



AL-NOOR SUGAR MILLS LIMITED

3rd Quarterly Results for the period
1st October 2008 to 30th June, 2009

COMPANY INFORMATION

BOARD OF DIRECTORS

ISMAIL H. ZAKARIA
SULEMAN AYOOB
YUSUF AYOOB
A. AZIZ AYOOB
SHAMIM AHMAD
MUHAMMAD ASIF
ZIA I. ZAKARIA
SALIM AYOOB
ZOHAIR ZAKARIA
NOOR MOHAMMAD ZAKARIA

Chairman & Managing Director
Resident Director

Marketing Director
(N.I.T. Nominee)
(N.I.T. Nominee)

BOARD AUDIT COMMITTEE

A. AZIZ AYOOB
ZIA I. ZAKARIA
MUHAMMAD ASIF

Chairman
Member
Member

CHIEF FINANCIAL OFFICER

ZOHAIR ZAKARIA

COMPANY SECRETARY

MOHAMMAD YASIN MUGHAL
FCMA

AUDITORS

M. YOUSUF ADIL SALEEM & CO.
Chartered Accountants

LEGAL ADVISOR

ABDUL SATTAR PINGAR

REGISTERED OFFICE

96-A, SINDHI MUSLIM SOCIETY,
KARACHI-74400
Tel: 4550161-63 Fax: 4556675

FACTORY

SHAHPUR JAHANIA, P.O. NOOR JAHANIA,
TALUKA MORO, DISTRICT NAWABSHAH

REGISTRAR & SHARE REGISTRATION OFFICE

C & K MANAGEMENT ASSOCIATES (PVT) LTD.
404-TRADE TOWER,
ABDULLAH HAROON ROAD,
NEAR METROPOLE HOTEL,
KARACHI - 75530

DIRECTORS' REPORT

Dear members:

Assalam -o-Alaikum

On behalf of the Board of Directors it is my pleasure to present the un-audited accounts of your company for the nine months period ended June 30, 2009. During the period under review your company operated satisfactorily and earned a pre-tax profit of Rs. 64.729 million as against Rs.230.683 million earned in the same period of last year. The financial results for the nine months period are summarized as under.

	<u>Rs. in thousands</u>
Profit before taxation	64,729
Provision for taxation	(9,510)
Profit after taxation	55,219
Earning per share	Rs.2.97

PERFORMANCE REVIEW:

During the current year the sugarcane crop was not good in the province and crushing season started late and due to non availability of the same ended earlier. The mill started crushing sugarcane on November 23, 2008 and closed on March 16, 2009. Sugarcane crushed was 736,420 metric tons as against 1,062,304 metric tons crushed last year. As a result, sugar produced was 66,495 metric tons as against 98,113 metric tons produced last year. Recovery rate also reduced to 9.03% as against 9.24% achieved last year. This was due to non availability of canal water and drastically reduced rain fall in the province. In order to induce the growers to grow more sugarcane the Government had increased the support price of the same by 28.75% i.e. from Rs. 63.00 to Rs.81.00 per 40 kgs but due to persistent shortage of water the growers diverted their focus to less water dependent crops. The cost of production has also increased due to non availability of raw material as the mills operated at lower capacity and fixed overheads have to be absorbed by lower volume of production. Pakistan Sugar Mills association is stressing the Government to formulate sugar policy and link the sugarcane price with the sugar price in order to protect the industry.

MDF BOARD DIVISION:

During the period under review the Board division produced 29,734 metric tons of Board in various thicknesses and sizes as against 34,486 metric tons produced last year. The production is low as compared with the last year by about 14% due to load shedding by WAPDA. Laminated products of the Division have established their acceptability in the market and demand of the same has increased considerably. During the period under review the MDF Division contributed Rs. 130.426 million towards the profitability of the company as against Rs. 195.313 million contributed last year before financial and other charges.

BOARD OF DIRECTORS:

There has been no change in the composition of the Board of Directors during the period under review.

FUTURE OUTLOOK:

Production of sugar depends on the availability of sugarcane and as per available information; the future sugarcane crop is expected to remain similar to the current year. Accordingly the production level of sugar in the country would be more or less the same as it was during the current year. Sugarcane crop needs more water either through canal irrigation system or natural rain fall in abundant quantities. The Government should prepare long term plans to improve the water supply through canal system by constructing more dams like Mangla and Terbaila and save the sweet water which goes into the sea during raining season.

The management and Board of Directors wish to assure the respective stakeholders for dedicated efforts to achieve the success with better planning to overcome, Insha Allah, the present critical situation being faced by the Sugar Division. Please pray to Almighty Allah to guide / help us to achieve the desired goals (Ameen).



ISMAIL H. ZAKARIA
CHAIRMAN & MANAGING DIRECTOR


Karachi: 28th July 2009


AL-NOOR SUGAR MILLS LTD.

CONDENSED INTERIM BALANCE SHEET
AS AT 30TH JUNE, 2009

	Note	Un-Audited June 30, 2009	Audited September 30, 2008
(Rupees in thousand)			
(Restated)			
SHARE CAPITAL AND RESERVES			
Authorised Capital 20,000,000 (2007 : 20,000,000) ordinary shares of Rs. 10.00 each		200,000	200,000
Issued, subscribed and paid-up capital		185,703	185,703
Reserves:			
General revenue reserve		190,000	190,000
Unappropriated profit		408,490	366,139
		598,490	556,139
		784,193	741,842
SURPLUS ON REVALUATION OF PROPERTY, PLANTS AND EQUIPMENTS			
		729,419	772,261
NON CURRENT LIABILITIES			
Long term financing		181,250	237,500
Liabilities against assets subject to finance lease		12,263	28,261
Long term deposits		5,293	4,869
Deferred liabilities		505,146	497,970
CURRENT LIABILITIES			
Trade and other payables		642,098	526,054
Interest/markup accrued		78,492	28,416
Short term borrowings		1,403,311	862,684
Current portion of non-current liabilities		111,442	123,808
		2,235,343	1,540,962
CONTINGENCIES AND COMMITMENTS	3	-	-
		4,452,907	3,823,665
NON-CURRENT ASSETS			
Properties, plant and equipments	4	2,304,227	2,264,422
Long-term investments		91,980	85,690
Long-term deposits		4,813	5,071
CURRENT ASSETS			
Stores, spares and loose tools		166,547	188,578
Stock-in-trade		1,561,550	1,009,052
Trade debts		102,886	11,314
Loans and advances		61,049	149,526
Trade deposits and short-term prepayments		7,172	7,164
Income tax refundable - net of provision		14,154	16,168
Other receivables		11,063	417
Cash and bank balances		127,466	86,263
		2,051,887	1,468,482
		4,452,907	3,823,665

The annexed notes from 1 to 8 form an integral part of these financial statements.


ISMAIL H. ZAKARIA
Chief Executive Officer


SULEMAN AYÖOB
Director

AL-NOOR SUGAR MILLS LTD.

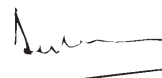
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2009

	TOTAL		TOTAL	
	For the period from October to June		For the quarter from April to June	
	2009	2008	2009	2008
	(Restated)		(Restated)	
	(Rupees in thousand)			
Sales	2,883,181	2,202,719	1,100,601	941,029
Cost of goods sold	(2,444,108)	(1,692,457)	(936,374)	(671,751)
Gross Profit	439,073	510,262	164,227	269,278
Profit from trading activities	3,119	3,128	1,068	1,024
Other Operating income	1,433	10,199	179	9,427
	443,625	523,589	165,474	279,729
Distribution cost	(16,334)	(48,832)	(5,143)	(37,743)
Administration expenses	(128,341)	(104,686)	(42,648)	(35,102)
Other operating expenses	(4,592)	(11,293)	(2,153)	(7,064)
Finance cost	(233,845)	(145,926)	(87,615)	(63,528)
Share of profit of associated undertaking	4,216	17,831	1,483	14,042
Profit before taxation	64,729	230,683	29,398	150,334
Taxation				
Current period	(16,838)	(15,312)	(14,104)	(6,621)
Deferred	7,328	(10,062)	14,280	(10,209)
	(9,510)	(25,374)	176	(16,830)
Profit for the period	55,219	205,309	29,574	133,504
Earning per share - Basic and diluted	2.97	11.06	1.59	7.19

The annexed notes from 1 to 8 form an integral part of these financial statements.



ISMAIL H. ZAKARIA
Chief Executive Officer



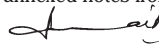
SULEMAN AYOOB
Director

AL-NOOR SUGAR MILLS LTD.

CONDENSED CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2009

	2009 June	2008 June
(Rupees in thousand)		
A. CASH FROM OPERATING ACTIVITIES		
Profit before taxation	64,729	230,683
Adjustment for:		
Depreciation of property, plant and equipment	127,052	84,314
Profit on sale of property, plant and equipment	(742)	344
Provision for staff gratuity	9,000	7,847
Provision for employees compensated absense	2,000	-
Financial cost	233,845	145,926
Share of profit of associated undertakings	(2,564)	(17,831)
	368,591	220,600
Operating cash flows before movement in working capital	433,320	451,283
(Increase)/decrease in current assets		
Stores, spares and loose tools	6,719	(20,618)
Stock-in-trade	(552,530)	(932,479)
Trade debts	(91,572)	(187,864)
Loans and advances	65,945	38,021
(Decrease)/increase in current liabilities		
Trade and other payables	128,056	241,518
Cash generated from operations	(443,382)	(861,422)
Finance cost paid	(183,771)	(104,700)
Income tax paid	(10,064)	(19,449)
Long term deposits	282	69
Gratuity paid	(1,575)	(471)
	(195,128)	(124,551)
Net cash used in operating activities	(205,190)	(534,690)
B. CASH FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(151,669)	(107,345)
Proceed from disposal of property, plant and equipment	897	405
Net cash used in investing activities	(150,772)	(106,940)
C. CASH FROM FINANCING ACTIVITIES		
Repayment of long term financing and finance lease	(88,462)	(103,946)
Short term running finance and borrowings	540,627	805,836
Dividend paid	(55,000)	(27,529)
Net cash from financing activities	397,165	674,361
Net Increase in cash and cash equivalents (A+ B+ C)	41,203	32,731
Cash and cash equivalent at the beginning of the period	86,263	47,597
Cash and cash equivalent at the end of the period	127,466	80,328

The annexed notes from 1 to 8 form an integral part of these financial statements.


ISMAIL H. ZAKARIA
Chief Executive Officer


SULEMAN AYOOB
Director

AL-NOOR SUGAR MILLS LTD.

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2009**

Particulars	Issued, Subscribed & paid up capital	General Revenue reserve	Unappropriated profit	Total
(Rupees in thousand)				
Balance as at September 30, 2007	185,703	190,000	154,659	530,362
Incremental depreciation arising due to surplus on revaluation of fixed assets - net of deferred tax	-	-	18,677	18,677
Share of associate's transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation- net of deferred tax and disposal	-	-	1,933	1,933
Net income recognized directly in equity	-	-	20,610	20,610
Final cash dividend for the year ended September 30, 2006 at Rs. 1/- per share	-	-	(27,855)	(27,855)
Profit for the period from April 1, to June 30, 2008	-	-	205,309	205,309
Balance at June 30, 2008	185,703	190,000	352,723	728,426
Incremental depreciation arising due to surplus on revaluation of fixed assets - net of deferred tax	-	-	9,150	9,150
Share of associate's transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation- net of deferred tax and disposal	-	-	627	627
Share of associate's unrealised gain on remeasurement of investment	-	-	(229)	(229)
Net income recognized directly in equity	-	-	9,548	9,548
Profit for the period from July 1, to September 30, 2008	-	-	3,868	3,868
Balance at September 30, 2008	185,703	190,000	366,139	741,842
Incremental depreciation arising due to surplus on revaluation of fixed assets - net of deferred tax	-	-	40,987	40,987
Share of associate's transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation- net of deferred tax and disposal	-	-	1,856	1,856
Net income recognized directly in equity	-	-	42,843	42,843
Final cash dividend for the year ended September 30, 2008 at Rs. 3/- per share	-	-	(55,711)	(55,711)
Profit for the period from October 1, to June 30, 2009	-	-	55,219	55,219
Balance at June 30, 2009	185,703	190,000	408,490	784,193

The annexed notes from 1 to 8 form an integral part of these financial statements.


ISMAIL H. ZAKARIA
Chief Executive Officer


SULEMAN AYOOB
Director

**NOTE TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2009**

**1. SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION**

1.1 General information

Al-Noor Sugar Mills Limited (the Company) was incorporated in Pakistan on August 08, 1969 as a public limited company under the Companies Act, 1913 (now the Companies Ordinance, 1984). The company is currently listed on Karachi and Lahore Stock Exchanges. The principal activity of the company is manufacturing and sale of sugar and medium density fiber board. The registered office of the company is situated at 96-A, Sindhi Muslim Society, Karachi in the province of Sindh and the manufacturing facilities are located at Shahpur Jahania, District Nawabshah in the province of Sindh.

The Company is currently organised into two operating divisions and these divisions are the basis on which the company reports its primary segment information.

The operating divisions are as follows:

Sugar Division	Manufacturing of sugar
MDF Board Division	Manufacturing of medium density fiber board

1.2 The financial statements are presented in Pak Rupees, which is the company's functional and presentation currency.

2. BASIS OF PREPARATION

2.1 These condensed interim financial statements have been prepared under historical cost convention modified by:

- revaluation of certain property, plant and equipment; and
- recognition of certain employees retirement benefits at present value.

2.2 These unaudited interim financial statements have been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and in compliance with requirement of Section 245 of the Companies Ordinance, 1984.

2.3 The accounting policies and basis for accounting estimates adopted for the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended September 30, 2008.

These interim financial statements are in condensed form and should be read in conjunction with the annual financial statements of the company for the year ended September 30, 2008

AL-NOOR SUGAR MILLS LTD.

2.4 Due to seasonal availability of sugarcane, the manufacturing of sugar is carried out during the period of sugarcane production and cost incurred / accrued upto the reporting date has been accounted for in these condensed interim financial statements. The cost incurred / accrued after the reporting date will be reported in subsequent interim and annual financial statements.

3. CONTINGENCIES AND COMMITMENTS

3.1 Contingencies

There is no material change in the status of contingencies as disclosed in the published annual audited financial statements for the year ended September 30, 2008.

	Unaudited June 30, 2009	Audited September 30, 2008
Rupees in '000		
3.2 Commitments		
Letters of credit		
Stores	137,438	920
Plant and machinery	14,096	57,425
Trading items	-	107,395
Raw material	9,706	-
Capital work in progress		
Plant and machinery - local	25,308	10,975

4. ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

Cost of additions to and disposals of property, plant and equipment during the current period is given below;

	June 30, 2009		June 30, 2008	
	Acquisition / Additions	Disposal (W.D.V)	Acquisition	Disposal (W.D.V)
----- Rupees '000 -----				
Operating assets				
Owned				
Plant and machinery	245,694		56,586	-
Building on free hold land	7,209		31,640	-
Furniture and fixture	43		3,903	-
Office equipment	3,264		2,810	-
Vehicles	9,630	(3,094)	11,140	(61)
Leased				
Vehicles	-	-	-	(359)
Capital work in progress				
Plant and machinery	77,486		3,175	

AL-NOOR SUGAR MILLS LTD.

5. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

The related parties comprise of associated companies, staff retirement funds, directors and key management personnel.

The transactions with related parties are carried out in the normal course of business.

	June 30, 2009	June 30, 2008
Rupees in '000		
Associates		
Sale of molasses	189,194	154,235
Insurance premium paid	6,965	10,391
Insurance claim received	-	5,829
Rent received	36	36
Key management personnel		
Director's remuneration	7,951	4,861
Directors meeting fee	130	143
Executives remuneration	15,657	6,674
Contribution made to provident fund	2,541	408

6. SEGMENT INFORMATION

The company's operating businesses are organized and managed separately according to the nature of products produced with each segment representing a strategic business unit that offers different products and serves different markets. The sugar segment is the manufacturer of sugar and board segment is a manufacture of Medium Density Fiber (MDF) board. The following tables represents revenue and profit regarding business segment for the period ended June 30, 2009 and June 30, 2008 and certain assets and liabilities information regarding business segments for the year ended and as at June 30, 2009 and September 30, 2008 : -

	Sugar		MDF Board		Consolidated	
	Nine months period ended June 30,		Nine months period ended June 30,		Nine months period ended June 30,	
	2009	2008	2009	2008	2009	2008
------(Rupees in '000)-----						
REVENUE						
External sales	1,642,463	1,084,785	1,240,717	930,739	2,883,180	2,015,524
Total Revenue	<u>1,642,463</u>	<u>1,084,785</u>	<u>1,240,717</u>	<u>930,739</u>	<u>2,883,180</u>	<u>2,015,524</u>
RESULTS						
Profit from operations	<u>168,524</u>	<u>174,758</u>	<u>130,426</u>	<u>195,313</u>	298,950	370,071
Other operating expenses					(4,592)	(11,293)
Finance cost					(233,845)	(145,926)
Share of profit from associated undertaking					<u>4,216</u>	<u>17,831</u>
Profit before tax					64,729	230,683
Provision for taxation					(9,510)	(25,374)
Profit after taxation					<u>55,219</u>	<u>205,309</u>

AL-NOOR SUGAR MILLS LTD.

	Sugar		MDF Board		Consolidated	
	June 2009	September 2008	June 2009	September 2008	June 2009	September 2008
----- (Rupees in '000) -----						
BALANCE SHEET						
Assets						
Segment assets	2,794,549	2,149,446	1,566,378	1,588,529	4,360,927	3,737,975
Investment in associates	91,980	85,690	-	-	91,980	85,690
Consolidated total assets					<u>4,452,907</u>	<u>3,823,665</u>
Liabilities						
Segment liabilities	2,503,641	1,748,335	435,654	561,227	2,939,295	2,309,562
Unallocated liabilities					-	-
Consolidated total liabilities					<u>2,939,295</u>	<u>2,309,562</u>
OTHER INFORMATION						
Capital expenditure	122,880	50,890	28,788	96,350	151,668	147,240
Depreciation	39,714	43,825	87,338	72,187	127,052	116,012

7. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue on 28th July, 2009 by the Board of Directors of the Company.

8. GENERAL

Figures have been rounded off nearest to thousand rupee.


ISMAIL H. ZAKARIA
 Chief Executive Officer


SULEMAN AYOOB
 Director

Assani
WOOD

BOOK POST
PRINTED MATTER



If undelivered please return to :

AL-NOOR SUGAR MILLS LTD.

96-A, SINDHI MUSLIM SOCIETY,
KARACHI-74400.