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## CORPORATE INFORMATION

<b>BOARD OF DIRECTORS</b>	Mr. K. Iqbal Talib Lt Col Abdul Khaliq Khan (Retd) Malik Adnan Hayat Noon Mr. Salman Hayat Noon Muhammad Sohail Khokhar Muhammad Tariq Mir Syed Ali Raza	Chairman Chief Executive / Director (Non- Executive Director) (Non- Executive Director) (Executive Director) (Non- Executive / Independent Director) (Non- Executive / Independent Director)
<b>AUDIT COMMITTEE</b>	Muhammad Tariq Mir Mr. Salman Hayat Noon Syed Ali Raza	Chairman Member Member
<b>HR &amp; R COMMITTEE</b>	Syed Ali Raza Malik Adnan Hayat Noon Mr. Salman Hayat Noon Lt Col Abdul Khaliq Khan (Retd)	Chairman Member Member Member
<b>TECHNICAL COMMITTEE</b>	Muhammad Tariq Mir Mr. Salman Hayat Noon Lt Col Abdul Khaliq Khan (Retd) Syed Ali Raza	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>	Askari Bank Limited Bank Alfalah Limited – Islamic Banking Bank Islami Pakistan Limited Dubai Islamic Bank Pakistan Limited JS Bank Limited MCB Bank Limited MCB Islamic Bank National Bank of Pakistan SAMBA Bank Limited United Bank Limited	

<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
<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>	www.noonsugar.com

## DIRECTORS' REVIEW

### DEAR MEMBERS

The Directors of your company are pleased to present the condensed un-audited interim financial information of the Company for the nine months period ended June 30<sup>th</sup>, 2019.

### FINANCIAL RESULTS

A comparison of the financial results up to the third quarter ended June 30<sup>th</sup>, 2019 as against June 30<sup>th</sup>, 2018 is as follows

	October - June 2019	October - June 2018
	(Rupees in millions )	
Net sales	4,579	4,628
Gross profit	636	462
Earnings before tax	178	152
Taxation	(19)	(49)
Earnings after tax	163	102
Basic earnings per share – Rupees	9.87	6.20

The sales revenue of the Company, during the period under review, remains at Rs 4,579 million as compared to Rs 4,628 million, for the corresponding period of the last year.

Gross profit is Rs 636 million as compared to Rs 462 million in the corresponding period. Profit after taxation, for the period, is Rs 163 million against Rs 102 million of the same period last year and the earnings per share of Rs 9.87 per share, as compared to the earnings of Rs. 6.20 per share in the corresponding period of last year.

### OPERATIONAL RESULTS

#### Sugar Division

		Nine month ended June 30	
		2019	2018
Operating period	Days	102	121
Cane crushed	M. Tons	630,929	1,008,945
Sugar produced	M. Tons	63,098	98,655
Average sucrose recovery	% age	10.01	9.77
Molasses recovery	% age	4.57	4.51
Molasses Produced	M. Tons	28,800	45,500

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

## Distillery Division

		Nine month ended June 30	
		2019	2018
Operating period	Days	151	232
Molasses Processed	M.Tons	56,615	66,375
Ethanol produced	M.Tons	11,761	13,735
Average yield	Ltrs./ M.Ton	260	259

Distillery plants processed 56,615 M.Tons of molasses and produced 11,761 M.Tons of ethanol with an average yield of 260 liters of ethanol per M.Ton of molasses in 151 days of operation, as compared with 66,375 M.Tons of molasses and 13,735 M.Tons production of ethanol at an average yield of 259 liters of ethanol per M.Ton of molasses, in 232 days of operation, during the corresponding period of last year.

## FUTURE OUTLOOK

### Sugar Division

Deteriorating economic and geopolitical conditions are having an adverse effect on all sectors of our economy. Initial sugarcane survey reports have highlighted that we might be facing another tough season, as a substantial increase in the cultivation cost is likely to cause further reduction in the sugarcane cultivated area in the region.

Following the withdrawal of subsidy on fertilizer, the Govt. has also withdrawn the subsidy on the export of sugar. Furthermore, a sharp increase in the sale tax on Sugar will deeply erode the newly found slim margins of sugar industry.

Your management is fully aware of the tough environment and is consistently improving the balancing and modernization of your production facility, so as to bring further cost-efficiency in the operation.

### Distillery Division

Reduced Sugarcane cultivation area has seriously restricted the availability of molasses at reasonable prices in the upcoming season. Any further rise in the cost of raw material procurement will adversely affect the profitability of this segment. However, any improvement in the international price of ethanol, supported by the recent devaluation of Pak Rupee against hard currencies, may help in partly mitigating the foreseen difficulties in the future outlook of distillery division.

## ACKNOWLEDGEMENT

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



**MALIK ADNAN HAYAT NOON**  
Director



**M. SOHAIL KHOKHAR**  
Director

Lahore: 25 July, 2019

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

		Un-Audited June 30, 2019	Audited September 30, 2018
	Note	- - Rupees in '000 - -	
Equity and Liabilities			
Share Capital and Reserves			
Authorised capital			
20,000,000 ordinary shares of Rs.10 each		200,000	200,000
Issued, subscribed and paid-up capital			
16,517,453 ordinary shares of Rs.10 each		165,175	165,175
Reserves		249,217	249,217
Unappropriated profit		447,754	327,659
		862,146	742,051
Non-current Liabilities			
Long term finances		187,500	225,000
Liabilities against assets subject to finance lease		10,963	4,778
Staff retirement benefits - gratuity		49,723	43,991
		248,186	273,769
Current Liabilities			
Trade and other payables	6	446,177	290,872
Contract liabilities		23,628	75,924
Accrued mark-up		122,188	67,948
Short term finances	7	3,032,220	2,386,078
Current portion of non current liabilities		80,239	77,039
Unclaimed dividend		5,100	5,100
Unpaid dividend		2,939	1,969
Provision for taxation		74,210	59,399
		3,786,701	2,964,329
		4,034,887	3,238,098
Contingencies and commitments	8		
		4,897,033	3,980,149

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



**MALIK ADNAN HAYAT NOON**  
Director



**M. SOHAIL KHOKHAR**  
Director



**RIZWAN SOHAIL**  
Chief Financial Officer

## AS AT JUNE 30, 2019

		Un-Audited June 30, 2019	Audited September 30, 2018
Note	- - Rupees in '000 - -		
<b>Assets</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	9	1,465,642	1,350,449
Investment property		7,831	7,874
Loans and advances		648	360
Deposits		3,642	11,933
		<u>1,477,763</u>	<u>1,370,616</u>
<b>Current Assets</b>			
Stores, spares and loose tools		89,374	101,955
Stock-in-trade	10	1,894,197	1,997,542
Trade debts		895,874	39,553
Loans and advances		142,715	110,106
Short term prepayments		2,344	2,844
Other receivables	11	193,244	236,230
Income tax refundable, advance income tax and tax deducted at source		95,334	75,295
Bank balances		106,188	46,008
		<u>3,419,270</u>	<u>2,609,533</u>
		<u>4,897,033</u>	<u>3,980,149</u>

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

  
MALIK ADNAN HAYAT NOON  
Director

  
M. SOHAIL KHOKHAR  
Director

  
RIZWAN SOHAIL  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS AND OTHER  
COMPREHENSIVE INCOME (UN-AUDITED)**  
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED JUNE 30, 2019

		Quarter ended		Nine months period ended	
		June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
----- Rupees in '000 -----					
Sales - net	Note 12	2,040,980	1,077,299	4,578,665	4,627,515
Cost of sales		(1,706,288)	(847,405)	(3,942,505)	(4,165,291)
Gross profit		334,692	229,894	636,160	462,224
Distribution and marketing expenses		(55,686)	(27,625)	(97,546)	(78,190)
Administrative expenses		(41,865)	(30,690)	(112,195)	(99,683)
Other income	Note 13	1,019	1,815	20,104	63,825
Other expenses		(6,138)	(10,264)	(10,367)	(11,692)
Profit from operations		232,022	163,130	436,156	336,484
Finance cost		(116,172)	(80,916)	(258,305)	(184,648)
Profit before taxation		115,850	82,214	177,851	151,836
Taxation	Note 14	(14,811)	(4,369)	(14,811)	(49,364)
Profit after taxation		101,039	77,845	163,040	102,472
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		101,039	77,845	163,040	102,472
----- Rupees -----					
(Loss) / earnings per share					
- basic and diluted		6.12	4.71	9.87	6.20

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

  
**MALIK ADNAN HAYAT NOON**  
Director

  
**M. SOHAIL KHOKHAR**  
Director

  
**RIZWAN SOHAIL**  
Chief Financial Officer



## CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)

### FOR THE QUARTER AND NINE MONTHS PERIOD ENDED JUNE 30, 2019

	Nine months period ended	
	June 30, 2019	June 30, 2018
	-- Rupees in '000 --	
Cash flow from operating activities		
Profit for the period	177,851	151,836
Adjustments for non-cash charges and other items:		
Depreciation on property, plant & equipment and investment property	111,925	77,864
Gain on sale of operating fixed assets	(973)	(188)
Operating fixed assets written-off	-	4,021
Provision for staff retirement benefits - gratuity	5,000	5,819
Interest / mark-up income	(686)	(607)
Provision / (reversal) for slow moving stores and spares inventory	937	(308)
Finance cost	258,305	184,647
Profit before working capital changes	552,359	423,084
(Increase) / decrease in current assets:		
Stores, spares and loose tools	11,644	3,019
Stock-in-trade	103,345	(813,726)
Trade debts	(856,321)	(271,772)
Loans and advances	(32,609)	(89,361)
Prepayments	500	(2,154)
Other receivables	42,986	(166,327)
Increase in trade and other payables	103,009	90,145
	(627,446)	(1,250,176)
Cash used in operating activities	(75,087)	(827,092)
Income tax paid	(20,039)	(32,424)
Staff retirement benefits (gratuity) - paid	732	(2,075)
Net cash used in operating activities	(94,394)	(861,591)
Cash flow from investing activities		
Additions to property, plant and equipment	(227,202)	(239,127)
Sale proceeds of operating fixed assets	1,100	487
Long term deposits - net	8,291	3,014
Interest / mark-up received	686	607
Loans and advances - net	(288)	(156)
Net cash used in investing activities	(217,413)	(235,175)
Cash flow from financing activities		
Long term finances repaid	(37,500)	(47,853)
Short term finances - net	646,142	1,144,597
Liabilities against assets subject to finance lease - net	9,385	(1,432)
Finance cost paid	(204,065)	(152,958)
Dividend paid	(41,975)	(56,032)
Net cash generated from financing activities	371,987	886,322
Net increase / (decrease) in cash and cash equivalent	60,180	(210,444)
Cash and cash equivalents - at beginning of the period	46,008	309,615
Cash and cash equivalents - at end of the period	106,188	99,171

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

  
**MALIK ADNAN HAYAT NOON**  
Director

  
**M. SOHAIL KHOKHAR**  
Director

  
**RIZWAN SOHAIL**  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE QUARTER AND NINE MONTHS PERIOD ENDED JUNE 30, 2019**

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

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

Balance as at October 01, 2017 (Audited)	165,175	119,217	130,000	177,541	426,758	591,933
Cash dividend at the rate of Rs.3.5 per ordinary share for the year ended September 30, 2017	-	-	-	(57,811)	(57,811)	(57,811)
Total comprehensive income period ended	-	-	-	102,475	102,475	102,475
Balance as at June 30, 2018 (Un-Audited)	165,175	119,217	130,000	222,205	471,422	636,597
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.2.6 per ordinary share for the year ended September 30, 2018	-	-	-	(42,945)	(42,945)	(42,945)
Total comprehensive income for the period	-	-	-	163,040	163,040	163,040
Balance as at June 30, 2019 (Un-Audited)	165,175	119,217	130,000	447,754	696,971	862,146

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



**MALIK ADNAN HAYAT NOON**  
Director



**M. SOHAIL KHOKHAR**  
Director



**RIZWAN SOHAIL**  
Chief Financial Officer

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

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED JUNE 30, 2019

### 1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

	Purpose
Sargodha	
Bhalwal	Mills / Production plant
Lahore	
4-Sarwar Road, Cantt,	Head office
Karachi	
1st Floor, P.I.I.A Building, Maulana Deen Muhammad Wafai Road,	Marketing office

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

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

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

2.1.2 These condensed interim financial statements does not include all the information and disclosures as required in an annual audited financial statements, and these should be read in conjunction with the Company's annual audited financial statements for the year ended September 30, 2018. These condensed interim financial statements are being submitted to the shareholders as required by the section 237 of the Companies Act, 2017.

## 2.2 Basis of measurement

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

## 2.3 Functional and presentation currency

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

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

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

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

## 2.5 Accounting policies

All the accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of annual financial statements for the year ended September 30, 2018, except for the change specified in note-3 below.

## 3. CHANGE IN ACCOUNTING POLICY

### 3.1 IFRS 15 'Revenue from Contracts with Customers'

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

#### Sale of goods

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

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

### 3.2 Effect of change in accounting policy

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

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

## 4. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

## 5. SEASONALITY OF OPERATIONS

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

## 6. TRADE AND OTHER PAYABLES

Balance as at June 30, 2019 mainly includes trade creditors aggregating Rs.297.567 million (September 30, 2018: Rs.189.214 million).

## 7. SHORT TERM FINANCES - Secured

Short term finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs.4.300 billion (September 30, 2018: Rs.4.000 billion). These finance facilities, during the current period, carried mark-up at the rates ranging from 3.00% to 15.50% (September 30, 2018: 3.00% to 10.01%) per annum. The aggregate finance facilities are secured against charge over plant & machinery, pledge of refined sugar in bags, charge over current assets, equitable mortgage over land & building of the Company, lien over import & export documents. These facilities are expiring on various dates by December, 2019.

## 8. CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies as detailed in note 15 to the Company's annual audited financial statements for the year ended September 30, 2018.

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

		Un-Audited June 30, 2019	Audited September 30, 2018
	Note	- - Rupees in '000 - -	
Not later than one year		2,252	2,747
Later than one year but not later than five years		2,617	4,328
		<u>4,869</u>	<u>7,075</u>
<b>9. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	9.1	1,415,760	1,124,636
Capital work-in-progress - at cost		49,882	225,813
		<u>1,465,642</u>	<u>1,350,449</u>
<b>9.1 Operating fixed assets</b>			
Book value at the beginning of the period / year		1,124,636	939,521
Additions during the period / year	9.1.1	403,133	300,073
Disposal of assets costing Rs.6.782 million (September 30, 2018: Rs.4.088 million) - at book value		(127)	(299)
Assets written-off costing Rs.Nil (September 30, 2018: Rs.8.034 million) - at book value		-	(4,170)
Depreciation charge for the period / year		(111,882)	(110,489)
Book value at the end of the period / year		<u>1,415,760</u>	<u>1,124,636</u>

		Un-Audited June 30, 2019	Audited September 30, 2018
9.1.1 Additions during the period / year:	Note	- - Rupees in '000 - -	
Buildings on freehold land:			
- colony		-	2,996
- factory		29,696	97,814
Plant and machinery		321,187	179,822
Scales and weighbridges		-	42
Laboratory equipment		-	235
Other equipment		126	3,709
Electric installations and fittings		29,572	10,789
Office equipment		6,866	367
Furniture and fixture		255	90
Vehicles:			
- owned		-	4,209
- leased		15,431	-
		<u>403,133</u>	<u>300,073</u>

#### 10. STOCK-IN-TRADE

Raw material - molasses		202,399	95,765
Work-in-process		14,990	6,605
Finished goods	10.1	1,675,199	1,894,928
Other stocks - (Fair Price Shop and Depot)		1,609	244
		<u>1,894,197</u>	<u>1,997,542</u>

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

#### 11. OTHER RECEIVABLES

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

12. SALES - Net

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

	Quarter ended		Nine months period ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
----- Rupees in '000 -----				
Local				
Sugar	1,066,625	381,218	2,886,898	2,907,888
Sprit	36,587	28,716	147,333	155,098
	1,103,212	698,088	3,034,231	3,351,140
Export				
Sugar	374,299	272,222	527,925	709,483
Sprit	563,469	395,143	1,016,509	855,046
	937,768	667,365	1,544,434	1,564,529
	<u>2,040,980</u>	<u>1,077,299</u>	<u>4,578,665</u>	<u>4,627,515</u>

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

13. OTHER INCOME

This mainly includes sale of electricity amounting Rs.16.873 million (June 30, 2018: Rs. 27.427 million) to FESCO and sale of bagasse amounting Rs.Nil (June 30, 2018: Rs.31.694 million).

14. TAXATION

The provision for taxation (minimum tax payable under section 113 and final tax deducted at source on realisation of foreign exchange proceeds under section 154) has been made in these condensed interim financial statements, after adjusting tax credit under section 65B, of the Income Tax Ordinance, 2001.

15. SEGMENT INFORMATION

The Company's reportable segments are Sugar and Distillery.



## 15.1 Segment revenues and results

	Sugar	Distillery	Elimination of inter segment transactions	Total
----- Rupees in '000 -----				
For the nine months period ended June 30, 2019 (Un-Audited)				
Sales - net	3,721,734	1,163,842	(306,911)	4,578,665
Cost of sales	(3,540,346)	(709,070)	306,911	(3,942,505)
Gross profit	181,388	454,772	-	636,160
Selling and distribution expenses	(28,795)	(68,751)	-	(97,546)
Administrative expenses	(82,627)	(29,568)	-	(112,195)
Profit before taxation and unallocated income and expenses	69,966	356,453	-	426,419
Unallocatable income and expenses:				
Other income				20,104
Other expenses				(10,367)
Finance cost				(258,305)
Taxation				(14,811)
Profit for the period				163,040

	Sugar	Distillery	Elimination of inter segment transactions	Total
----- Rupees in '000 -----				
For the nine months period ended June 30, 2018 (Un-Audited)				
Sales - net	3,905,524	1,010,144	(288,153)	4,627,515
Cost of sales	(3,905,476)	(547,968)	288,153	(4,165,291)
Gross (loss) / profit	48	462,176	-	462,224
Selling and distribution expenses	(18,798)	(59,392)	-	(78,190)
Administrative expenses	(72,539)	(27,144)	-	(99,683)
(Loss) / profit before taxation and unallocated income and expenses	(91,289)	375,640	-	284,351
Unallocatable income and expenses:				
Other income				63,825
Other expenses				(11,692)
Finance cost				(184,648)
Taxation				(49,364)
Profit for the period				102,472

## 15.2 Segment assets & liabilities

	Sugar	Distillery	Total
	----- Rupees in '000 -----		
As at June 30, 2019 (Un-Audited)			
Segment assets	3,343,468	730,002	4,073,470
Unallocatable assets			823,563
Total assets as per statement of financial position			<u>4,897,033</u>
Segment liabilities	987,947	268,564	1,256,511
Unallocatable liabilities			2,778,376
Total liabilities as per statement of financial position			<u>4,034,887</u>
As at September 30, 2018 (Audited)			
Segment assets	3,249,683	625,048	3,874,731
Unallocatable assets			105,418
Total assets as per statement of financial position			<u>3,980,149</u>
Segment liabilities	352,676	68,638	421,314
Unallocatable liabilities			2,816,784
Total liabilities as per statement of financial position			<u>3,238,098</u>

## 15.3 Geographical information

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

## 16. TRANSACTIONS WITH RELATED PARTIES

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

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

		Un-Audited	
		Nine months period ended	
Relationship	Nature of transactions	June 30, 2019	June 30, 2018
- - Rupees in '000 - -			
Directors and Key management personnel	Remuneration and other benefits	17,153	23,443

## 17. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. There has been no change in the Company's sensitivity to these risks since September 30, 2018, except for the change in exposure from liquidity risks due to increase in short term borrowings. There have been no change in risk management objectives and policies of the Company during the current period.

These condensed interim financial statements does not include all financial risk management information and disclosures as required in the audited annual financial statements and should be read in conjunction with the Company's annual audited financial statement as at September 30, 2018.

## 18. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34 'Interim Financial Reporting', the condensed interim statement of financial position have been compared with the balances of annual audited financial statements of the preceding financial year, whereas, the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of comparable period of the immediately preceding financial year.

## 19. GENERAL

19.1 These condensed interim financial statements has been authorised for issue by the Board of Directors of the Company on July 25, 2019.

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



**MALIK ADNAN HAYAT NOON**  
Director



**M. SOHAIL KHOKHAR**  
Director



**RIZWAN SOHAIL**  
Chief Financial Officer

## جائزہ ازاں ڈائریکٹران

معزز ممبران،

آپ کی کمپنی کے ڈائریکٹران 30 جون 2019 کو اختتام پزیر ہونے والے نو ماہی عرصہ کے لیے غیر آڈٹ شدہ مالیاتی حسابات پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

### مالیاتی نتائج

30 جون 2018 کے مقابل 30 جون 2019 کو اختتام پزیر ہونے والے تیسرے سہ ماہی عرصہ تک کے غیر آڈٹ شدہ مالیاتی حسابات کا موازنہ حسب ذیل ہے:

اکتوبر تا جون 2018 (ملین روپے)	اکتوبر تا جون 2019 (ملین روپے)	
4,628	4,579	پیداوار کی فروخت سے حاصل شدہ کل رقم
462	636	خام منافع
152	178	قبل از ٹیکس منافع
(49)	(19)	ٹیکس
102	163	بعد از ٹیکس منافع
6.20	9.87	فی حصہ بنیادی آمدن (روپے)

گزشتہ سال کے تقابلی عرصہ میں پیداوار کی فروخت سے حاصل شدہ رقم 4,628 ملین روپے کے مقابلے میں زیر جائزہ عرصہ کے دوران 4,579 ملین روپے رہی۔ گزشتہ سال کے تقابلی عرصہ میں 462 ملین روپے کے خام منافع کے مقابلے میں زیر جائزہ عرصہ کے دوران خام منافع 636 ملین روپے ہے۔ گزشتہ سال کے تقابلی عرصہ میں ہونے والے 102 ملین روپے بعد از ٹیکس منافع کے مقابلے میں اس عرصہ کے دوران بعد از ٹیکس منافع 163 ملین روپے ہے اور گزشتہ سال کے تقابلی عرصہ کے دوران فی حصہ آمدن 6.20 روپے کے مقابلے میں اس عرصہ کے دوران فی حصہ آمدن 9.87 روپے ہے۔

### پیداواری نتائج

#### چینی کا شعبہ

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

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

### ڈسٹری کا شعبہ

2018	2019		
232	151	دن	پیداواری عرصہ
66,375	56,615	میٹرک ٹن	شیرے کی پیداوار
13,735	11,761	میٹرک ٹن	اتھنول کی پیداوار
259	260	لیٹر فی میٹرک ٹن	پیداواری اوسط

ڈسٹری پلانٹ نے 151 دنوں میں 260 لیٹر اتھنول فی میٹرک ٹن شیرہ کی اوسط پیداواری شرح سے 56,615 میٹرک ٹن شیرہ پر اس کر کے 11,761 میٹرک ٹن اتھنول پیدا کی جبکہ سابقہ سال کے اسی عرصہ کے دوران 232 دنوں میں 259 لیٹر اتھنول فی میٹرک ٹن شیرہ کی اوسط پیداواری شرح سے 66,375 میٹرک ٹن شیرہ پر اس کر کے 13,735 میٹرک ٹن اتھنول پیدا کی گئی تھی۔ نیا ڈسٹری پلانٹ نصب کیے جانے کی بنا پر ڈسٹری کے پیداواری دنوں میں کمی واقع ہوئی۔

### مستقبل کی پیش گوئی

#### چینی کا شعبہ

تنزل پزیر معاشی اور سیاسی حالات نے تمام معاشی شعبوں پر منفی اثرات مرتب کیے ہیں۔ گنے پر کی گئی سروے کی ابتدائی رپورٹوں نے نمایاں کیا ہے کہ کاشت کی لاگت میں نمایاں اضافے کی وجہ سے علاقے میں گنے کی کاشت کے رقبے میں مزید کمی کی بنا پر ہمیں ایک اور مشکل سیزن کا سامنا کرنا پڑ سکتا ہے۔

کھاد پر دی گئی سبسڈی ختم کرنے کے بعد حکومت نے چینی کی برآمد پر بھی سبسڈی ختم کر دی ہے۔ اس کے علاوہ چینی پریسلز ٹیکس میں کافی اضافہ چینی کی صنعت کے پہلی ہی سے معمولی منافع کی شرح کو بھی ختم کر دے گا۔

آپ کی انتظامیہ ان مشکل حالات سے بخوبی آگاہ ہے اور پیداواری کارکردگی کی لاگت میں مزید کمی کے لیے آپ کی پیداواری سہولیات کے توازن اور جدت کو مسلسل بہتر بناتی رہے۔

## ڈسٹری ڈویژن

گنے کے پیداواری رقبے میں کمی نے آنے والے سیزن میں مناسب قیمت پر شیرے کی دستیابی کو محدود کر دیا ہے۔ خام مال کے حصول کی لاگت میں مزید اضافہ اس شعبے میں منافع کی شرح کو منفی طور پر متاثر کرے گا۔ تاہم انتھونل کی بین الاقوامی قیمتوں میں کوئی بہتری، مضبوط کرنسیوں کے مقابلے میں پاکستانی روپے کی قدر میں کمی کی وجہ سے ممکن ہے کہ ڈسٹری کے شعبے میں نظر آنے والے مستقبل کے مشکل حالات میں کمی واقع کر دیں۔

## اعتراف

بورڈ کمیٹی کے لیے مسلسل اور انمول تعاون کے لیے تمام وابستگان کا شکر گزار ہے۔ بورڈ کمیٹی 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۔



ملک عدنان حیات نون  
ڈائریکٹر



محمد سمیل کھوکھر  
ڈائریکٹر

مورخہ 25 جولائی 2019

30 جون 2019 کو ختم ہونے والی  
تیسری سہ ماہی کے اختتام پر  
غیر آڈٹڈ حسابات کا جائزہ

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