



## **CONTENTS**

Corporate Information	2-3
Directors' Review	4-6
Auditor's Report	7
Condensed Interim Statement of Financial Position	8-9
Condensed Interim Statement of Profit or Loss and Other Comprehensive Income	10
Condensed Interim Statement of Cash Flows	11
Condensed Interim Statement of Changes in Equity	12
Notes to the Condensed Interim Financial Statements	13-22
Directors' Review (Urdu)	23-24

## CORPORATE INFORMATION

<b>BOARD OF DIRECTORS</b>	Mr. K. Iqbal Talib Lt Col Abdul Khaliq Khan (Retd) Mr. Salman Hayat Noon Mr. Saifullah 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 information of the Company for the half year ended on March 31<sup>st</sup>, 2020.

### FINANCIAL RESULTS

A comparison of the financial results for the half year ended March 31<sup>st</sup>, 2020, as against March 31<sup>st</sup>, 2019, is as follow:

	Half Year Ended March 31 <sup>st</sup>	
	2020	2019
	(Rs. in millions)	
Net sales	2,354	2,538
Gross profit	459	301
Earnings after tax	93	62
Basic earnings per share - Rupees	5.61	3.75

During the reporting period, the sales revenue of the Company was Rs. 2,354 million as compared to Rs.2,538 million for the corresponding period of the last year. Gross profit was Rs.459 million as compared to Rs.301 million in the corresponding period. Profit after taxation, for the period, is Rs.93 million against Rs.62 million of the same period last year and earnings per share is Rs.5.61 per share, as compared to the earnings of Rs.3.75 per share in the corresponding period of 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:

		Half Year Ended March 31 <sup>st</sup>	
		2020	2019
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 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 unfavorable weather. An intense competition for procurement of cane in a limited period of crushing season, resulted in a price war among the mills of area, with its negative effects on the cost of sugar production. It is however, hoped that barring any undue administrative intervention, a healthy trend in the sugar market will be maintained, to provide a much needed breathing space for sugar division of the industry.

### Distillery Division

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

		<b>Half Year Ended March 31<sup>st</sup></b>	
		<b>2020</b>	<b>2019</b>
Operating period	Days	175	105
Molasses Processed	M. Tons	48,217	46,413
Ethanol produced	M. Tons	9,629	9,581
Average yield	Ltrs./ M.Ton	250	258

The Distillery plants processed 48,217 M.Tons of molasses and produced 9,629 M.Tons of ethanol with an average yield of 250 liters of ethanol per M.Ton of molasses in 175 days operation, as compared with 46,413 M.Tons of molasses processed and 9,581 M.Tons production of the ethanol at an average yield of 258 liters of ethanol per ton of the molasses, in 105 days operation, during the corresponding period of last year.

### FUTURE OUTLOOK

#### Sugar Division:

A significant reduction in sugarcane cultivation in the area for two successive seasons, has raised serious concerns among the sugar mills. However, the high sugarcane prices during last crushing season brought a disproportionately high return to the sugarcane growers as compared to other crops which is likely to divert the grower towards cane cultivation. Consequently, a significant addition in cane supply areas is expected during both, spring and autumn plantation of cane.

The management has already taken some aggressive supportive measures to provide all major agricultural inputs to the sugarcane growers of the area, to help them achieve good sugarcane yield from new improved varieties of cane. Your management is pleased to report a substantial increase in the mills operated sugarcane farms, and have developed a long term strategy for a further progressive increase in mills managed farms to multiply high yielding sugarcane varieties for supplementing the growers supply.

**Distillery Division:**

Due to Global Covid 19 Pandemic, the demand of the Ethanol has significantly increased, which has also led to a healthy trends in the ethanol prices in both, the international and local markets. We are hopeful that this trend will prevail in coming months for the distillery segment to improve your returns.

**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: May 28, 2020

## **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, 2020 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, 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended March 31, 2020.

#### **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: May 28, 2020

*Shinewing Hameed Chaudhri & Co.*  
**SHINEWING HAMEED CHAUDHRI & CO.,**  
**CHARTERED ACCOUNTANTS**

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

		Un-Audited March 31, 2020	Audited September 30, 2019
		----- Rupees in '000 -----	
<b>Equity and Liabilities</b>	<b>Note</b>		
<b>Share Capital and Reserves</b>			
Authorised capital 20,000,000 ordinary shares of Rs.10 each		<b>200,000</b>	200,000
Issued, subscribed and paid-up capital 16,517,453 ordinary shares of Rs.10 each		<b>165,175</b>	165,175
Reserves		<b>249,217</b>	249,217
Unappropriated profit		<b>557,617</b>	514,449
		<b>972,009</b>	928,841
<b>Non-current Liabilities</b>			
Long term finances		<b>112,500</b>	150,000
Lease liabilities		<b>6,706</b>	9,797
Staff retirement benefits - gratuity		<b>50,697</b>	45,926
		<b>169,903</b>	205,723
<b>Current Liabilities</b>			
Trade and other payables	5	<b>776,375</b>	354,220
Contract liabilities		<b>222,068</b>	14,780
Accrued mark-up		<b>90,446</b>	73,118
Short term finances	6	<b>4,274,806</b>	2,402,453
Current portion of non current liabilities		<b>106,455</b>	118,008
Unclaimed dividend		<b>5,100</b>	5,100
Unpaid dividend		<b>3,702</b>	2,798
Provision for taxation		<b>79,741</b>	106,413
		<b>5,558,693</b>	3,076,890
		<b>5,728,596</b>	3,282,613
<b>Contingencies and commitments</b>	<b>7</b>		
		<b>6,700,605</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 MARCH 31, 2020

	Note	Un-Audited March 31, 2020 - - - Rupees in '000 - - -	Audited September 30, 2019
<b>Assets</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	8	1,499,150	1,478,649
Investment property		7,793	7,817
Loans and advances		2,462	1,985
Deposits		3,654	3,879
		1,513,059	1,492,330
<b>Current Assets</b>			
Stores, spares and loose tools		70,486	96,252
Stock-in-trade	9	3,944,265	1,147,288
Trade debts		475,289	679,756
Loans and advances		220,776	431,559
Short term prepayments		9,118	6,133
Other receivables		254,557	191,875
Income tax refundable, advance income tax and tax deducted at source		88,406	107,655
Bank balances		124,649	58,606
		5,187,546	2,719,124
		6,700,605	4,211,454

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 OR LOSS  
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)**  
FOR THE QUARTER AND SIX MONTHS PERIOD ENDED MARCH 31, 2020

	Quarter ended		Six months period ended		
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
<b>Note</b>	----- Rupees in '000 -----				
Sales - net	<b>10</b>	<b>989,849</b>	1,216,059	<b>2,353,866</b>	2,537,685
Cost of sales		<b>(762,386)</b>	(1,070,303)	<b>(1,894,827)</b>	(2,236,217)
<b>Gross profit</b>		<b>227,463</b>	145,756	<b>459,039</b>	301,468
Distribution and marketing expenses		<b>(19,708)</b>	(24,224)	<b>(69,680)</b>	(41,860)
Administrative expenses		<b>(49,260)</b>	(38,204)	<b>(92,235)</b>	(70,330)
Other income		<b>4,264</b>	15,649	<b>4,481</b>	19,085
Other expenses		<b>(2,603)</b>	(4,214)	<b>(6,279)</b>	(4,229)
<b>Profit from operations</b>		<b>160,156</b>	94,763	<b>295,326</b>	204,134
Finance cost		<b>(106,898)</b>	(84,634)	<b>(170,353)</b>	(142,133)
<b>Profit before taxation</b>		<b>53,258</b>	10,129	<b>124,973</b>	62,001
Taxation	<b>11</b>	<b>(12,363)</b>	16,968	<b>(32,253)</b>	-
<b>Profit after taxation</b>		<b>40,895</b>	27,097	<b>92,720</b>	62,001
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>40,895</b>	27,097	<b>92,720</b>	62,001
	----- Rupees -----				
<b>Earnings per share - basic and diluted</b>		<b>2.48</b>	1.64	<b>5.61</b>	3.75

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 SIX MONTHS PERIOD ENDED MARCH 31, 2020

	Six months period ended	
	March 31, 2020	March 31, 2019
	-- Rupees in '000 --	
<b>Cash flow from operating activities</b>		
Profit for the period before taxation	124,973	62,001
Adjustments for non-cash charges and other items:		
Depreciation on property, plant & equipment and investment property	78,614	71,851
Gain on sale of operating fixed assets	-	(973)
Provision for staff retirement benefits - gratuity	6,024	5,000
Interest / mark-up income	(1,019)	(686)
Provision for slow moving stores and spares inventory	356	937
Finance cost	170,353	142,133
<b>Profit before working capital changes</b>	<b>379,301</b>	<b>280,263</b>
Decrease / (increase) in current assets:		
Stores, spares and loose tools	25,410	28,029
Stock-in-trade	(2,796,977)	(1,412,827)
Trade debts	204,467	(1,353)
Loans and advances	210,783	21,337
Prepayments	(2,985)	410
Other receivables	(62,682)	(13,174)
Increase in trade and other payables	422,155	243,252
Increase in contract liabilities	207,288	193,284
	(1,792,541)	(941,042)
<b>Cash used in operating activities</b>	<b>(1,413,240)</b>	<b>(660,779)</b>
Income tax paid	(39,676)	(14,926)
Staff retirement benefits (gratuity) - paid	(1,253)	(1,088)
<b>Net cash used in operating activities</b>	<b>(1,454,169)</b>	<b>(676,793)</b>
<b>Cash flow from investing activities</b>		
Additions to property, plant and equipment	(99,091)	(198,686)
Sale proceeds of operating fixed assets	-	1,100
Long term deposits - net	225	1,496
Interest / mark-up received	1,019	686
Loans and advances - net	(477)	(275)
<b>Net cash used in investing activities</b>	<b>(98,324)</b>	<b>(195,679)</b>
<b>Cash flow from financing activities</b>		
Long term finances repaid	(49,500)	(37,500)
Short term finances - net	1,872,353	1,095,468
Lease liabilities - net	(2,644)	10,865
Finance cost paid	(153,025)	(132,068)
Dividend paid	(48,648)	(38,643)
<b>Net cash generated from financing activities</b>	<b>1,618,536</b>	<b>898,122</b>
<b>Net increase in cash and cash equivalent</b>	<b>66,043</b>	<b>25,650</b>
<b>Cash and cash equivalents - at beginning of the period</b>	<b>58,606</b>	<b>46,008</b>
<b>Cash and cash equivalents - at end of the period</b>	<b>124,649</b>	<b>71,658</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

**CONDENSED INTERIM  
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 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	-	-	-	62,001	62,001	62,001
<b>Balance as at March 31, 2019 (Un-Audited)</b>	<b>165,175</b>	<b>119,217</b>	<b>130,000</b>	<b>346,715</b>	<b>595,932</b>	<b>761,107</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	-	-	-	92,720	92,720	92,720
<b>Balance as at March 31, 2020 (Un-Audited)</b>	<b>165,175</b>	<b>119,217</b>	<b>130,000</b>	<b>557,617</b>	<b>806,834</b>	<b>972,009</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 SIX MONTHS PERIOD ENDED MARCH 31, 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>	<b>Purpose</b>
Bhalwal	Mills / Production plant
<b>Lahore</b> 4-Sarwar Road, Cantt,	Head office
<b>Karachi</b> 1st Floor, P.I.A Building, Mulana Deen Muhammad Wafai Road,	Marketing office

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

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

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

2.1.2 These condensed interim financial statements does not include all the information and disclosures as required in an annual audited financial statements, and these should be read in conjunction with the Company's annual audited financial

statements for the year ended September 30, 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 March 31, 2020 mainly includes trade creditors aggregating Rs.688.105 million (September 30, 2019: Rs.226.106 million).

#### 6. SHORT TERM FINANCES

		<b>Un-Audited</b>	Audited
		<b>March 31,</b>	September 30,
		<b>2020</b>	2019
		<b>- - Rupees in '000 - -</b>	
	<b>Note</b>		
From banking companies - secured	<b>6.1</b>	<b>3,822,879</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>1,927</b>	1,187
		<b><u>4,274,806</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.4.250 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 (sponsor) to meet its working capital requirements. This loan is interest free and is payable by the Company upon availability of funds.

**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:

		Un-Audited March 31, 2020	Audited September 30, 2019
	<b>Note</b>	<b>-- Rupees in '000 --</b>	
Not later than one year		2,314	3,583
Later than one year but not later than five years		1,157	4,416
		<u>3,471</u>	<u>7,999</u>
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	8.1	1,379,616	1,452,618
Capital work-in-progress - at cost		103,988	26,031
Right-of-use assets	8.2	15,546	-
		<u>1,499,150</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	21,134	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		(76,369)	(159,680)
<b>Book value at the end of the period / year</b>		<b><u>1,379,616</u></b>	<b><u>1,452,618</u></b>
<b>8.1.1 Additions during the period / year:</b>			
Buildings on freehold land:			
- colony		-	26
- factory		-	37,574
Plant and machinery		-	365,217
Other equipment		1,480	126
Electric installations and fittings		5,115	43,760
Office equipment		575	7,144
Furniture and fixture		127	316
Vehicles:			
- owned		9,690	197
- leased		-	15,539
Farm tractors		1,614	2,750
Farm equipment		2,533	-
Power project		-	15,140
		<u>21,134</u>	<u>487,789</u>



	Note	Un-Audited March 31, 2020	Audited September 30, 2019
<b>8.2 Right-to-use assets</b>		-- Rupees in '000 --	
Opening balance		-	-
Transfer from operating assets		17,767	-
Depreciation for the period		(2,221)	-
		<u>15,546</u>	<u>-</u>
<b>9. STOCK-IN-TRADE</b>			
Raw material - molasses		672,052	78,364
Work-in-process		34,518	15,332
Finished goods	9.1	3,236,996	1,053,302
Other stocks - (fair price shop and depot)		699	290
		<u>3,944,265</u>	<u>1,147,288</u>

9.1 Finished goods inventory mainly includes sugar stock costing Rs.2,948.417 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		Six months period ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
----- Rupees in '000 -----				
<b>Local</b>				
Sugar	365,657	672,649	1,521,153	1,820,273
Sprit	221,898	47,636	316,397	110,746
	<u>587,555</u>	<u>720,285</u>	<u>1,837,550</u>	<u>1,931,019</u>
<b>Export</b>				
Sugar	-	153,626	-	153,626
Sprit	402,294	342,148	516,316	453,040
	<u>402,294</u>	<u>495,774</u>	<u>516,316</u>	<u>606,666</u>
	<u>989,849</u>	<u>1,216,059</u>	<u>2,353,866</u>	<u>2,537,685</u>

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

## 11. TAXATION

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

## 12. SEGMENT INFORMATION

The Company's reportable segments are Sugar and Distillery.

### 12.1 Segment revenues and results

	Sugar	Distillery	Elimination of inter segment transactions	Total
----- Rupees in '000 -----				
<b>For the Six months period ended March 31, 2020 (Un-Audited)</b>				
Sales - net	1,874,098	832,713	(352,945)	2,353,866
Cost of sales	<u>(1,629,468)</u>	<u>(618,304)</u>	<u>352,945</u>	<u>(1,894,827)</u>
Gross profit	244,630	214,409	-	459,039
Selling and distribution expenses	(19,444)	(50,236)	-	(69,680)
Administrative expenses	<u>(67,947)</u>	<u>(24,288)</u>	<u>-</u>	<u>(92,235)</u>
<b>Profit before taxation and unallocated income and expenses</b>	<u>157,239</u>	<u>139,885</u>	<u>-</u>	<u>297,124</u>
<b>Unallocatable income and expenses:</b>				
Other income				4,481
Other expenses				(6,279)
Finance cost				(170,353)
Taxation				<u>(32,253)</u>
<b>Profit for the period</b>				<u>92,720</u>

	Sugar	Distillery	Elimination of inter segment transactions	Total
----- Rupees in '000 -----				
<b>For the Six months period ended March 31, 2019 (Un-Audited)</b>				
Sales - net	2,280,810	563,786	(306,911)	2,537,685
Cost of sales	<u>(2,206,139)</u>	<u>(336,989)</u>	<u>306,911</u>	<u>(2,236,217)</u>
Gross profit	74,671	226,797	-	301,468
Selling and distribution expenses	(7,237)	(34,623)	-	(41,860)
Administrative expenses	<u>(52,266)</u>	<u>(18,064)</u>	<u>-</u>	<u>(70,330)</u>
<b>Profit before taxation and unallocated income and expenses</b>	<b><u>15,168</u></b>	<b><u>174,110</u></b>	<b><u>-</u></b>	<b>189,278</b>
<b>Unallocatable income and expenses:</b>				
Other income				19,085
Other expenses				(4,229)
Finance cost				(142,133)
Taxation				-
<b>Profit for the period</b>				<b><u>62,001</u></b>

## 12.2 Segment assets and liabilities

	Sugar	Distillery	Total
----- Rupees in '000 -----			
<b>As at March 31, 2020 (Un-Audited)</b>			
Segment assets	4,309,670	1,645,845	5,955,515
Unallocatable assets			745,090
<b>Total assets as per statement of financial position</b>			<b><u>6,700,605</u></b>
Segment liabilities	652,591	120,070	772,661
Unallocatable liabilities			4,955,935
<b>Total liabilities as per statement of financial position</b>			<b><u>5,728,596</u></b>
<b>As at September 30, 2019 (Audited)</b>			
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><u>4,211,454</u></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><u>3,282,613</u></b>

### 12.3 Geographical information

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

### 13. TRANSACTIONS WITH RELATED PARTIES

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

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

Relationship	Nature of transactions	Un-Audited Six months period ended	
		March 31, 2020	March 31, 2019
- - Rupees in '000 - -			
Associated Company	Sales of sugar	24,932	-
Relative of director	Interest free loan obtained	450,000	-
	Consultancy paid	4,634	-
Directors and Key management personnel	Remuneration and other benefits	12,156	11,184
		<b>Un-Audited March 31, 2020</b>	Audited September 30, 2019
13.2 Period / year end balances are as follows:		- - Rupees in '000 - -	
	Trade debts	<u>15,437</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 I 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 May 28, 2020.

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

**17.3** On March 11, 2020, the World Health Organization declared Coronavirus disease (COVID-19) a pandemic, and its spread has gained momentum. As at March 31, 2020, COVID-19 has spread throughout the country and lockdowns have been imposed in

most parts of the country. The measures taken to reduce the spread have resulted in an overall economic slowdown and disruptions to various businesses. The Government of Pakistan and State Bank of Pakistan have announced several monetary and fiscal policy measures to mitigate the adverse economic impacts of the COVID-19.

The aforementioned measures have also affected the business operations of the Company significantly in the form of disruption to normal course of business. The extent and duration of such impacts remain uncertain and are dependent on future developments that cannot be accurately predicted at this time. Given the ongoing economic uncertainty and evolving situation at the time of issuing these condensed interim financial statements, the overall impact on the Company's financial position cannot be estimated with reasonable certainty.



**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:

31 مارچ 2019	31 مارچ 2020		
105	175	دن	پیداواری عرصہ
46,413	48,217	میٹرک ٹن	شیرے کی پیداوار
9,581	9,629	میٹرک ٹن	اتھنول کی پیداوار
258	250	لیٹر فی میٹرک ٹن	پیداواری اوسط

ڈسٹری پلانٹ نے 175 دنوں میں 250 لیٹر اتھنول فی میٹرک ٹن شیرہ کی اوسط پیداواری شرح سے 48,217 میٹرک ٹن شیرہ پراسس کر کے 9,629 میٹرک ٹن اتھنول پیدا کیا جبکہ سابقہ سال کے اسی عرصہ کے دوران 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 کیا گیا تھا۔

## مستقبل کی پیش گوئی چینی کا شعبہ

اس علاقے میں لگا تار دو سیزن میں گنے کی پیداوار میں نمایاں کمی نے شوگر ملوں میں شدید تشریش پیدا کی ہے۔ تاہم آخری کرشنگ سیزن کے دوران دیگر فصلوں کے مقابلے میں گنے کی زیادہ قیمت نے گنے کے کاشتکاروں کو زیادہ منافع دیا جس کی بدولت کاشتکاروں کا رجحان گنے کی کاشت کی جانب ہونے کا امکان ہے۔ اس کے نتیجے میں گنے کی سپلائی کے علاقوں میں بہار اور موسم خزاں میں گنے کی کاشت کے دوران گنے کے رقبے میں نمایاں اضافے کی توقع ہے۔


انتظامیہ نے علاقے کے گنے کے کاشتکاروں کو تمام بڑے زرعی اخراجات کی فراہمی کے لیے پہلے ہی کچھ جارحانہ معاون اقدامات اٹھائے ہیں، تاکہ ان کو گنے کی نئی بہتر اقسام سے گنے کی اچھی پیداوار میں مدد مل سکے۔ آپ کی انتظامیہ یہ مطلع کرتے ہوئے خوشی محسوس کرتی ہے کہ ملز کے زیر انتظام چلنے والے گنوں کے فارموں میں خاطر خواہ اضافہ ہوا ہے اور ملز کے زیر انتظام فارموں میں مزید اضافہ کرنے اور کاشتکاروں کی جانب سے گنے کی فراہمی کے لیے گنے کی زیادہ پیداواری اقسام کے لیے ایک طویل مدتی حکمت عملی تیار کی ہے۔


## ڈسٹری کا شعبہ

عالمی COVID 19 وبائی مرض کی وجہ سے اتھنول کی مانگ میں نمایاں اضافہ ہوا ہے جس کی وجہ سے بین الاقوامی اور مقامی، دونوں منڈیوں میں اتھنول کی قیمتوں میں بھی توانار جانات پیدا ہوئے ہیں۔ ہمیں امید ہے کہ آنے والے مہینوں میں ڈسٹری کے شعبے میں یر۔ رجحان برقرار رہے گا اور آپ کے منافع میں بہتری لائے گا۔

## اعتراف

یورڈ کمپنی کے لیے مسلسل اور اصول تعاون کے لیے تمام وائسٹگان کا شکر گزار ہے۔ یورڈ 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 پند کرتا ہے۔

  
لیفٹیننٹ کرنل عبدالخالق خان (ریٹائرڈ)  
چیف ایگزیکٹو

  
محمد سہیل کھوکھر  
ڈائریکٹر

مورخہ : 28 مئی 2020

## جائزہ ازاں ڈائریکٹران

معزز ممبران،

نون شوگر ملز لمیٹڈ کے ڈائریکٹران 31 مارچ 2020 کو اختتام پزیر ہونے والے نصف سالہ عرصہ کے لیے غیر آڈٹ شدہ عبوری مالیاتی معلومات پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

### مالیاتی نتائج

31 مارچ 2019 کے مقابل 31 مارچ 2020 کو اختتام پزیر ہونے والے نصف سالہ عرصہ کے غیر آڈٹ شدہ مالیاتی حسابات کا موازنہ ذیل ہے:

31 مارچ 2019	31 مارچ 2020	
(ملین روپے)	(ملین روپے)	
2,538	2,354	پیداواری کی فروخت سے حاصل شدہ کل رقم
301	459	خام منافع
62	93	بعد از ٹیکس منافع
3.75	5.61	فی حصہ آمدن (روپے)

سابقہ سال کے اسی عرصہ میں مصنوعات کی فروخت سے حاصل شدہ کل رقم 2,538 ملین روپے کے مقابلے میں کمپنی نے زیر جائزہ عرصہ کے دوران 2,354 ملین روپے کا حصول کیا۔ گزشتہ سال کے مقابلے میں حاصل کردہ 301 ملین روپے کے مقابلے میں خام منافع 459 ملین روپے رہا۔ رپورٹنگ کے عرصہ کے دوران بعد از ٹیکس منافع گزشتہ سال کے 62 ملین روپے کے مقابلے میں 93 ملین روپے رہا جس کا فی حصہ منافع 5.61 روپے رہا جو گزشتہ سال کے اسی عرصہ میں 3.75 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:

31 مارچ 2019	31 مارچ 2020		
102	105	دن	پیداواری عرصہ
630,929	543,477	میٹرک ٹن	گنا بیلے 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 کرشننگ بیزن 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 بیل 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 بیل کر 63,098 میٹرک ٹن چینی پیدا ہوئی تھی۔

نامناسب موسم کے سبب کم رقبے میں گنا کاشت کیے جانے اور مقابلاً گنے کی کم پیداوار اور کم دستیابی کے سبب چینی کی پیداوار منفی طور پر متاثر ہوئی۔ گنے کے کرشننگ بیزن کے محدود عرصہ میں گنے کی تحصیل کے لیے مقامی مہلوں کی جانب سے قیمت کی جنگ پر نتیجہ ہونے اور شدید مقابلاً بازی کے سبب چینی کی پیداواری لاگت منفی طور پر متاثر ہوئی۔ تاہم امید ہے کہ انتظامیہ کی کسی ناجائز مداخلت کو چھوڑ کر، چینی کی منڈی میں ایک صحت مندرجان برقرار رہے گا جو چینی کی صنعت کے لیے سانس لینے کی مطلوبہ جگہ فراہم کر سکتا ہے۔