

2023



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CORPORATE INFORMATION

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

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

DIRECTORS' REVIEW

The Directors of Noon Sugar Mills Limited are pleased to present the condensed interim financial statements of the Company for the nine months period ended on June 30th, 2023.

FINANCIAL RESULTS

A comparison of the financial results for the nine months period ended June 30th, 2023, as against June 30th, 2022, is as follows:

	Nine Months Period Ended June 30th	
	2023	2022
	---Rupees in million---	
Net Sales	6,273	8,705
Gross profit	1,285	1,044
Earnings before tax	267	407
Taxation	(65)	(57)
Earnings after tax	203	249
	- - - - Rupees - - - -	
Basic earnings per share	12.27	15.10

During the reporting period, the sales revenue of the Company was Rs.6,273 million, as compared to Rs.8,705 million for the corresponding period of last year. Gross profit was Rs.1,285 million as compared to Rs.1,044 million in the corresponding period, last year. Despite a substantial improvement in gross profit during the period under review, the profit after taxation was Rs.203 million against Rs.249 million in the same period last year, reflecting mainly a phenomenal increase in financial cost, resulting in a reduced earnings per share of Rs.12.27, as compared to Rs.15.10 per share in the corresponding period, last year.

OPERATIONAL RESULTS

Sugar Division

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

		Nine Months Period Ended June 30th	
		2023	2022
Operating Period	Days	101	144
Cane Crushed	M. Tons	807,367	1,120,350
Sugar Produced	M. Tons	75,717	104,720
Average Sucrose Recovery	%age	9.37	9.36
Molasses Recovery	%age	4.49	4.68
Molasses Produced	M. Tons	36,281	52,378

The current crushing season commenced on November 25, 2022. Your mills crushed 807,367 M.Tons of the sugarcane and produced 75,717 M. Tons sugar, with an average sucrose recovery of 9.37% in 101 days operation as compared to 1,120,350 M.Tons of the sugarcane crushed and 104,720 M.Tons of the sugar produced, with 9.36% sucrose recovery in 144 days operation, in the corresponding period of the last year.

In crushing season 2022-23, low cultivation of sugarcane and short duration of season days had reduced the overall sugar production in Pakistan and your Company has crushed 28% less sugarcane than last year. The current crushing season had reduced because of poor sugarcane yield, due to erratic weather in the main growth period of the crop and restricted application of fertilizer & pesticide owing to their unaffordable prices for majority of growers. Further, heavy rains and the devastating floods seriously affected the yield per acre of sugar cane from area to area, resulting in a marked reduction in countrywide supply of sugarcane to the mills during the current crushing season.

A hefty increase in minimum sugarcane support price by over 33%, from Rs.225 to Rs.300 per 40 kg, for the current crushing season had a direct bearing on the cost of production. This phenomenal increase was further aggravated by a historically high markup rate, higher sales tax and rising inflationary trend in cost of other input components. Lower production at relatively higher raw material and conversion cost has eroded the desired profitability of the sugar sector during the reporting period. During the reporting period, the government had however permitted small quantities of sugar for export, which helped the sugar mills to meet their working capital requirements for early payment to cane growers.

Distillery Division:

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

		Nine Months Period Ended June 30 th	
		2023	2022
Operating Period	Days	179	205
Molasses Processed	M. Tons	90,204	109,907
Ethanol Produced	M. Tons	17,848	20,931
Average Yield	Ltrs./ M .Ton	247	238

The Distillery plants processed 90,204 M.Tons of the molasses and produced 17,848 M.Tons of the ethanol with an average yield of 247 liters of the ethanol per M.Ton of the molasses in 179 days operation, as compared to 109,907 M.Tons of the molasses processed and 20,931 M.Tons production of the ethanol at an average yield of 238 liters of the ethanol per M. Ton of the molasses, in 205 days operation, during the corresponding period of the last year.

Due to scarce availability of molasses against a large installed ethanol production facility of the country a resulting in inflationary trend in the price of molasses persisted throughout the crushing season. Your management has however, successfully procured a reasonable quantity of the molasses to supplement their own production, to ensure smooth operation of its three production units.

The State Bank of Pakistan has also successively increased the export refinance markup rate, serving as an incentive for export oriented organizations, which coupled with the substantially increased cost of raw materials has drastically reduced the profitability of distillery sector. Consequently, this hinders the industry's ability to meet the growing international demand of ethanol and negatively impacts the true growth potential of this promising foreign exchange earner for the country.

FUTURE OUTLOOK

Sugar Division

Your management is continuously working to address the growers' problems and facilitates them by advancing loans for all important agricultural inputs, including the new improved varieties of sugarcane, fertilizer, pesticide, etc. The cane development department also imparts training of the growers to apply improved agricultural techniques and ways of plantation and adopt effective ways of inputs application, to increase the sugarcane yield.

Initial sugarcane survey reported a reduction in sowing area of sugarcane by 10-15 percent. However the timely rains have supported to increase the sugarcane yield by 15-20 percent which is likely to partly offset the expected shortfall. Subsequent to reporting period, a healthy trend in sugar price is being witnessed which will mitigate the negative results of sugar segment during the reporting period and will hopefully enable the mills to provide further input support to cane growers in their supply zones.

Distillery Division

The escalating cost of raw materials, combined with a substantial increase from 3% to 22% export refinancing markup rates is exerting pressure on the industry's profitability. However, a successive devaluation of the Pak Rupee has some mitigating impact towards maintaining their margin. The rising worldwide inflationary trend adds to the operational costs, posing additional challenges for distilleries seeking to maintain competitiveness. Your management is well aware of the upcoming challenges and has developed appropriate strategies to maximize the returns of shareholders from this sector, in the given circumstances.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors



Lt Col ABDUL KHALIQ KHAN (Retd)
Chief Executive



IRFAN AHMED
Director

Lahore : July 26, 2023

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CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

		Un-Audited June 30, 2023	Audited September 30, 2022
Note		---- Rupees in '000 ----	
Equity and Liabilities			
Share Capital and Reserves			
Authorised capital 50,000,000 (September 30, 2022: 20,000,000) ordinary shares of Rs.10 each		<u>500,000</u>	<u>200,000</u>
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		<u>1,455,080</u>	<u>1,318,552</u>
		1,869,472	1,732,944
Non-current Liabilities			
Long term finances		-	-
Lease liabilities		-	635
Staff retirement benefits - gratuity		80,535	72,875
		80,535	73,510
Current Liabilities			
Trade and other payables	5	2,023,834	607,845
Contract liabilities		34,151	16,744
Accrued mark-up		271,260	15,786
Short term finances	6	4,373,143	1,848,338
Current portion of non current liabilities		38,407	76,000
Unclaimed dividends		5,053	5,053
Unpaid dividends		5,686	4,801
Provision for taxation		268,594	203,726
		<u>7,020,128</u>	<u>2,778,293</u>
		7,100,663	2,851,803
Contingencies and commitments	7	<u>8,970,135</u>	<u>4,584,747</u>

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



Lt Col ABDUL KHALIQ KHAN (Retd)
Chief Executive

AS AT JUNE 30, 2023

	Note	Un-Audited June 30, 2023	Audited September 30, 2022
- - - Rupees in '000 - - -			
Assets			
Non-current Assets			
Property, plant and equipment	8	1,829,618	1,799,082
Intangible asset		190,000	-
Loans and advances	9	8,906	1,633
Security deposits		14,322	5,448
		2,042,846	1,806,163
Current Assets			
Stores, spares and loose tools		117,427	143,723
Stock-in-trade	10	4,729,772	1,160,752
Trade debts		684,297	313,026
Loans and advances		772,615	689,706
Deposits and prepayments		10,569	4,315
Other receivables		163,829	134,389
Income tax refundable, advance income tax and tax deducted at source		327,595	222,139
Cash and bank balances		121,185	110,534
		6,927,289	2,778,584
		8,970,135	4,584,747

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



IRFAN AHMED
Director



RIZWAN SOHAIL
Chief Financial Officer

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

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED JUNE 30, 2023

	Note	Quarter ended		Nine months period ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
----- Rupees in '000 -----					
Sales - net	11	2,692,080	3,625,964	6,272,589	8,704,541
Cost of sales		(2,139,201)	(3,150,410)	(4,987,463)	(7,660,256)
Gross profit		552,879	475,554	1,285,126	1,044,285
Distribution and marketing expenses		(95,233)	(113,794)	(189,465)	(224,124)
Administrative expenses		(78,022)	(68,859)	(222,113)	(196,158)
Other income		5,881	17,964	45,052	114,779
Other expenses		(7,058)	(12,315)	(21,441)	(42,677)
Profit from operations		378,447	298,550	897,159	696,105
Finance cost		(285,917)	(135,515)	(629,695)	(289,580)
Profit before taxation		92,530	163,035	267,464	406,525
Taxation	12	(23,708)	(100,354)	(64,866)	(157,059)
Profit after taxation		68,822	62,681	202,598	249,466
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		68,822	62,681	202,598	249,466
----- Rupees -----					
Earnings per share - basic and diluted		4.17	3.79	12.27	15.10

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


Lt Col ABDUL KHALIQ KHAN (Retd)
Chief Executive


IRFAN AHMED
Director


RIZWAN SOHAIL
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2023

	Nine months period ended	
	June 30, 2023	June 30, 2022
	-- Rupees in '000 --	
Cash flow from operating activities		
Profit for the period before taxation	267,464	406,525
Adjustments for non-cash charges and other items:		
Depreciation on property, plant & equipment	131,502	119,338
Gain on sale of operating fixed assets	(369)	(1,907)
Provision for staff retirement benefits - gratuity	16,982	11,421
Interest / mark-up income	(1,674)	(2,393)
Provision for slow moving stores and spares inventory	921	-
Finance cost	629,695	289,580
Profit before working capital changes	1,044,521	822,564
Increase in current assets:		
Stores, spares and loose tools	25,375	(38,673)
Stock-in-trade	(3,569,020)	(1,961,943)
Trade debts	(371,271)	(260,005)
Loans and advances	(82,909)	(76,691)
Deposits and prepayments	(6,254)	(2,508)
Other receivables	(29,315)	(15,191)
	(4,033,394)	(2,355,011)
Increase in current liabilities:		
Trade and other payables	1,415,989	441,049
Contract liabilities	17,407	9,876
	1,433,396	450,925
Cash used in operating activities	(1,555,477)	(1,081,522)
Income tax paid	(105,454)	(113,200)
Staff retirement benefits (gratuity) - paid	(9,322)	(4,058)
Net cash used in operating activities	(1,670,253)	(1,198,780)
Cash flow from investing activities		
Additions to property, plant and equipment	(162,794)	(259,932)
Additions to intangible asset	(190,000)	-
Sale proceeds of operating fixed assets	1,000	39,731
Security deposits - net	(8,874)	(2,601)
Interest / mark-up received	1,674	2,393
Loans and advances - net	(7,273)	706
Net cash used in investing activities	(366,267)	(219,703)
Cash flow from financing activities		
Long term finances repaid	(37,500)	(37,500)
Short term finances - net	2,524,805	1,622,803
Lease liabilities - net	(728)	(1,389)
Finance cost paid	(374,221)	(217,836)
Dividend paid	(65,185)	(56,935)
Net cash generated from financing activities	2,047,171	1,309,143
Net increase / (decrease) in cash and cash equivalent	10,651	(109,340)
Cash and cash equivalents - at beginning of the period	110,534	224,923
Cash and cash equivalents - at end of the period	121,185	115,583

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


Lt Col ABDUL KHALIQ KHAN (Retd)
 Chief Executive


IRFAN AHMED
 Director


RIZWAN SOHAIL
 Chief Financial Officer

**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2023

	Reserves				Sub-total	Total
	Share Capital	Capital	Revenue			
		Share premium	General	Un-appropriated profits		
	----- Rupees in '000 -----					
Balance as at October 01, 2021 (Audited)	165,175	119,217	130,000	913,265	1,162,482	1,327,657
Cash dividend at the rate of Rs.3.50 per ordinary share for the year ended September 30, 2021	-	-	-	(57,811)	(57,811)	(57,811)
Total comprehensive income for the period	-	-	-	249,466	249,466	249,466
Balance as at June 30, 2022 (Un-Audited)	165,175	119,217	130,000	1,104,920	1,354,137	1,519,312
Balance as at October 01, 2022 (Audited)	165,175	119,217	130,000	1,318,552	1,567,769	1,732,944
Cash dividend at the rate of Rs.4 per ordinary share for the year ended September 30, 2022	-	-	-	(66,070)	(66,070)	(66,070)
Total comprehensive income for the period	-	-	-	202,598	202,598	202,598
Balance as at June 30, 2023 (Un-Audited)	165,175	119,217	130,000	1,455,080	1,704,297	1,869,472

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



Lt Col ABDUL KHALIQ KHAN (Retd)
Chief Executive



IRFAN AHMED
Director



RIZWAN SOHAIL
Chief Financial Officer

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

FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

- 2.1.2 These condensed interim financial statements does not include all the information and disclosures as required in an annual audited financial statements, and these should be read in conjunction with the Company's annual audited financial statements for the year ended September 30, 2022. These condensed interim financial statements are being submitted to the shareholders as required by the section 237 of the Companies Act, 2017.

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

Certain standards, amendments and interpretations to IFRSs are effective for accounting periods beginning on October 01, 2022 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed financial statements.

2.3 Accounting policies

All the accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of annual financial statements for the year ended September 30, 2022.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended September 30, 2022.

4. SEASONALITY OF OPERATIONS

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

5. TRADE AND OTHER PAYABLES

Balance as at June 30, 2023 mainly includes trade creditors aggregating Rs.1,870.850 million (September 30, 2022: Rs.364.410 million).

6. SHORT TERM FINANCES

		Un-Audited June 30, 2023	Audited September 30, 2022
	Note	-- Rupees in '000 --	
From banking companies - secured	6.1	3,983,143	1,841,193
From a related party - unsecured	6.2	390,000	-
Temporary bank overdraft	6.3	-	7,145
		<u>4,373,143</u>	<u>1,848,338</u>

6.1 Short term finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs.6.240 billion (September 30, 2022: Rs.4.600 billion). These finance facilities, during the period, carried mark-up at the rates ranging from 10.00% to 24.08% (September 30, 2022: 3.00% to 19.11%) per annum. Facilities available for opening letters of credit and guarantees aggregate to Rs.130.82 million (September 30,

2022: Rs.130.82 million) of which facilities aggregating Rs.115.109 million (September 30, 2022: Rs.111.742) remained unutilised at the reporting date. The aggregate finance facility are secured against charge over plant & machinery, pledge of refined sugar in bags, charge over current assets of the Company and lien over import & export documents. These facilities are expiring on various dates by January, 2024.

6.2 The Company during the period obtained a short term loan amounted Rs.390 million from one of its related party Mr. Adnan Hayat Noon (sponsor) to meet its working capital requirements. During the period, the loan carries mark-up at the rates ranging from 18.06% to 23.08% per annum.

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

7. CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies as detailed in note 15 to the Company's annual audited financial statements for the year ended September 30, 2022.

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

	Un-Audited June 30, 2023	Audited September 30, 2022
Note	--- Rupees in '000 ---	
Not later than one year	<u>-</u>	<u>80</u>

8. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	8.1	1,738,243	1,476,205
Capital work-in-progress - at cost		89,746	320,872
Right-to-use assets	8.2	1,629	2,005
		<u>1,829,618</u>	<u>1,799,082</u>

8.1 Operating fixed assets

Book value at the beginning of the period / year		1,476,205	1,350,338
Additions during the period / year	8.1.1	393,920	315,800
Transfer from right of use to owned		-	7,321
Disposal of assets costing Rs.2.279 million (September 30, 2022: Rs.53.038 million) - at book value		(756)	(38,145)
Depreciation charge for the period / year		(131,126)	(159,109)
Book value at the end of the period / year		<u>1,738,243</u>	<u>1,476,205</u>

	Un-Audited	Audited
	June 30,	September 30,
	2023	2022
	- - - Rupees in '000 - - -	
8.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:		
Buildings on freehold land	37,173	60,957
Plant and machinery	315,135	163,530
Laboratory equipment	992	2,395
Other equipment	1,665	149
Electric installations and fittings	17,886	48,667
Office equipment	786	1,574
Furniture and fixture	1,446	461
Vehicles - owned	18,837	37,213
Farm tractors	-	201
Farm equipment	-	653
	<u>393,920</u>	<u>315,800</u>

8.2 Right-to-use assets

Opening balance	2,005	9,994
Transfer to operating fixed assets - at book value	-	(7,321)
Depreciation for the period / year	(376)	(668)
	<u>1,629</u>	<u>2,005</u>

9. LOANS AND ADVANCES

These include Rs.10.750 million advanced to from Mr. Rizwan Sohail who is the Chief Financial Officer of the Company.

10. STOCK-IN-TRADE

	Un-Audited	Audited
	June 30,	September 30,
	2023	2022
	- - Rupees in '000 - -	
	Note	
Raw material - molasses	37,885	62,228
Work-in-process	31,946	35,097
Finished goods	10.1 4,658,614	1,062,026
Other stocks - (fair price shop and depot)	1,327	1,401
	<u>4,729,772</u>	<u>1,160,752</u>

10.1 Finished goods inventory mainly includes sugar stock costing Rs.3,777.659 million (September 30, 2022: Rs.938.140 million).

11. SALES - Net

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

	<u>Quarter ended</u>		<u>Nine months period ended</u>	
	<u>June 30,</u> <u>2023</u>	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2023</u>	<u>June 30,</u> <u>2022</u>
----- Rupees in '000 -----				
Local				
Sugar	1,038,902	2,263,183	2,837,949	5,521,385
Spirit	73,904	77,454	181,617	192,700
	1,112,806	2,340,637	3,019,566	5,714,085
Export				
Sugar	-	-	391,988	-
Spirit	1,579,274	1,285,327	2,861,035	2,990,456
	2,692,080	3,625,964	6,272,589	8,704,541

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

12. TAXATION

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

13. SEGMENT INFORMATION

The Company's reportable segments are Sugar and Distillery.

13.1 Segment revenues and results

	<u>Sugar</u>	<u>Distillery</u>	<u>Elimination of inter segment transactions</u>	<u>Total</u>
----- Rupees in '000 -----				
For the Nine months period ended June 30, 2023 (Un-Audited)				
Sales - net	4,287,250	3,042,652	(1,057,313)	6,272,589
Cost of sales	(4,060,399)	(1,984,377)	1,057,313	(4,987,463)
Gross profit	226,851	1,058,275	-	1,285,126
Selling and distribution expenses	(13,742)	(175,723)	-	(189,465)
Administrative expenses	(162,954)	(59,159)	-	(222,113)
Profit before taxation and unallocated income and expenses	50,155	823,393	-	873,548
Unallocatable income and expenses:				
Other income				45,052
Other expenses				(21,441)
Finance cost				(629,695)
Taxation				(64,866)
Profit for the period				202,598

	Sugar	Distillery	Elimination of inter segment transactions	Total
----- Rupees in '000 -----				
For the Nine months period ended June 30, 2022 (Un-Audited)				
Sales - net	6,603,085	3,183,156	(1,081,700)	8,704,541
Cost of sales	(6,019,388)	(2,722,568)	1,081,700	(7,660,256)
Gross profit	583,697	460,588	-	1,044,285
Selling and distribution expenses	(14,782)	(209,342)	-	(224,124)
Administrative expenses	(143,395)	(52,763)	-	(196,158)
Profit before taxation and unallocated income and expenses	425,520	198,483	-	624,003
Unallocatable income and expenses:				
Other income				114,779
Other expenses				(42,677)
Finance cost				(289,580)
Taxation				(157,059)
Profit for the period				249,466

13.2 Segment assets and liabilities

	Sugar	Distillery	Total
----- Rupees in '000 -----			
As at June 30, 2023 (Un-Audited)			
Segment assets	5,737,692	2,332,106	8,069,798
Unallocatable assets			900,337
Total assets as per statement of financial position			8,970,135
Segment liabilities	4,280,047	1,996,105	6,276,152
Unallocatable liabilities			824,511
Total liabilities as per statement of financial position			7,100,663
As at September 30, 2022 (Audited)			
Segment assets	2,965,210	1,118,566	4,083,776
Unallocatable assets			500,971
Total assets as per statement of financial position			4,584,747
Segment liabilities	575,390	1,855,360	2,430,750
Unallocatable liabilities			421,053
Total liabilities as per statement of financial position			2,851,803

13.3 Geographical information

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

14. TRANSACTIONS WITH RELATED PARTIES

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

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

Relationship	Nature of transactions	Un-Audited Nine months period ended	
		June 30, 2023	June 30, 2022
-- Rupees in '000 --			
Associated persons	Consultancy paid	10,608	7,650
	Loan obtained	390,000	-
	Mark-up charged on loan	38,729	-
Directors and Key management personnel	Remuneration and other benefits	12,040	9,127
	Loan provided	12,500	-
	Loan recovered	1,750	-

Period / year end balances are as follows:

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

Receivable from related party:

Loans and advances	10,750	-
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Payable to related party:

Short term borrowing including mark-up	428,729	-
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15. FINANCIAL RISK MANAGEMENT

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

There has been no change in the Company's sensitivity to these risks since September 30, 2022, except for the change in exposure from liquidity risks due to increase in borrowings and general exposure due to fluctuations in foreign currency and interest rates. There have been no change in risk management objectives and policies of the Company during the current period.

These condensed interim financial statements does not include all financial risk management information and disclosures as required in the audited annual financial statements and should be read in conjunction with the Company's annual audited financial statement as at September 30, 2022.

16. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

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

17. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the Company for the year ended September 30, 2022, whereas, the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of comparable period of condensed interim financial statements of the Company for the nine months period ended June 30, 2022.

18. GENERAL

18.1 These condensed interim financial statements have been authorised for issue by the Board of Directors of the Company on July 26, 2023.

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



Lt Col ABDUL KHALIQ KHAN (Retd)
Chief Executive



IRFAN AHMED
Director



RIZWAN SOHAIL
Chief Financial Officer

مستقبل کی پیش گوئی

چینی کا شعبہ

آپ کی انتظامیہ کاشتکاروں کے بڑھتے ہوئے مسائل کو حل کرنے کے لیے مسلسل کام کر رہی ہے اور گنے کی نئی بہتر اقسام، کھاد، کیڑے مار ادویات سمیت تمام اہم زرعی آلات کے لیے قرضے فراہم کر کے انہیں سہولت فراہم کر رہی ہے۔ کین ڈویلپمنٹ ڈپارٹمنٹ کاشتکاروں کو بہتر زرعی ٹیکنیک اور پودے لگانے کے طریقوں کو بروئے کار لانے اور گنے کی پیداوار میں اضافے کے لیے پیداواری امور میں موثر طریقے اپنانے کی تربیت بھی فراہم کرتا ہے۔

گنے کے ابتدائی سروے میں گنے کی بوائی کے رقبے میں دس تا پندرہ فیصد کی اطلاع موصول ہوئی ہے۔ تاہم بروقت بارشوں نے گنے کی پیداوار میں پندرہ سے بیس فیصد اضافہ کرنے میں مدد کی ہے جس سے متوقع کمی کو جزوی طور پر پورا کرنے کا امکان ہے۔ رپورٹنگ کی مدت کے بعد، چینی کی قیمت میں ایک صحت مندر، حجان دیکھا جا رہا ہے جو رپورٹنگ کی مدت کے دوران چینی کے شعبے کے منفی نتائج کو کم کرے گا اور امید ہے کہ ملوں کو ان کے سپلائی زون میں گنے کے کاشتکاروں کو مزید ان پٹ معاوضت فراہم کرنے کے قابل بنائے گا۔

ڈسٹری کا شعبہ

خام مال کی بڑھتی ہوئی قیمت، برآمدی ری فائننگ مارک اپ کی شرحوں میں تین فیصد سے لے کر بائیس فیصد تک کے خاطر خواہ اضافے کے ساتھ مل کر صنعت کے منافع پر دباؤ ڈال رہی ہے۔ تاہم پاکستانی روپے کی قدر میں یکے بعد دیگرے کمی نے اس کے منافع کی شرح کو برقرار رکھنے کے لیے اس دباؤ کو کچھ کم کرنے والے اثرات مرتب کیے ہیں۔ عالمی سطح پر بڑھتا ہوا افراط زر، حجان آپریشنل اخراجات میں اضافہ کر رہا ہے، جس سے مسابقت برقرار رکھنے کی کوشش کرنے والی ڈسٹریز کے لیے اضافی چیلنج پیدا ہوتے ہیں۔ آپ کی انتظامیہ آنے والے چیلنجوں سے بخوبی واقف ہے اور اس نے موجودہ حالات میں اس شعبے سے شیئر ہولڈروں کے لیے زیادہ سے زیادہ منافع حاصل کرنے کے لیے مناسب حکمت عملی تیار کی ہے۔

اعتراف

بورڈ کمپنی کے لیے مسلسل اور انمول تعاون کے لیے تمام وابستگان کا 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۔



عرفان احمد

ڈائریکٹر



لیفٹیننٹ کرنل عبدالخالق خان (ریٹائرڈ)

چیف ایگزیکٹو

مورخہ 26 جولائی، 2023

مارک اپ کی شرح، بلند تر سیلز ٹیکس اور دیگر ان پٹ اجزاء کی لاگت میں مہنگائی کے بڑھتے ہوئے رجحان کی وجہ سے مزید بڑھ گیا۔ خام مال اور مصنوعات کی تیاری پر آنے والی نسبتاً زیادہ لاگت پر کم پیداوار نے زیر جائزہ عرصہ کی مدت کے دوران چینی کے شعبے کے مطلوبہ منافع کو ختم کر دیا ہے۔ حکومت نے رپورٹنگ کی مدت کے دوران چینی کی کم مقدار کی برآمد کی اجازت دی تھی، جس سے شوگر ملوں کو کرشنگ کی مدت کے دوران گنے کے کاشتکاروں کو جلد ادائیگی کے لیے اپنے ورکنگ کیپٹل کی ضروریات کو پورا کرنے میں مدد ملی۔

ڈسٹلری کا شعبہ

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

نوماء ہی عرصہ 2022، جون 30	نوماء ہی عرصہ 2023، جون 30		
205	179	دن	پیداواری عرصہ
109,907	90,204	میٹرک ٹن	شیرے کی کھپت
20,931	17,848	میٹرک ٹن	اتھنول کی پیداوار
238	247	لیٹر فی میٹرک ٹن	پیداواری اوسط

ڈسٹلری پلانٹ نے 179 دنوں میں 247 لیٹر اتھنول فی میٹرک ٹن شیرہ کی اوسط پیداواری شرح سے 90,204 میٹرک ٹن شیرہ پر اسس کر کے 17,848 میٹرک ٹن اتھنول پیدا کی جبکہ سابقہ سال کے اسی عرصہ کے دوران 205 دنوں میں 238 لیٹر اتھنول فی میٹرک ٹن شیرہ کی اوسط پیداواری شرح سے 109,907 میٹرک ٹن شیرہ پر اسس کر کے 20,931 میٹرک ٹن اتھنول پیدا کی گئی تھی۔

ملک میں اتھنول کی بڑی نصب شدہ پیداواری گنجائش کے برعکس شیرے کی قلیل مقدار میں دستیابی کی وجہ سے کرشنگ سیزن کے دوران شیرے کی قیمت پر افراط زر کا رجحان برقرار رہا۔ تاہم، آپ کی انتظامیہ نے اپنے تین پیداواری یونٹوں کے ہموار آپریشن کو یقینی بنانے کے لیے اپنی پیداوار کے ساتھ ساتھ مناسب مقدار میں شیرے کا حصول کر لیا ہے۔

اسٹیٹ بینک آف پاکستان نے بھی برآمدی ری فائنانس مارک اپ کی شرحوں میں یکے بعد دیگرے اضافہ کیا ہے، جو برآمدی تنظیموں کے لیے ایک ترغیب کے طور پر کام کرتا ہے، جس نے خام مال کی قیمتوں میں خاطر خواہ اضافہ کے ساتھ مل کر ڈسٹلری کے شعبے کے منافع میں زبردستی کمی کی ہے۔ نتیجے کے طور پر یہ اتھنول کی بڑھتی ہوئی بین الاقوامی طلب کو پورا کرنے کے لیے صنعت کی صلاحیتوں کو روکتا ہے اور ملک کے لیے غیر ملکی زرمبادلہ کمانے والے اس امید افزا عنصر کی حقیقی ترقی کی صلاحیت کو منفی طور پر متاثر کرتا ہے۔

پیداواری نتائج چینی کا شعبہ

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

نومائی عرصہ 2022، جون، 30	نومائی عرصہ 2023، جون، 30		
144	101	دن	پیداواری عرصہ
1,120,350	807,367	میٹرک ٹن	گنا پیلے جانے کی مقدار
104,720	75,717	میٹرک ٹن	چینی کی پیداوار
9.36	9.37	شرح فیصد	رس سے چینی کی پیداواری اوسط
4.68	4.49	شرح فیصد	شیرے کی پیداواری شرح
52,378	36,281	میٹرک ٹن	شیرے کی پیداوار

رواں کرشنگ سیزن کا آغاز 25 نومبر 2022 کو ہوا۔ آپ کی ملز نے 101 دنوں کے عرصہ میں 9.37 فیصد شرح کشید کے ساتھ 807,367 میٹرک ٹن گنا پیل کر 75,717 میٹرک ٹن چینی کی پیداوار حاصل کی جبکہ سابقہ سال 30 جون، 2022 تک کے تقابلی عرصہ میں 144 دنوں میں 9.36 فیصد شرح کشید کے ساتھ 1,120,350 میٹرک ٹن گنا پیل کر 104,720 میٹرک ٹن چینی کی پیداوار حاصل ہوئی تھی۔

سال 2022-23 کے کرشنگ سیزن میں گنے کی کم کاشت اور سیزن کے دنوں کی کم مدت نے پاکستان میں چینی کی مجموعی پیداوار کو کم کر دیا تھا اور آپ کی کمپنی نے گزشتہ سال کے مقابلے میں 28 فیصد کم گنے کی کرشنگ کی ہے۔ فصل کی اہم نشوونما کے دورانے میں ناموافق موسم، گنے کی ناقص پیداوار اور زیادہ تر کاشتکاروں کے لیے کھاد اور کیڑے مار ادویات کی ناقابل برداشت قیمتوں کی وجہ سے ان کے محدود استعمال کے سبب حالیہ کرشنگ سیزن کے عرصہ میں کمی واقع ہوئی تھی۔ مزید برآں شدید بارشوں اور تباہ کن سیلاب نے علاقائی طور پر گنے کی فی ایکڑ پیداوار کو بری طرح متاثر کیا، جس کے نتیجے میں موجودہ کرشنگ سیزن کے دوران ملک بھر میں ملوں کو گنے کی فراہمی میں واضح کمی واقع ہوئی۔

موجودہ کرشنگ سیزن کے لیے گنے کی کم از کم امدادی قیمت میں 33 فیصد سے زائد بھاری اضافہ، 225 روپے سے بڑھا کر 300 روپے فی 40 کلوگرام تک اضافے کا براہ راست اثر پیداواری لاگت پر پڑا۔ یہ غیر معمولی اضافہ تاریخی طور پر بلند

جائزہ ازاں ڈائریکٹران

معزز ممبران،

نون شوگر ملز لمیٹڈ کے ڈائریکٹران 30 جون، 2023 کو مکمل ہونے والے نو ماہی عرصہ کے لیے غیر آڈٹ شدہ عبوری مالیاتی بیانات پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

مالیاتی نتائج

30 جون، 2022 کے مقابل 30 جون، 2023 کو مکمل ہونے والے نو ماہی عرصہ کے مالیاتی حسابات کا موازنہ حسب ذیل ہے:

نو ماہی عرصہ 30 جون، 2022 (ملین روپے)	نو ماہی عرصہ 30 جون، 2023 (ملین روپے)	
8,705	6,273	خالص فروخت
1,044	1,285	خام منافع
407	267	قبل از ٹیکس آمدنی
(157)	(65)	ٹیکس
249	203	بعد از ٹیکس آمدنی
(روپے)	(روپے)	
15.10	12.27	فی حصہ آمدن

سابقہ سال کے اسی عرصہ میں مصنوعات کی فروخت 8,705 ملین روپے کے مقابلے میں کمپنی نے زیر جائزہ عرصہ کے دوران 6,273 ملین روپے کی فروخت کی۔ گزشتہ سال کے تقابلی عرصہ میں حاصل کردہ 1,044 ملین روپے کے مقابلے میں خام منافع 1,285 ملین روپے رہا۔ زیر جائزہ مدت کے دوران مجموعی منافع میں خاطر خواہ بہتری کے باوجود، بعد از ٹیکس منافع گزشتہ سال کی اسی مدت میں 249 ملین روپے کے مقابلے میں 203 ملین روپے رہا، جو بنیادی طور پر مالیاتی لاگت میں غیر معمولی اضافے کو ظاہر کرتا ہے، جس کے نتیجے میں فی حصہ آمدنی میں کمی واقع ہوئی ہے اور فی حصہ منافع 12.27 روپے رہا جو گزشتہ سال کے اسی عرصہ میں 15.10 روپے فی حصہ تھا۔