

TIMELESS RELATIONSHIP OF GROWTH & PROSPERITY



NOON 2ND QUARTER | 31 MARCH | 2024
SUGAR MILLS LTD.

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	13-20
Directors' Review (Urdu)	21-24

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 Syed Adeel Ahmed Mr. Rizwan Sohail (FCA)	Chief Executive Executive Director Chief Operating Officer 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 Faysal Bank Limited Habib Bank Limited – Islamic Banking MCB Bank Limited Meezan Bank Limited Mobilink Microfinance Bank National Bank of Pakistan Samba Bank Limited The Bank of Punjab United Bank Limited	

REGISTERED OFFICE	66-67-A, Garden Block, New Garden Town, Lahore. Tel. (042) 35831462-3, E-mail: noonshr@brain.net.pk noonshr66@gmail.com
SHARES REGISTRAR	Corplink (Pvt.) Limited Wings Arcade, 1-K Commercial, Model Town, Lahore. Tel. # (042) 35839182, 35916714, 35916719 Fax # (042) 35869037, E-mail: shares@corplink.com.pk Website: www.corplink.com.pk
MILLS	Bhalwal, District Sargodha.
WEBSITE	www.noonsugar.com

DIRECTORS' REVIEW

DEAR MEMBERS

The Directors of Noon Sugar Mills Limited are pleased to present the condensed interim financial statements of the Company for the half year ended on March 31st, 2024.

FINANCIAL RESULTS

A comparison of the financial results for the half year ended March 31st, 2024, as against March 31st, 2023, is as follows:

	Half Year Ended March 31st	
	2024	2023
	--Rupees in million--	
Net Sales	5,072	3,581
Gross profit	1,079	732
Earnings before tax	395	175
Taxation	(113)	(41)
Earnings after tax	282	134
	---Rupees---	
Basic Earnings per share	17.07	8.10

During the reporting period, the sales revenue of the Company was Rs. 5,072 million, as compared to Rs.3,581 million for the corresponding period of the last year. Gross profit was Rs.1,079 million as compared to Rs.732 million in the corresponding period. Profit after taxation was Rs.282 million against Rs.134 million in the same period last year, reflecting an improve earning of Rs.17.07, as compared to Rs.8.10 per share in the corresponding period of last year.

OPERATIONAL RESULTS

Sugar Division

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

		Half Year Ended March 31st	
		2024	2023
Operating Period	Days	98	101
Cane Crushed	M. Tons	712,164	807,367
Sugar Produced	M. Tons	73,597	75,717
Average Sucrose Recovery	%age	10.30	9.37
Molasses Recovery	%age	3.95	4.49
Molasses Produced	M. Tons	28,303	36,281

The current crushing season commenced on November 25, 2023. Your mills crushed 712,164 M. Tons of the sugarcane and produced 73,597 M. Tons sugar, with an average sucrose recovery of 10.30% in 98 days operation as compared to 807,367 M. Tons of the sugarcane crushed and 75,717 M. Tons of the sugar produced, with 9.37% sucrose recovery in 101 days operation of the last year.

The ongoing support provided to sugarcane growers, including the supply of fertilizers, pesticides, and guidance on improved agricultural practices, has begun to benefit the company in terms of sugar recovery. It gives great pleasure to inform you that your mill achieved the highest ever average sucrose recovery of 10.30% for the crushing season, Alhamdulillah.

The Punjab government increased the sugarcane support price to Rs. 400 per 40 kg for the current crushing season. This, along with higher markup rates and other inflationary impacts, has significantly raised the cost of sugar manufacturing. Additionally, the nationwide sugar production has exceeded the initial forecasts of a shortfall as compared to last year due to marked increase of production in the Sindh region, which combined with over 700,000 tons of carry over stock from the previous season. It has created a significant surplus stock, leading to consistently depressed prices in the sugar market, forcing the mills not to sell below their cost of production and borrow heavily for cash payment to the growers, in the hope of some support and corrective steps by the government through permission of export of surplus quantity of sugar, based upon a foolproof updated record of sugar stock with cane commissioners and FBR.

Distillery Division:

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

		Half Year Ended March 31st	
		2024	2023
Operating Period	Days	105	118
Molasses Processed	M. Tons	35,319	57,216
Ethanol Produced	M. Tons	6,670	11,296
Average Yield	Ltrs./ M. Ton	244	247

The Distillery plants processed 35,319 M. Tons of the molasses and produced 6,670 M. Tons of the ethanol with an average yield of 244 liters of the ethanol per M. Ton of the molasses in 105 days operation, as compared to 57,216 M. Tons of the molasses processed and 11,296 M. Tons production of the ethanol at an average yield of 247 liters of the ethanol per M. Ton of the molasses, in 118 days operation, during the corresponding period of the last year.

Molasses is still the most economical source of bio ethanol but owing its global use as a cattle feed, its price in the international market is not indexed with the fluctuations in ethanol prices. Since some new distilleries had come on line & certain old production capacities had also resumed operation during this season, the availability of molasses had become scarce and also registered a sharp increase in prices, whereas the price of ethanol remained depressed in the international market. Both the increased markup rates of export refinance and relatively unfavorable dollar and rupee parity have also negatively impacted the margins of ethanol segment.

FUTURE OUTLOOK

Sugar Division

During the last season, sugarcane growers earned higher incomes due to increased sugarcane prices. This is expected to result in additional sugarcane planting in the coming years. However, the surplus sugar stocks have depressed local market prices. To address this, mills have requested the government to permit sugar exports, which would not only ensure early payment to the growers but will also help in keeping the sugar mills afloat to continue making their important contribution to the agricultural economy of the country. A careful and considered step in these circumstances towards permission of sugar export, is desirable but any administrative measures to control the market forces, have always proved to be counterproductive and create an atmosphere of mistrust between the millers and public.

Your management is consistently working to strengthen relationships with growers by helping them achieve better livelihoods, creating a win-win situation for our mills in terms of crushing volumes and sugar recovery, as demonstrated this season. Additionally, we are focusing on efficient production techniques to reduce costs and enhance the company's profitability.

Distillery Division

Molasses prices remained high throughout the crushing season despite a substantial decrease in Ethanol prices in international markets. Inflationary pressures on other raw materials and increased markup rates have raised the cost of ethanol production. Additionally, the appreciation of the Pakistani rupee against the US dollar has negatively impacted revenue in rupee terms, eroding the profitability of this segment.

Your management is well aware of the upcoming challenges and have developed appropriate strategies to maximize the returns of shareholders from this sector.

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 Officer / Director

Date: May 29, 2024



Saif Ullah Khan Noon
Director

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, 2024 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, 2024 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended March 31, 2024.

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 Nafees ud din

ShineWing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.,

Chartered Accountants

UDIN: RR202410195rQS4fF3id

Lahore: May 29, 2024

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

		Un-Audited March 31, 2024	Audited September 30, 2023
Equity and Liabilities	Note	---- Rupees in '000 ----	
Share Capital and Reserves			
Authorised capital			
50,000,000 ordinary shares of Rs.10 each		500,000	500,000
Issued, subscribed and paid-up capital			
16,517,453 ordinary shares of Rs.10 each		165,175	165,175
Reserves		249,217	249,217
Unappropriated profit		1,887,086	1,671,259
		2,301,478	2,085,651
Non-current Liabilities			
Staff retirement benefits - gratuity		90,922	82,386
Current Liabilities			
Trade and other payables	5	2,551,790	1,852,516
Contract liabilities		37,469	33,400
Accrued mark-up		306,150	70,857
Short term finances	6	7,344,676	1,871,842
Current portion of non current liabilities		62	643
Unclaimed dividends		5,022	5,053
Unpaid dividends		6,722	5,686
Provision for taxes & levies		279,790	166,601
		10,531,681	4,006,598
		10,622,603	4,088,984
Contingencies and commitments	7		
		12,924,081	6,174,635

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



Lt Col Abdul Khaliq Khan (Retd)
Chief Executive



Siaz Ullah Khan Noon
Director



Rizwan Sohail
Chief Financial Officer

AS AT MARCH 31 2024

	Note	Un-Audited March 31, 2024	Audited September 30, 2023
--- Rupees in '000 ---			
Assets			
Non-current Assets			
Property, plant and equipment	8	3,018,302	2,050,390
Loans and advances	9	6,305	8,992
Security deposits		14,546	14,321
		3,039,153	2,073,703
Current Assets			
Stores, spares and loose tools		212,153	130,382
Stock-in-trade	10	8,342,425	2,535,667
Trade debts		203,286	176,668
Loans and advances		582,887	775,275
Deposits and prepayments		10,839	4,067
Other receivables		130,385	164,847
Income tax refundable, advance income tax and tax deducted at source		333,219	204,149
Cash and bank balances		69,734	109,877
		9,884,928	4,100,932
		12,924,081	6,174,635

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



Lt Col Abdul Khaliq Khan (Retd)
Chief Executive



Siaf Ullah Khan Noon
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, 2024

	Note	Quarter ended		Six months period ended	
		March 31, 2024	March 31, 2023 Restated	March 31, 2024	March 31, 2023 Restated
----- Rupees in '000 -----					
Sales - net	11	2,273,931	2,317,749	5,072,179	3,580,509
Cost of sales		(1,629,732)	(1,858,678)	(3,993,155)	(2,848,262)
Gross profit		644,199	459,071	1,079,024	732,247
Distribution and marketing expenses		(83,068)	(63,544)	(104,168)	(94,232)
Administrative expenses		(101,449)	(75,105)	(189,952)	(144,091)
Other income		22,117	29,939	37,536	39,171
Other expenses		(9,367)	(6,608)	(27,550)	(14,383)
Operating profit		472,432	343,753	794,890	518,712
Finance cost		(317,928)	(270,996)	(399,804)	(343,778)
Profit before revenue tax and income tax		154,504	72,757	395,086	174,934
Final taxes - levy		(27,027)	(23,130)	(62,160)	(41,158)
Profit before income tax		127,477	49,627	332,926	133,776
Income tax expense		(51,029)	-	(51,029)	-
Profit for the period		76,448	49,627	281,897	133,776
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		76,448	49,627	281,897	133,776
----- Rupees -----					
Earnings per share - basic and diluted		4.63	3.00	17.07	8.10

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



Lt Col Abdul Khaliq Khan (Retd)
Chief Executive



Siaz Ullah Khan Noon
Director



Rizwan Sohail
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2024

	Six months period ended	
	March 31, 2024	March 31, 2023
	-- Rupees in '000 --	
Cash flow from operating activities		
Profit for the period before taxation	395,086	174,934
Adjustments for non-cash charges and other items:		
Depreciation on property, plant & equipment	98,835	82,407
Gain sale of operating fixed assets	(2,927)	(296)
Provision for staff retirement benefits - gratuity	14,079	11,322
Interest / mark-up income	(1,649)	(1,189)
Finance cost	399,804	343,778
Profit before working capital changes	903,228	610,956
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(81,771)	(6,771)
Stock-in-trade	(5,806,758)	(5,528,775)
Trade debts	(26,618)	279,116
Loans and advances	192,388	222,244
Short term prepayments	(6,772)	(5,548)
Other receivables	34,462	(134,887)
	(5,695,069)	(5,174,621)
Increase in current liabilities:		
Trade and other payables	699,274	603,546
Contract liabilities	4,069	19,470
	703,343	623,016
Cash used in operating activities	(4,088,498)	(3,940,649)
Income taxes and levies paid	(129,070)	(73,139)
Staff retirement benefits (gratuity) - paid	(5,543)	(3,399)
Net cash used in operating activities	(4,223,111)	(4,017,187)
Cash flow from investing activities		
Additions to property, plant and equipment	(1,071,992)	(116,016)
Sale proceeds of operating fixed assets	8,172	1,000
Long term deposits - net	(225)	(6,612)
Interest / mark-up received	1,649	1,189
Loans and advances - net	2,687	(8,110)
Net cash used in investing activities	(1,059,709)	(128,549)
Cash flow from financing activities		
Long term finances repaid	-	(37,500)
Short term finances - net	5,472,834	4,394,247
Lease liabilities - net	(581)	(477)
Finance cost paid	(164,511)	(112,981)
Dividend paid	(65,065)	(65,074)
Net cash generated from financing activities	5,242,677	4,178,215
Net (decrease) / increase in cash and cash equivalent	(40,143)	32,479
Cash and cash equivalents - at beginning of the period	109,877	110,534
Cash and cash equivalents - at end of the period	69,734	143,013

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



Lt Col Abdul Khaliq Khan (Retd)
Chief Executive



Siaz Ullah Khan Noon
Director



Rizwan Sohail
Chief Financial Officer

**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2024**

	Capital		Reserves			Total
	Share Capital	Share premium	General	Un-appropriated profits	Sub-total	
	----- Rupees in '000 -----					
Balance as at October 01, 2022 (Audited)	165,175	119,217	130,000	1,318,552	1,567,769	1,732,944
Cash dividend at the rate of Rs.4 per ordinary share for the year ended September 30, 2022	-	-	-	(66,070)	(66,070)	(66,070)
Total comprehensive income for the period	-	-	-	133,776	133,776	133,776
Balance as at March 31, 2023 (Un-Audited)	<u>165,175</u>	<u>119,217</u>	<u>130,000</u>	<u>1,386,258</u>	<u>1,635,475</u>	<u>1,800,650</u>
Balance as at October 01, 2023 (Audited)	165,175	119,217	130,000	1,671,259	1,920,476	2,085,651
Cash dividend at the rate of Rs.4 per ordinary share for the year ended September 30, 2023	-	-	-	(66,070)	(66,070)	(66,070)
Total comprehensive income for the period	-	-	-	281,897	281,897	281,897
Balance as at March 31, 2024 (Un-Audited)	<u>165,175</u>	<u>119,217</u>	<u>130,000</u>	<u>1,887,086</u>	<u>2,136,303</u>	<u>2,301,478</u>

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



Lt Col Abdul Khaliq Khan (Retd)
Chief Executive



Siaf Ullah Khan Noon
Director



Rizwan Sohail
Chief Financial Officer

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)**
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2024

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, Lahore.	 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, 2023. 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, 2023 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, 2023.

2.4 IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes (the Guidance) issued by ICAP

The Institute of Chartered Accountants of Pakistan (ICAP) issued the aforementioned Guidance through Circular No. 07 / 2024 dated May 15, 2024. In light of the said Guidance, as the minimum taxes and final taxes are not calculated on the 'taxable income' as defined in IAS 12 (Income Taxes) but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 (the Ordinance)); accordingly, minimum taxes and final taxes should be accounted for under IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) / IFRIC 21 (Levies) as levies (though these are charged under tax law) and not under IAS 12 as income taxes. Based on the Guidance, the minimum taxes under the Ordinance are hybrid taxes, which comprise of a component within the scope of IAS 12 and a component within the scope of IFRIC 21.

The aforesaid Guidance has been applied retrospectively by the Company and the comparative information has been restated, which has not affected current period or prior periods' net sales, profit after taxes and levies, equity and cash flows. Impact as of October 01, 2022 is not material to these condensed interim financial statements. In the statement of profit or loss for the six month period ended March 31, 2023, in terms of the requirements of IFRIC 21 / IAS 37, minimum tax and final tax aggregating Rs.41.158 million, which were previously presented as current taxation have now been reclassified as "final tax levies".

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, 2023.

4. SEASONALITY OF OPERATIONS

The Company is inter-alia engaged in manufacturing of sugar for which the season begins in November / December and ends in March / April. Therefore, majority of expenses are

incurred and production activities are undertaken in the first half of the Company's financial year thus increasing volume of inventories, trade payables and borrowings at the end of first half.

5. TRADE AND OTHER PAYABLES

Balance as at March 31, 2024 mainly includes trade creditors aggregating Rs. 350.069 million (September 30, 2023: Rs. 1,645.128 million).

6. SHORT TERM FINANCES	Note	Un-Audited	Audited
		March 31, 2024	September 30, 2023
		-- Rupees in '000 --	
From banking companies - secured	6.1	6,707,836	1,480,192
From a related party - unsecured	6.2	390,000	390,000
Temporary bank overdraft	6.3	246,840	1,650
		<u>7,344,676</u>	<u>1,871,842</u>

6.1 Short term finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs.7.950 billion (September 30, 2023: Rs.6.200 billion). These finance facilities, during the period, carried mark-up at the rates ranging from 18.75% to 26.11% (September 30, 2023: 10.00% to 26.11%) per annum. Facilities available for opening letters of credit and guarantees aggregate to Rs.130.82 million (September 30, 2023: Rs.380.82 million) of which facilities aggregating Rs.115.11 million (September 30, 2023: Rs.143.64) remained unutilized 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 December, 2024.

6.2 The Company has obtained a short term loan amounting Rs.390 million from one of its related party Mr. Adnan Hayat Noon (sponsor) to meet its working capital requirements. This loan is interest free.

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, 2023.

8. PROPERTY, PLANT AND EQUIPMENT	Note	Un-Audited	Audited
		March 31, 2024	September 30, 2023
		-- Rupees in '000 --	
Operating fixed assets	8.1	1,767,589	1,823,960
Capital work-in-progress - at cost		1,249,903	224,926
Right-to-use assets	8.2	810	1,504
		<u>3,018,302</u>	<u>2,050,390</u>

	Un-Audited March 31, 2024	Audited September 30, 2023
8.1 Operating fixed assets		
Book value at the beginning of the period / year	1,823,960	1,476,205
Additions during the period / year 8.1.1	47,015	537,985
Transfer from right of use to owned	506	-
Disposal of assets costing Rs.13.714 million (September 30, 2023: Rs.8.697 million) - at book value	(5,245)	(7,174)
Depreciation charge for the period / year	(98,647)	(183,056)
Book value at the end of the period / year	<u>1,767,589</u>	<u>1,823,960</u>
8.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:		
Freehold land	-	14,089
Buildings on freehold land	28	73,529
Plant and machinery	-	370,135
Laboratory equipment	8,512	992
Other equipment	1,100	1,665
Electric installations and fittings	15,747	33,116
Office equipment	1,376	1,918
Furniture and fixture	618	1,617
Vehicles - owned	17,614	40,924
Farm equipment	2,020	-
	<u>47,015</u>	<u>537,985</u>
8.2 Right-to-use assets		
Opening balance	1,504	2,005
Transfer to operating fixed assets - at book value	(506)	-
Depreciation for the period / year	(188)	(501)
	<u>810</u>	<u>1,504</u>

9. LOANS AND ADVANCES

These include Rs.8.800 million (September 30, 2023: Rs.10.250 million) advanced to Mr. Rizwan Sohail who is the Chief Financial Officer of the Company.

		Un-Audited March 31, 2024	Audited September 30, 2023
10. STOCK-IN-TRADE			
	Note	-- Rupees in '000 --	
Raw material - molasses		427,102	-
Work-in-process		32,487	26,751
Finished goods	10.1	7,881,533	2,507,377
Other stocks - (fair price shop and depot)		1,303	1,539
		<u>8,342,425</u>	<u>2,535,667</u>

10.1 Finished goods inventory mainly includes sugar stock costing Rs.7,249.545 million (September 30, 2023: Rs.2,446.743 million).

11. SALES-Net

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

	Quarter ended		Six months period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- Rupees in '000 -----				
Local				
Sugar	1,563,519	927,589	4,348,681	1,799,047
Spirit	50,222	74,560	63,308	107,713
	1,613,741	1,002,149	4,411,989	1,906,760
Export				
Sugar	-	391,988	-	391,988
Spirit	660,190	923,612	660,190	1,281,761
	<u>2,273,931</u>	<u>2,317,749</u>	<u>5,072,179</u>	<u>3,580,509</u>

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. 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 Six months period ended March 31, 2024 (Un-Audited)				
Sales - net	5,169,473	723,498	(820,792)	5,072,179
Cost of sales	(4,235,107)	(578,840)	820,792	(3,993,155)
Gross profit	934,366	144,658	-	1,079,024
Selling and distribution expenses	(15,698)	(88,470)	-	(104,168)
Administrative expenses	(143,935)	(46,017)	-	(189,952)
Profit before taxation and unallocated income and expenses	<u>774,733</u>	<u>10,171</u>	<u>-</u>	<u>784,904</u>
Unallocatable income and expenses:				
Other income				37,536
Other expenses				(27,550)
Finance cost				(399,804)
Taxes and final levies				(113,189)
Profit for the period				<u>281,897</u>

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

12.2 Segment assets and liabilities

	Sugar	Distillery	Total
----- Rupees in '000 -----			
As at March 31, 2024(Un-Audited)			
Segment assets	10,134,303	1,864,555	11,998,858
Unallocatable assets			925,223
Total assets as per statement of financial position			<u>12,924,081</u>
Segment liabilities	8,240,002	1,562,037	9,802,039
Unallocatable liabilities			820,564
Total liabilities as per statement of financial position			<u>10,622,603</u>
As at September 30, 2023 (Audited)			
Segment assets	4,507,889	930,996	5,438,885
Unallocatable assets			735,750
Total assets as per statement of financial position			<u>6,174,635</u>
Segment liabilities	1,936,359	1,378,435	3,314,794
Unallocatable liabilities			774,190
Total liabilities as per statement of financial position			<u>4,088,984</u>

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, 2024	March 31, 2023
-- Rupees in '000 --			
Associated company	Dividend paid	2,602	2,602
Associated persons	Consultancy paid	7,200	5,650
	Loan obtained	-	390,000
	Mark-up charged on loan	-	16,288
Key management personnel	Remuneration and other benefits	8,581	7,920
	Loan provided	-	12,500
	Loan recovered	1,500	1,000
13.2 Period / year end balances are as follows:		Un-Audited March 31, 2024	Audited September 30, 2023
-- Rupees in '000 --			
Receivable from related party:			
Loans and advances		8,800	10,250
Payable to related party:			
Short term borrowing including mark-up		390,000	390,000

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, 2023, 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, 2023.

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 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, 2023, whereas, the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of comparable period of condensed interim financial statements of the Company for the six months period ended March 31, 2023.

17. GENERAL

17.1 These condensed interim financial statements have been authorised for issue by the Board of Directors of the Company on March 29, 2024.

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



Lt Col Abdul Khaliq Khan (Retd)
Chief Executive



Siaz Ullah Khan Noon
Director





Rizwan Sohail
Chief Financial Officer

آپ کی انتظامیہ آنے والے چیلنجوں سے بخوبی واقف ہے اور اس شعبے سے حصص یافتگان کے لیے زیادہ سے زیادہ منافع حاصل کرنے کے لیے مناسب حکمت عملی تیار کر چکی 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۔


سیف اللہ خان نون
ڈائریکٹر


لیفٹیننٹ کرنل عبدالخالق خان (ریٹائرڈ)
چیف ایگزیکٹو
مورنہ: 29 مئی، 2024

شیرہ اب بھی بائیو اتھنول کا سب سے زیادہ سستا ذریعہ ہے لیکن مولیشیوں کے چارے کے طور پر اس کے عالمگیر استعمال کی وجہ سے، بین الاقوامی مارکیٹ میں اس کی قیمت اتھنول کی قیمتوں میں اتار چڑھاؤ کے ساتھ مطابقت نہیں رکھتی ہے۔ چونکہ کچھ نئی ڈسٹلریاں آگئی ہیں اور کچھ پرانی پیداواری صلاحیتوں نے بھی اس سیزن کے دوران دوبارہ کام شروع کر دیا تھا اس لیے شیرے کی دستیابی نایاب ہو گئی تھی اور اس کی قیمتوں میں بھی زبردست اضافہ ہو گیا تھا، جبکہ بین الاقوامی مارکیٹ میں اتھنول کی قیمتوں میں مندی رہی۔ برآمدی ری فائننس کے بڑھے ہوئے مارک کی شرح اور روپے اور ڈالر کے نسبتاً ناموافق توازن نے بھی اتھنول کے شعبہ کے مارجن پر منفی اثر ڈالا ہے۔

مستقبل کی پیش گوئی

چینی کا شعبہ

گزشتہ سیزن کے دوران گنے کی قیمتوں میں اضافے کی وجہ سے گنے کے کاشتکاروں نے زیادہ آمدنی حاصل کی۔ اس کے نتیجے میں آئندہ سالوں میں گنے کی کاشت میں اضافے کی توقع ہے۔ تاہم چینی کے اضافی ذخیرے مقامی منڈیوں میں قیمتوں کو دباؤ میں لائے ہیں۔ اس سے نمٹنے کے لیے چینی کی ملوں نے حکومت سے چینی کی برآمدات کی اجازت دینے کی درخواست کی ہے جس سے ناصرف کاشتکاروں کو جلد ادائیگی یقینی ہوگی بلکہ شوگر ملوں کو ملک کی زرعی معیشت میں اپنا اہم کردار ادا کرنے کے لیے ایک سہارے کی طور پر مدد ملے گی۔ ان حالات میں چینی کی برآمد کی اجازت کی بابت ایک محتاط اور قابل غور قدم مطلوب ہے لیکن مارکیٹ کی قوتوں کو کنٹرول کرنے کے لیے کوئی بھی انتظامی اقدامات ہمیشہ ہی ضرور ساں ثابت ہوئے ہیں اور ملوں اور عوام کے درمیان عدم اعتماد کی فضا پیدا کرتے ہیں۔

آپ کی انتظامیہ کاشتکاروں کے ساتھ تعلقات کو مضبوط بنانے کے لیے مسلسل کام کر رہی ہے تاکہ بہتر روزگار کے حصول میں ان کی مدد کی جاسکے جو کرسٹنگ و ایوم اور چینی کی ریکوری کے حوالے سے ہماری ملز کے لیے بھی مفید صورت حال پیدا کرے، جیسا کہ اس سیزن میں ظاہر ہوا ہے۔ مزید برآں ہم لاگت میں کمی کرنے اور کمپنی کے منافع کو بڑھانے کے لیے موثر پیداواری ٹیکنیک پر توجہ مرکوز کر رہے ہیں۔

ڈسٹلری کا شعبہ

بین الاقوامی منڈیوں میں اتھنول کی قیمتوں میں خاطر خواہ کمی کے باوجود کرسٹنگ سیزن کے دوران شیرے کی قیمتیں زیادہ رہیں۔ دیگر خام مال پر افراط زر کے دباؤ اور مارک اپ کی بڑھتی ہوئی شرحوں نے اتھنول کی پیداوار کی لاگت کو بڑھا دیا ہے۔ مزید برآں، امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں اضافے نے روپے کے لحاظ سے آمدنی پر منفی اثر ڈالا ہے، جس سے اس شعبے کے منافع میں کمی واقع ہوئی ہے۔

رواں کرشنگ سیزن کا آغاز 25 نومبر 2023 کو ہوا۔ آپ کی ملز نے 98 دنوں کے عرصہ میں 10.30 فیصد شرح کشید کے ساتھ 712,164 میٹرک ٹن گنا نیل کر 73,597 میٹرک ٹن چینی کی پیداوار حاصل کی جبکہ سابقہ سال تک کے تقابلی عرصہ میں 101 دنوں میں 9.37 فیصد شرح کشید کے ساتھ 807,367 میٹرک ٹن گنا نیل کر 75,717 میٹرک ٹن چینی کی پیداوار حاصل ہوئی تھی۔

گنے کے کاشتکاروں کو فراہم کی جانے والی رواں معاونت بشمول کھاد، کیڑے مار ادویات کی فراہمی اور بہتر زری طریقوں پر راہنمائی، چینی کی ریکوری کے معاملے میں کمپنی کو فائدہ پہنچانا شروع ہو گئی ہے۔ آپ کو یہ بتاتے ہوئے مسرت ہو رہی ہے کہ الحمد للہ، آپ کی مل نے کرشنگ سیزن کے لیے اب تک کی سب سے زیادہ اوسط سکروز ریکوری 10.30 فیصد کا حصول کیا ہے۔

پنجاب حکومت نے موجودہ سیزن کے لیے گنے کی امدادی قیمت 400 روپے فی چالیس کلوگرام کر دی۔ اس سے مارک اپ کی بلند شرحوں اور دیگر افراط زر کے اثرات نے چینی کی تیاری کی لاگت میں نمایاں اضافہ کیا ہے۔ مزید برآں، سندھ کے علاقے میں پیداوار میں نمایاں اضافہ کی وجہ سے ملک بھر میں چینی کی پیداوار گزشتہ سال کے مقابلے میں کمی کی ابتدائی پیشن گوئیوں سے تجاوز کر گئی ہے، جس نے گزشتہ سیزن سے 700,000 ٹن کیری اور اسٹاک کے ساتھ مل کر ایک اہم فاضل ذخیرہ تخلیق کیا ہے جس کی وجہ سے چینی کی منڈی میں قیمتیں مسلسل گھٹی رہی ہیں جس نے ملوں کو مجبور کیا ہے کہ وہ کین کمشنروں اور ایف بی آر کے ساتھ چینی کے ذخیرے کے فول پروف اپڈیٹ شدہ ریکارڈ کی بنیاد پر چینی کی اضافی مقدار کی برآمد کی اجازت کے ذریعے حکومت کی جانب سے کچھ تعاون اور اصلاحی اقدامات کی امید میں، اپنی پیداواری لاگت سے کم پرفروخت نہ کریں اور کاشتکاروں کو نقد ادائیگی کے لیے بھاری قرضہ لیں۔

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:

ششماہی عرصہ 31 مارچ			
2023	2024		
118	105	دن	پیداواری عرصہ
57,216	35,319	میٹرک ٹن	شیرے کی کھپت
11,296	6,670	میٹرک ٹن	اتھنول کی پیداوار
247	244	لیٹر فی میٹرک ٹن	پیداواری اوسط

ڈسٹری پلانٹ نے 105 دنوں میں 244 لیٹر اتھنول فی میٹرک ٹن شیرے کی اوسط پیداواری شرح سے 35,319 میٹرک ٹن شیرہ پراسس کر کے 6,670 میٹرک ٹن اتھنول پیدا کی جبکہ سابقہ سال کے اسی عرصہ کے دوران 118 دنوں میں 247 لیٹر اتھنول فی میٹرک ٹن شیرہ کی اوسط پیداواری شرح سے 57,216 میٹرک ٹن شیرہ پراسس کر کے 11,296 میٹرک ٹن اتھنول پیدا کی گئی تھی۔

جائزہ ازاں ڈائریکٹران

معزز ممبران،

نون شوگر ملز لیمیٹڈ کے ڈائریکٹران 31 مارچ، 2024 کو مکمل ہونے والے ششماہی عرصہ کے لیے عبوری مالیاتی گوشواروں کو پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

مالیاتی نتائج

31 مارچ، 2023 کے مقابل 31 مارچ، 2024 کو مکمل ہونے والے ششماہی عرصہ کے مالیاتی نتائج کا موازنہ حسب ذیل ہے:

ششماہی عرصہ 31 مارچ		
2023	2024	
(ملین روپے)		
3,581	5,072	خالص فروخت
732	1,079	خام منافع
175	395	قبل از ٹیکس آمدنی
(41)	(113)	ٹیکس
134	282	بعد از ٹیکس آمدنی
(روپے)		
8.10	17.07	فی حصہ آمدن

سابقہ سال کے اسی عرصہ میں مصنوعات کی فروخت 3,581 ملین روپے کے مقابلے میں کمپنی نے زیر جائزہ عرصہ کے دوران 5,072 ملین روپے کی فروخت کی۔ گزشتہ سال کے تقابلی عرصہ میں حاصل کردہ 732 ملین روپے کے مقابلے میں خام منافع 1,079 ملین روپے رہا۔ بعد از ٹیکس منافع گزشتہ سال کی اسی مدت میں 134 ملین روپے کے مقابلے میں 282 ملین روپے تھا جو گزشتہ سال کی اسی مدت میں 8.10 روپے فی حصہ کے مقابلے میں 17.07 روپے کی بہتر آمدنی کو ظاہر کرتا ہے۔

پیداواری نتائج

چینی کا شعبہ

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

ششماہی عرصہ 31 مارچ			
2023	2024	دن	
101	98		پیداواری عرصہ
807,367	712,164	میٹرک ٹن	گننا بیلی جانے کی مقدار
75,717	73,597	میٹرک ٹن	چینی کی پیداوار
9.37	10.30	شرح فیصد	رک سے چینی کی پیداواری اوسط
4.49	3.95	شرح فیصد	شیرے کی پیداواری شرح
36,281	28,303	میٹرک ٹن	شیرے کی پیداوار