material - molasses		<b>322,544</b>	78,364
Work-in-process		<b>27,069</b>	15,332
Finished goods	<b>9.1</b>	<b>2,306,226</b>	1,053,302
Other stocks - (fair price shop and depot)		<b>1,497</b>	290
		<b>2,657,336</b>	1,147,288

9.1 Finished goods inventory mainly includes sugar stock costing Rs.2,029.613 million (September 30, 2019: Rs.981.693 million).

## 10. SALES - Net

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

	Quarter ended		Nine months period ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
----- Rupees in '000 -----				
<b>Local</b>				
Sugar	<b>861,581</b>	1,066,625	<b>2,382,734</b>	2,886,898
Spirit	<b>233,969</b>	36,587	<b>550,366</b>	147,333
	<b>1,095,550</b>	1,103,212	<b>2,933,100</b>	3,034,231
<b>Export</b>				
Sugar	-	374,299	-	527,925
Spirit	<b>744,000</b>	563,469	<b>1,260,316</b>	1,016,509
	<b>744,000</b>	937,768	<b>1,260,316</b>	1,544,434
	<b>1,839,550</b>	2,040,980	<b>4,193,416</b>	4,578,665

**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 -----

**For the Nine months period ended  
June 30, 2020 (Un-Audited)**

Sales - net	2,845,213	1,810,682	(462,479)	4,193,416
Cost of sales	(2,614,484)	(1,224,555)	462,479	(3,376,560)
Gross profit	230,729	586,127	-	816,856
Selling and distribution expenses	(21,553)	(115,439)	-	(136,992)
Administrative expenses	(97,296)	(34,948)	-	(132,244)
<b>Profit before taxation and unallocated income and expenses</b>	<b>111,880</b>	<b>435,740</b>	<b>-</b>	<b>547,620</b>
<b>Unallocatable income and expenses:</b>				
Other income				11,874
Other expenses				(25,586)
Finance cost				(275,930)
Taxation				(56,278)
<b>Profit for the period</b>				<b>201,700</b>



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

**For the Nine months period ended  
June 30, 2019 (Un-Audited)**

Sales - net	3,721,734	1,163,842	(306,911)	4,578,665
Cost of sales	(3,540,346)	(709,070)	306,911	(3,942,505)
Gross profit	181,388	454,772	-	636,160
Selling and distribution expenses	(28,795)	(68,751)	-	(97,546)
Administrative expenses	(82,627)	(29,568)	-	(112,195)
<b>Profit before taxation and unallocated income and expenses</b>	<b>69,966</b>	<b>356,453</b>	<b>-</b>	<b>426,419</b>

**Unallocatable income and expenses:**

Other income				20,104
Other expenses				(10,367)
Finance cost				(258,305)
Taxation				(14,811)
<b>Profit for the period</b>				<b>163,040</b>

**12.2 Segment assets and liabilities**

Sugar	Distillery	Total
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----- Rupees in '000 -----

**As at June 30, 2020 (Un-Audited)**

Segment assets	3,619,859	1,275,599	4,895,458
Unallocatable assets			415,251
<b>Total assets as per statement of financial position</b>			<b>5,310,709</b>
Segment liabilities	776,803	165,335	942,138
Unallocatable liabilities			3,287,582
<b>Total liabilities as per statement of financial position</b>			<b>4,229,720</b>

**As at September 30, 2019 (Audited)**

Segment assets	3,082,051	926,523	4,008,574
Unallocatable assets			202,880
<b>Total assets as per statement of financial position</b>			<b>4,211,454</b>
Segment liabilities	413,247	23,466	436,713
Unallocatable liabilities			2,845,900
<b>Total liabilities as per statement of financial position</b>			<b>3,282,613</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 Nine months period ended	
		June 30, 2020	June 30, 2019
- - Rupees in '000 - -			
Associated Company	Sales of sugar	37,549	-
Relative of director	Interest free loan obtained	450,000	-
	Consultancy paid	7,183	-
Directors and Key management personnel	Remuneration and other benefits	24,583	17,153
		<b>Un-Audited June 30, 2020</b>	Audited September 30, 2019
13.2 Period / year end balances are as follows:		- - Rupees in '000 - -	
	Trade debts	<u>28,054</u>	<u>4,710</u>

### 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, 2019, 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, 2019

## **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 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.

## **17. GENERAL**

**17.1** These condensed interim financial statements have been authorised for issue by the Board of Directors of the Company on July 28, 2020.

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

- 17.3** In the past few months, due to spread of COVID-19 the Government has taken some protective measures against this pandemic disease which has reduced the spread and have resulted in an overall economic slowdown. The Company, being engaged in production of food item, comes under the exemption given by the Government.

The management is continuously monitoring the situation and has adopted the anti COVID-19 measures to ensure the safety of its workers and smooth operations of its business. At the publication date of these condensed interim financial statements, there has been no material impact of COVID-19 on the Company's financial results and business activities.



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



**M. SOHAIL KHOKHAR**  
Director



**RIZWAN SOHAIL**  
Chief Financial Officer

## 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:

30 جون 2019	30 جون 2020		
151	263	دن	پیداواری عرصہ
56,615	73,676	میٹرک ٹن	شیرے کی پیداوار
11,761	14,680	میٹرک ٹن	اتھنول کی پیداوار
260	249	لیٹر فی میٹرک ٹن	پیداواری اوسط

ڈسٹری پلانٹ نے 263 دنوں میں 249 لیٹر اتھنول فی میٹرک ٹن شیرہ کی اوسط پیداواری شرح سے 73,676 میٹرک ٹن شیرہ پر اس کر کے 14,680 میٹرک ٹن اتھنول پیدا کی جبکہ سابقہ سال کے اسی عرصہ کے دوران 151 دنوں میں 260 لیٹر اتھنول فی میٹرک ٹن شیرہ کی اوسط پیداواری شرح سے 56,615 میٹرک ٹن شیرہ پر اس کر کے 11,761 میٹرک ٹن اتھنول پیدا کی گئی تھی۔

چونکہ کئی ٹھیسے شیرے کی نسبتاً زیادہ فیصدی مقدار (2019-2020 میں 66 فیصد بمقابلہ 2018-2019 میں 48 فیصد) بیرونی ذرائع سے حاصل کی گئی تھی، اس کا نتیجہ نسبتاً اتھنول کی کم پیداواری صورت میں نکلا۔ بہتر بین الاقوامی اور مقامی اتھنول مارکیٹوں نے انتظامیہ کو اس شعبے میں اپنے منافع کو برقرار رکھنے کے لیے اس کی کا ازالہ کیا ہے۔

## مستقبل کی پیش گوئی

### چینی کا شعبہ

رپورٹنگ کے عرصہ کے بعد ہم نے چینی کی طلب اور قیمت میں ایک صحت مند اضافہ دیکھا ہے۔ ہمیں امید ہے کہ قیمتوں کا موجودہ رجحان آنے والے مہینوں میں جاری رہے گا۔ گنے کی فصل کا حتمی سروے جاری ہے اور جلد ہی مہران کے لیے دستیاب ہوگا لیکن اب تک جو معلومات حاصل ہوئی ہیں یہ ظاہر کرتی ہیں کہ کٹھنوما کے دوران بروقت بارشوں کی وجہ سے گنے کی فصل کی فی ایکڑ کاشت میں اچھا اضافہ ہوا ہے۔ ملز کے تحت چلنے والے گنے کے کاشتکاروں کو گنے کی زیادہ پیداواری اقسام کی فراہمی کے لیے ترقیاتی منصوبہ بندی کی حکمت عملی نے اب اپنے ثمرات دینے شروع کر دیے ہیں۔ مزید برآں، سابقہ کرشنگ سیزن میں گنے کی زیادہ قیمتوں نے کاشتکاروں کو بہتر منافع کے لیے دوبارہ گنے کی کاشت کی جانب راغب کرنا شروع کر دیا ہے۔ ابتدائی سروے نے بھی ان قیمتوں کی توثیق کر دی ہے۔

## ڈسٹری کا شعبہ

کوویڈ 19 وباء کے سماجی و معاشی اثرات نے پوری دنیا میں اتھنول کی بنیاد پر بنی ہوئی سینیٹا نژنگ مصنوعات کی طلب میں اہم اضافہ کیا ہے۔ طلب میں اضافے کی وجہ سے مقامی اور بین الاقوامی منڈیوں میں اتھنول کی قیمتوں میں مقبول اضافہ ہوا ہے۔ آپ کی انتظامیہ پر امید ہے کہ مذکورہ طلب اور قیمتیں آنے والے مہینوں میں برقرار رہیں گی اور آپ کی کمپنی کے حتمی مالی نتائج میں ایک صحت مند اضافہ کریں گی۔

## اعتراف

بورڈ کمپنی کے لیے مسلسل اور اصول 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 کامیابیوں کے لیے اپنی ستائش کو بھی ریکارڈ پر لانا پسند کرتا ہے۔



لیفٹیننٹ کرنل عبدالخالق خان (ریٹائرڈ)

چیف ایگزیکٹو



محمد سہیل کھوکھر

ڈائریکٹر

مورخہ : 28 جولائی 2020

## جائزہ ازاں ڈائریکٹران

معزز ممبران،

آپ کی کمپنی کے ڈائریکٹران 30 جون 2020 کو اختتام پزیر ہونے والے نو ماہی عرصہ کے لیے غیر آڈٹ شدہ مجموعی عبوری مالیاتی معلومات پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

### مالیاتی نتائج

30 جون 2019 کے مقابل 30 جون 2020 کو اختتام پزیر ہونے والے نو ماہی عرصہ کے غیر آڈٹ شدہ مالیاتی حسابات کا موازنہ حسب ذیل ہے:

30 جون 2019 (ملین روپے)	30 جون 2020 (ملین روپے)	
4,579	4,193	پیداواری فروخت سے حاصل شدہ کل رقم
636	817	خام منافع
163	202	بعد از ٹیکس منافع
9.87	12.21	فی حصہ آمدن (روپے)

سابقہ سال کے اسی عرصہ میں مصنوعات کی فروخت سے حاصل شدہ کل رقم 4,579 ملین روپے کے مقابلے میں کمپنی نے زیر جائزہ عرصہ کے دوران 4,193 ملین روپے کا حصول کیا۔ گزشتہ سال کے تقابلی عرصہ میں حاصل کردہ 636 ملین روپے کے مقابلے میں خام منافع 817 ملین روپے رہا۔ رپورٹنگ کے عرصہ کے دوران بعد از ٹیکس منافع گزشتہ سال کے 163 ملین روپے کے مقابلے میں 202 ملین روپے رہا جس کا فی حصہ منافع 12.21 روپے رہا گزشتہ سال کے اسی عرصہ میں 9.87 روپے فی حصہ تھا۔

### 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:

30 جون 2019	30 جون 2020		
102	105	دن	پیداواری عرصہ
630,929	543,477	میٹرک ٹن	گنا بنیلے جانے کی مقدار
63,098	52,788	میٹرک ٹن	چینی کی پیداوار
10.01	9.71	شرح فیصد	رس سے چینی کی پیداواری اوسط
4.57	4.48	شرح فیصد	شیرے کا پیداواری تناسب
28,800	24,341	میٹرک ٹن	شیرے کی پیداوار

رواں کرٹنگ سیزن کا آغاز 29 نومبر 2019 کو ہوا۔ آپ کی ملز نے 105 دنوں کے عرصہ میں 9.71 فیصد شرح کشید کے ساتھ 543,477 میٹرک ٹن گنا تیل کر 52,788 میٹرک ٹن چینی پیدا کی جبکہ سابقہ سال 102 دنوں تک 10.01 فیصد شرح کشید کے ساتھ 630,929 میٹرک ٹن گنا تیل کر 63,098 میٹرک ٹن چینی پیدا ہوئی تھی۔

موہمی حالات کے سبب گنے کے پیداواری علاقے میں کمی اور متاثر ہونے کی کم پیداوار اور کم دستیابی کے سبب چینی کی پیداوار منفی طور پر متاثر ہوئی۔ علاقائی ملوں کی جانب سے گنے کے حصول کے لیے مقابلے کا نتیجہ قیمت کی جنگ کی صورت میں نکلا جس سے چینی کی پیداواری لاگت منفی طور پر متاثر ہوئی، اور اگرچہ چینی کا بازار مستحکم رہتا ہے، تو آپ کی انتظامیہ چینی کے بقیہ اسٹاک کی فروخت سے اس فرق کو دور کرنے کی کوشش کر رہی ہے۔