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COMPANY INFORMATION

BOARD OF DIRECTORS

MR. ISMAIL H. ZAKARIA	Chairman & Managing Director
MR. YUSUF AYOOB	
MR. SULEMAN AYOOB	Resident Director
MR. A. AZIZ AYOOB	Marketing Director
MR. NOOR MOHAMMAD ZAKARIA	
MR. ZIA ZAKARIA	
MR. SALIM AYOOB	
MR. ZOHAIR ZAKARIA	
MR. SHAMIM AHMAD	(N.I.T. Nominee)
MR. MUHAMMAD ASIF	(N.I.T. Nominee)

BOARD AUDIT COMMITTEE

MR. A. AZIZ AYOOB	Chairman
MR. ZIA ZAKARIA	Member
MR. MUHAMMAD ASIF	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

MR. NOOR MOHAMMAD ZAKARIA	Chairman
MR. ISMAIL H. ZAKARIA	Member
MR. ZIA ZAKARIA	Member

CHIEF FINANCIAL OFFICER

MR. ZOHAIR ZAKARIA

COMPANY SECRETARY

MR. MOHAMMAD YASIN MUGHAL
FCMA

AUDITORS

HYDER BHIMJI & CO.
Chartered Accountants

LEGAL ADVISOR

MR. ABDUL SATTAR PINGAR

REGISTERED OFFICE

96-A, SINDHI MUSLIM SOCIETY,
KARACHI-74400
Tel: 34550161-63 Fax: 34556675

FACTORY

SHAHPUR JAHANIA, P.O. NOOR JAHANIA, TALUKA MORO,
DISTRICT SHAHEED BENAZIR BHUTTO ABAD (NAWABSHAH)

REGISTRAR & SHARE REGISTRATION OFFICE

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

WEBSITE

www.alnoorgroup.co

Mission Statement

To gain strength through industry leadership in the manufacturing and marketing of sugar and Lasani Wood and to have a strong presence in these products markets while retaining the options to diversify in other profitable ventures.

To operate ethically while maximizing profits and satisfying customers' needs and stakeholders' interests.

To assist in the socio economic development of Pakistan especially in the rural areas through industrial expansion and development.

Vision Statement

To be a model company producing sugar and allied products of international quality by maintaining a high level of ethical and professional standards.

STATEMENT OF ETHICS & BUSINESS PRACTICES

Al-Noor Sugar Mills Limited is guided by the following principles in its pursuit of excellence in all activities for the attainment of the Company Objectives.

THE COMPANY

- Fulfills all statutory requirements of the Regulatory Authority and follows all applicable laws of the country together with compliance of accepted accounting principles, rules and procedures required.
- Deals with all stakeholders in an objective and transparent manner so as to meet the expectations of those who rely on the Company.
- Meet the expectations of the spectrum of the society and the Regulatory Authority by implementing an effective and fair system of financial reporting and internal controls.
- Uses all means to protect the environment and ensures health and safety of the employees.
- Activities and involvement of directors and employees of the Company in no way conflict with the interest of the Company. All acts and decisions of the management are motivated by the interest of the Company rather than their own.
- Ensures efficient and effective utilization of its resources.

AS DIRECTORS

- Promote and develop attractive environment through responsive policies and guidelines to facilitate viable and timely decisions.
- Maintain organizational effectiveness for the achievement of the Company's goals.
- Support and adherence to compliance of legal and industry requirements.
- Safeguard the interest and assets of the company to meet and honor all obligations of the Company.
- Promote a culture that supports enterprise and innovation with appropriate short-term and long-term performance related rewards that are fair and achievable in motivating management and employees effectively and productively.

AS EXECUTIVE AND MANAGERS

- Ensure cost effectiveness and profitability of operations.
- Provide directions and leadership for the organization and take viable and timely decisions.
- Develop and cultivate work ethics and harmony among colleagues and associates.
- Encourage initiatives and self-realization in employees through meaningful empowerment.
- Promote and develop culture of excellence, conservation and continuous improvement.
- Provide pleasant work atmosphere and ensure an equitable way of working and rewarding system.
- Institute commitment to environmental, health and safety performance.

AS EMPLOYEES AND WORKERS

- Observe Company policies, regulations and codes of Best Business Practices.
- Exercise prudence in effective, efficient and economical utilization of resources of the Company.
- Make concerted struggle for excellence and quality.
- Devote productive time and continued efforts to strength the Company.
- Protect and safeguard the interest of the Company and avoid the conflict of interest. Ensure the primary interest in all respect is that of the Company.
- Maintain financial integrity and must avoid making personal gain at the Company's cost by participating in or assisting activities which compete with the Company.

NOTICE OF MEETING

Notice is hereby given that 43rd Annual General Meeting of AL-NOOR SUGAR MILLS LIMITED will be held at the Registered Office of the Company at 96-A, Sindhi Muslim Society, Karachi on Wednesday, 30th January, 2013 at 10.30 a. m to transact the following Business

ORDINARY BUSINESS

1. To confirm the Minutes of the 42nd Annual General Meeting of the Company held on 30th January, 2012.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended September 30, 2012 together with the Directors' and Auditors' Reports thereon.
3. To approve payment of cash dividend @ 5 % .i.e. Re. 0.50 per ordinary share of Rs.10/= each for the year ended 30th September 2012 as recommended by the Board of Directors.
4. To appoint Auditors and to fix their remuneration for the year ended 30th September 2013.

SPECIAL BUSINESS

5. To consider and approve the issue of bonus shares @ 5% (Five bonus shares for every One hundred shares held) for the year ended September 30, 2012 as recommended by the Board of Directors.
6. To consider and approve increase in Authorized Share Capital of the Company from Rs. 200 million to Rs.500 million and to approve the amendments in the Memorandum and Articles of the Association accordingly.

A statement under section 160(1)(b) of the Companies Ordinance, 1984 pertaining to the Special Business referred to above is annexed to this Notice of Meeting

7. To transact any other business with permission of the Chair.

By Order of the Board

(M. YASIN MUGHAL)
COMPANY SECRETARY

Karachi: December 27, 2012

NOTE:

1. The Register of the Members of the Company will remain closed from 23rd January, 2013 to 3rd February, 2013 (Both days inclusive) for the purpose of holding the Annual General Meeting / Transfer of shares.
2. A member of the Company entitled to attend and vote may appoint any member as his/her proxy to attend and vote on his/her behalf . PROXIES MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. Under directives of SECP, it is mandatory for the Shareholders to provide the copy of Computerized National Identity Card (CNIC), in case of individuals, and National Tax Number (NTN), in case of corporate entity. Therefore all Shareholders are requested to immediately send the required information to the Share Registrars of the Company. In case of non compliance of the said requirement, the Company will not be in a position to issue the dividends to the respective shareholders till compliant.
4. Under directives of SECP, the shareholders are hereby given the opportunity to authorise the Company to directly credit in their bank account with cash dividend if any, declared by the Company in future instead of issuing a dividend warrant, please provide the following information/details:

Details for Bank Mandate	
Title of Bank Account	
Bank Account Number	
Bank's Name	
Branch Name and Address	
Contact address of Shareholder/Transferee	
CNIC Number	

5. CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular I dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

i. In case of individuals, the account holder or sub-account holder and/or person whose securities are in group account and their registration details are uploaded as per the Regulations shall authenticate his identity by showing his Original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

ii. In case of corporate entity, the Board of Directors' resolution /power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For appointing proxies:

i. In case of individuals the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirements.

ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.

iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.

v. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature of the nominee shall be submitted (unless it has been provided earlier) along with proxy form to the company.

6. Shareholders are requested to inform the Company's Share Registrar , M/S. C & K Management Associates (Pvt.) Limited of any change in their addresses immediately.

STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984:
REGARDING THE SPECIAL BUSINESS

The statement sets out the material facts pertaining to the special business to be transacted at the forthcoming Annual General Meeting of the Company to be held on January 30, 2013. The Directors in their meeting held on December 27, 2012 have recommended to the shareholders to pass ordinary resolution in respect of the following item.

INCREASE IN AUTHORIZED SHARE CAPITAL OF THE COMPANY

It is proposed to increase the Authorized Share Capital from 200 million to 500 million to facilitate further issue of capital according to requirements of the Company. For this purpose it is intended to pass with or without modification the following resolutions as Ordinary Resolutions.

a. Resolved that the Authorised share capital of the Company be and hereby increased from Rs. 200,000,000 to Rs.500,000,000 by the creation of 30,000,000 new shares of Rs. 10/- each and the Memorandum and Articles of Association be amended as under.

b. FURTHER RESOLVED THAT the words and figures of Rs. 200,000,000 Rupees (Two hundred Million) divided into 20,000,000 Ordinary Shares Rs.10/- each " appearing in Clause 5 of Memorandum of Association and Clause 4 of Articles of Association of the Company be substituted with words and figures" Rs.500,000,000 (Rupees Five Hundred Million) dividend into 50,000,000 Ordinary Shares Rs.10/- each"

ISSUE OF BONUS SHARES TO THE MEMBERS

The Directors in their meeting held on 27 December, 2012 have recommended issue of bonus shares in proportion of five (5) Ordinary shares for every one hundred (100) ordinary shares held by the members (i.e 5%).

The following Resolution is proposed to be passed as Ordinary Resolution:

a. RESOLVED " that a sum of Rs. 9,285,120/= out of Company's accumulated profit be capitalized for issuing 928,512 fully paid ordinary shares of Rs.10/- each as bonus shares to be allotted to those shareholders of the Company, whose names shall appear in the register of members at the close of business on January 22, 2013 @ 5% in the proportion of Five ordinary shares of Rs.10/- each against One hundred ordinary shares held by a shareholder. The said shares shall rank pari passu with the existing shares of the Company as regards future dividend and in all other respects."

b. FURTHER RESOLVED THAT fractional entitlement of the members shall be consolidated into whole shares and sold in the market. The sale proceeds thereof will be donated as authorised by the Board.

c. Further Resolved that the Chief Executive /Company Secretary of the Company be and is hereby authorized to do all acts to effect the Special Resolution and authorize them to comply with all the necessary requirements of the law in this behalf.

The Directors of the Company are interested in the above business only to the extent of their shareholding in the Company.

DIRECTORS' REPORT TO THE MEMBERS

IN THE NAME OF ALLAH THE MOST GRACIOUS AND MOST MERCIFUL

Dear Members

Assalam-o-Alaikum:

I feel it my pleasure on behalf of Board of Directors to place before you the audited financial statements of your company, the significant achievements as reflected therein together with Auditors' and Directors' Reports thereon, for the period ended September 30, 2012. The Company has made a loss after tax amounting to Rs.43.099 million as against a profit Rs 104.465 million earned last year.

Salient comparative production and financial data are provided as under:

PRODUCTION DATA	**2011-12**	**2010-11**
Crushing season started on	16-12-2011	29-10-2010
Season ended on	02-04-2012	19-03-2011
Duration of crushing (days)	108	142
Sugarcane crushed (Metric Tons)	885,101	888,736
Sugar produced (Metric Tons)	88,058	71,655
Sugar recovery rate - percentage	9.95	8.05
Molasses produced (Metric Tons)	40,630	43,070
MDF Board produced (Cubic Meter)	49,886	51,232
No. of days MDF Board Plant operated	325	294

FINANCIAL DATA	**(Rupees in thousand)**	
Sales Revenue	6,129,081	5,983,046
Cost of sales	5,450,157	5,245,840
Administrative expenses	335,360	283,795
Financial Cost	421,244	412,252
(Loss)/Profit before taxation	(83,513)	59,875
Provision for taxation	40,414	44,590
(Loss)/Profit after tax	(43,099)	104,465
(Loss)/Earnings per share	(Rs.2.32)	Rs.5.63

PERFORMANCE REVIEW:

SUGAR DIVISION:

For the period under consideration cane crushed was lesser than the last season, but the production of sugar increased considerably due to higher recovery rate at 9.95 percent. Your mills crushed 885,101 metric tons of sugarcane as against 888,736 metric tons crushed in the last year's crushing season indicating a decrease of 0.41 percent while the sugar produced was 88,058 metric tons as against 71,655 metric tons produced last year showing an increase of 22.89 percent. The increase in production was due to improvement in the recovery rate. Despite this healthy trend in the recovery percentage, the depressed price of sugar, and huge surplus in the market resulted in the loss during the current year. Excess sugar available in the system was also supplemented by regular releases in the market by Trading Corporation of Pakistan resulting in lesser demand directly from the mills.

The Government of Sindh every year increases the minimum support price of sugarcane. For the crushing season 2011-12 the minimum sugarcane support price was fixed at Rs.154 as against Rs.127 per 40 kg of sugarcane depicting an increase of 21.26 percent. While increasing the cost of raw material for the sugar mills the Government has given due consideration to the wellbeing of the growers, but this has increased the cost of production for the producers in the country. The price of the finished product is left opened to the market forces over which the producers have no control while the raw material cost remains highly regulated.

During the period under consideration the overall production of sugar was well in excess of the requirements of the country including the carry over stock with the mills and maintained by the Trading Corporation of Pakistan. Keeping in view the excess availability of the product, the Government of Pakistan also allowed export of sugar and your company exported 7,425 metric tons of sugar and earned valuable foreign exchange for the country. Primarily due to excess production of sugar internationally and domestically the price of the product has remained under pressure and has resulted in a significant deterioration in the performance of the Sugar Division.

MEDIUM DENSITY FIBRE (MDF) BOARD DIVISION:

During the period under review, the plant produced 49,886 Cubic Meter of Lasani wood in various sizes as against 51,232 Cubic Meter produced during the previous year. The MDF Division has struggled over the last year due to heavy power outages which has affected quality of the board produced and efficiency losses in the production as well.

The final product during the year included laminated sheets in various sizes and colors produced during the year thereby increasing component of value added board in the product line. Some of the product was also exported to Afghanistan although geographical uncertainty and unrest affected transport route and reduced export sales.

POWER GENERATION DIVISION:

As pointed out in the last year's Annual Report, the availability of power from WAPDA was uncertain due to frequent load shedding and accordingly the management decided to acquire its own power generators to overcome the situation which are operated during the crushing season with bagasse utilized as fuel. One additional boiler and turbine have been installed and on achieving reasonable capacity of power generation the surplus power was also supplied to WAPDA during the crushing season. During the season, the company generated 12,160 megawatt in excess of its requirements which was sold to WAPDA at a value of Rupees 110.942 million.

CAPITAL EXPENDITURE:

In the Sugar Industry, upgrading the plant and machinery is a continuous process. During the year under consideration the Company incurred an expenditure of Rs.70.084 million on addition and BMR in order to maintain the efficiency of the plant.

STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CORPORATE GOVERNANCE:

1. The Financial Statements prepared by the management of the Company present fairly its state of affairs, the results of its operation, cash flows and changes in equity.

2. The Company has maintained proper books of accounts as required by the law.

3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed and explained.

5. The system of internal control is sound in design and has been effectively implemented and monitored.

6. There are no significant doubts upon the Company's ability to continue as going concern.

7. There has been no material departure from the best practices of the Code of Corporate Governance as detailed in the listing regulations of the Stock Exchanges.

8. There have been no outstanding statutory payments; however, there are some disputed cases which are appearing in the relevant notes to the financial statements.

9. The pattern of share holding in the Company as on September 30, 2012 is also included in the Annual Report.

10. The Directors, Chief Executive, Chief Financial Officer, Company Secretary, their spouses or minor children carried out no trade in the shares of the company except as otherwise indicated.

11. Value of investment and balance in deposit accounts of Provident Fund as at 30th June, 2012 amounted to Rs.57.878 million.

The key operating and financial data of the last ten years and pattern of shareholding have been included in the Annual Report. There has been no significant change in the holding of directors or their spouses except as otherwise indicated.

CHANGES IN THE COMPOSITION OF BOARD OF DIRECTORS:

The present Board of Directors was elected by the members in the Extra Ordinary General Meeting held on March 25, 2011 and since then there has been no change in the composition thereof.

During the period under review four Board meetings were held and attendance by each Director was as follow:

	NAME OF DIRECTORS	ATTENDED	STATUS
01.	Mr. Ismail H Zakaria	3	Executive
02.	Mr. Yusuf Ayoob	4	Non-executive
03.	Mr. Suleman Ayoob	4	Executive
04.	Mr. Aziz Ayoob	3	Executive
05.	Mr. Noor Mohammad Zakaria	4	Non-executive
06.	Mr. Zia Zakaria	3	Non-executive
07.	Mr. Salim Ayoob	3	Executive
08.	Mr. Zohair Zakaria	3	Executive
09.	Mr. Shamim Ahmad - NIT Nominee	3	Non-executive
10.	Mr. Muhammad Asif - NIT Nominee	4	Non- executive

The details of the remuneration of executives and non-executive directors have also been provided in the relevant note to the accounts as required under the Code of Corporate Governance.

HUMAN RESOURCE AND REMUNERATION COMMITTEE:

The Board in accordance with the Code of Corporate Governance has constituted Human Resource and Remuneration Committee comprising of the following directors.

01.	Mr. Noor Mohammad Zakaria	Chairman	Non-executive
02.	Mr. Ismail H Zakaria	Member	Executive
03.	Mr. Zia Zakaria	Member	Non-executive

As the Committee was constituted close to the accounting year end the Committee has yet to hold its meeting.

AUDIT COMMITTEE:

The Board has also set up an Audit Committee comprising of the following directors. During the period four meetings of Audit committee were held and attendance by each member is also indicated against each.

	NAMES OF DIRECTORS	ATTENDED	STATUS
01.	Mr. A. Aziz Ayoob (Chairman)	3	Executive
02.	Mr. Zia Zakaria	3	Non-executive
03.	Mr. Muhammad Asif	4	Non-executive

Term of Reference of the Audit Committee has also been determined by the Board in accordance with the guide lines provided in the Listing Regulations of the Stock Exchanges.

FUTURE OUTLOOK:

SUGAR DIVISION:

Keeping in view the past practice the Government of Sindh has increased the support price of sugarcane to Rs.172/= per 40 kg of the same vide Notification No.8(142)/S.O(Ext)/2012 dated November 1, 2012 for the crushing season 2012-13. This represents an increase of 12 percent over the preceding year. While the government exercises control over the price of the sugarcane to protect the growers, it is imperative to exercise similar control over the selling price of sugar. It is a well known fact that the price of sugar has been depressed in the international market due to excess production of the same and the recent increase in the raw material cost would further enhance the production cost of sugar. The area under plantation has remained the same, and it is expected the production of sugar by your mills would be similar to that of last year.

The countrywide sugar production in the year ahead once again seems to be a significant surplus. The prospects of export may enable an outlet for this excess sugar and help to ease the over-supply scenario However; this will depend largely on the international market prices. Export sales not only allow a better price realization but with regular lifting of sugar also help to reduce the financial charges.

The price of refined sugar in the international market remained erratic with higher production during 2011-12, however, it is expected to be more stable in the upcoming year particularly in the South East Asian region. The Economic Co-ordination Committee of Government of Pakistan has allowed a limited export of sugar and the Trading Corporation of Pakistan has also purchased sugar from the local mills in order to build up and maintain a strategic buffer stock of the product which can come in good use during the years of shortage. These are good steps to bring stability to sugar prices, and might have a trickle down effect in providing stability to sugarcane prices as well. The price of sugar will remain the key factor in returning the bottom line to profit.

MDF BOARD DIVISION:

The year ahead is challenging and exciting. The management continue to explore self sufficiency in power that would cater the requirements of MDF Division. Additionally significant measures are being taken to encourage farmers to maximize the plantation which would provide the much needed raw material for the division in abundance. Additionally this would also reduce dependence on imported board which is value added for export and will enable the plant to work towards higher capacity utilization on local raw material. Efforts are also underway to upgrade the aging plant to ensure a stable and acceptable quality standard.

During the first quarter of the current year (up to December 19, 2012) the plant has operated satisfactorily and produced 12,372 cubic meters of Board in various thicknesses which also included laminated sheets and it is expected that the production of the Division would increase during the remaining period of the year.

CREDIT RATING OF THE COMPANY:

JCR-VIS Credit Rating Company Limited has assigned initial medium to long term entity rating of "A-/A-2" (Single "A" Minus A-Two) to the Company. Outlook on the outstanding rating is "Stable"

CORPORATE & SOCIAL RESPONSIBILITY:

The company continues to operate a school in the factory area and provides education not only to the children of employees but also to the children residing in the surrounding areas of the Mills.

DIVIDEND:

Directors are pleased to recommend the payment of cash dividend at 5 percent i.e. Re.0.50 per share of Rs. 10/= each in addition to Bonus Shares @ 5% i.e. 5 shares for every 100 shares held (2011 - 30% cash dividend i.e. Rs. 3.00 per share of Rs. 10/= each).

AUDITORS:

M/s Hyder Bhimji & Company, Chartered Accountants have completed the audit of Financial Statements for the year ended September 30, 2012 and being eligible offered their services for reappointment for the financial year 2012-13. Audit Committee has also recommended their appointment for the year 2012-13 and Board of Directors of the company endorsed the recommendations of the Audit Committee for re-appointment of M/s Hyder Bhimji & Company till the conclusion of the next Annual General Meeting of the members.

STAFF RELATIONS:

Finally the Directors of your Company record their appreciations for the perseverance, commitment to meeting the objectives and targets and the team work put in by the Management and employees, in the current demanding environment and are confident that they will continue to demonstrate the same zeal and vigor in future.

By order of the Board

ISMAIL H. ZAKARIA
CHAIRMAN

Karachi: December 27, 2012

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30TH SEPTEMBER 2012

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in the Regulation No 35, chapter XI of listing regulations of the Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

The company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors on the Board of Directors. At present the Board consists of ten directors including five non-executive directors. The condition of independent non-executive directors and directors representing minority shareholders are applicable from the date of next election which is due on 25 March, 2014. At present the Board includes:

Category		Names
Independent Directors		Nil
Executive Directors	i)	Mr. Ismail H. Zakaria
	ii)	Mr. Suleman Ayoob
	iii)	Mr. A. Aziz Ayoob
	iv)	Mr. Salim Ayoob
	v)	Mr. Zohair Zakaria
Non-Executive Directors	i)	Mr. Yusuf Ayoob
	ii)	Mr. Noor Mohammad Zakaria
	iii)	Mr. Zia Zakaria
	iv)	Mr. Shamim Ahmad
	v)	Mr. Muhammad Asif

2. All the directors have confirmed that none of them is serving as director in more than seven listed companies, including the Company.

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an/NBFI or, being a member of stock exchange, has been declared as a defaulter by that stock exchange.

4. There was no change in the composition of Board of Directors during the year and no casual vacancy occurred during the period.

5. The Company has prepared a "Code of conduct" and has ensured that appropriate steps have been taken to communicate the code of conduct throughout the company along with its supporting policies and procedures.

6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executives and non-executive directors, have been taken by the Board/shareholders.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the meetings, along with the agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. Since all the directors posses 14 years of education and 15 years of experience on the board are exempt from the directors' training program as per CCG. However one of the directors has acquired the required certification from the Institute of Corporate Governance.

10. No new appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit was made during the year. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment, as determined by CEO.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the CCG.

15. The Board has formed an Audit Committee. It comprises of three members, of whom two are non-executive directors and the chairman of the committee is an executive director.

16. The meetings of the Audit Committee were held at least once every quarter prior to the approval of interim and final results of the Company as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.

17. The Board has formed a Human Resource and Remuneration Committee. It comprises of three members, of whom two are non-executive and none is independent and the chairman of committee the meeting is a non-executive director of the Company.

18. The Board has set up an effective internal audit function in the Company.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regards.

21. The 'closed period' prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of the Company's share, was determined and intimated to directors, employees and stock exchanges.

22. Material / price sensitive information has been disseminated amongst all the market participants at once through the stock exchanges.

23. We confirm that all other material principles contained in the CCG have been complied with.

ISMAIL H. ZAKARIA
MANAGING DIRECTOR

Karachi: December 27, 2012

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance, for the year ended September 30, 2012, prepared by the Board of Directors of **M/S. Al-Noor Sugar Mills Limited** to comply with the listing Regulations No. 35 of the Karachi & Lahore Stock Exchanges, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, where the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further Regulation requires the company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required to check the approval of the related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review nothing has come to our attention which causes us to believe that the statement of Compliance does not appropriately reflect the company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended September 30, 2012.

Hyder Bhimji & Co

HYDER BHIMJI & CO.
Chartered Accountants
Engagement Partner:
Shaikh Mohammad Tanvir

Karachi: December 27, 2012

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of **AL NOOR SUGAR MILLS LIMITED** as at September 30, 2012 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on test basis evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

   i. the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with the accounting policies consistently applied;

   ii. the expenditure incurred during the year was for the purpose of the company's business; and

   iii. the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company.

c. in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required, and respectively give a true and fair view of the state of the company's affairs as at September 30, 2012 and of the loss, total comprehensive income, its cash flows and changes in equity for the year then ended; and

d) in our opinion, zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the company and deposited in the central zakat fund established under section 7 of that Ordinance.

Hyder Bhimji & Co.

HYDER BHIMJI & CO.
Chartered Accountants
Engagement Partner:
Shaikh Mohammad Tanvir

Karachi: December 27, 2012

BALANCE SHEET
AS AT SEPTEMBER 30, 2012

	Note	2012	2011
		Rupees in '000	Restated
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	6	2,674,032	2,830,921
Intangible asset	7	3,274	4,860
Long term investments	8	179,964	154,020
Long term deposits	9	42,835	42,375
Long term loans	10	4,230	5,032
		2,904,335	3,037,208
CURRENT ASSETS			
Stores, spares and loose tools	11	235,479	267,992
Stock in trade	12	2,519,458	2,422,829
Trade debts	13	153,506	7,843
Loans and advances	14	58,701	78,355
Trade deposit and short term prepayments	15	2,767	7,772
Other receivables	16	8,528	22,302
Income tax refundable-Payment less provision		32,270	-
Cash and bank balances	17	63,341	43,316
		3,074,050	2,850,409
		5,978,385	5,887,617
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital 20,000,000 (2011 : 20,000,000) ordinary shares of Rs.10 each		200,000	200,000
Issued, subscribed and paid-up capital	18	185,703	185,703
Share of associate's Unrealised Gain/(loss) on remeasurement of investments		4,710	(1,137)
Unappropriated profit		933,831	988,736
		1,124,244	1,173,302
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	19	616,585	660,487
NON-CURRENT LIABILITIES			
Long term financing	20	591,250	299,166
Liabilities against assets subject to finance lease	21	124,374	158,283
Deferred liabilities	22	374,560	453,761
Long term deposits		355	334
		1,090,539	911,544
CURRENT LIABILITIES			
Trade and other payables	23	1,466,955	970,668
Accrued markup/Finance cost	24	64,422	85,568
Short term borrowings	25	1,394,401	1,839,204
Current portion of Long term financing and Liabilities against Leases	26	221,239	220,378
Provision for tax less payments		-	26,466
		3,147,017	3,142,284
CONTINGENCIES AND COMMITMENTS	27	-	-
		5,978,385	5,887,617

The annexed notes from 1 to 45 form an integral part of these financial statements.

ISMAIL H. ZAKARIA
Chief Executive Officer

SULEMAN AYOOB
Director

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Note	2012	2011
		Rupees in '000	
Sales	28	**6,129,081**	5,983,046
Cost of sales	29	**(5,450,157)**	(5,245,840)
Gross profit		**678,924**	737,206
Profit from trading activities	30	**3,318**	2,625
		682,242	739,831
Less:			
Distribution cost	31	**(44,268)**	(16,882)
Administrative expenses	32	**(335,360)**	(283,795)
Other operating charges	33	**(1,000)**	(5,258)
		(380,628)	(305,935)
Other operating income	34	**12,720**	23,937
		314,334	457,833
Finance cost	35	**(421,244)**	(412,252)
		(106,910)	45,581
Share of profit in associates	8	**23,397**	14,294
(Loss)/Profit before taxation		**(83,513)**	59,875
Taxation	36	**40,414**	44,590
(Loss)/Profit after taxation		**(43,099)**	104,465
(Loss)/Earnings per share - Basic and Diluted (Rupees)	37	**(2.32)**	5.63

The annexed notes from 1 to 45 form an integral part of these financial statements.

ISMAIL H. ZAKARIA
Chief Executive Officer

SULEMAN AYOOB
Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Note	2012	2011
		Rupees in '000	
			Restated
(Loss)/Profit for the year after taxation		**(43,099)**	104,465
Other Comprehensive Income			
Share of associate's unrealized income/(Loss) on remeasurement of investment.	8	**5,847**	(1,143)
Total Comprehensive (Loss)/Income for the year		**(37,252)**	103,322

The annexed notes from 1 to 45 form an integral part of these financial statements.

ISMAIL H. ZAKARIA
Chief Executive Officer

SULEMAN AYOOB
Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Note	2012	2011
		Rupees in '000	
A. CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / Profit before taxation		**(83,513)**	59,875
Adjustments for:			
Depreciation of property, plant and equipment		**224,045**	215,351
Amortization of intangible assets		**1,611**	1,988
Gain on disposal of property, plant and equipment		**(4,061)**	(3,921)
Finance cost		**421,244**	412,252
Share of profit in associates		**(23,397)**	(14,294)
		619,442	611,376
Operating cash flows before movement in working capital		**535,929**	671,251
(Increase) / decrease in current assets			
Stores, spares and loose tools		**32,513**	(49,335)
Stock in trade		**(96,629)**	(1,457,708)
Trade debts		**(145,663)**	(7,843)
Loans and advances		**19,654**	(31,405)
Trade deposits and short term prepayments		**5,005**	392
Other receivables		**13,774**	(12,198)
		(171,346)	(1,558,097)
Increase / (decrease) in current liabilities			
Short term borrowings		**(444,803)**	1,289,721
Trade and other payables		**501,333**	342,215
		56,530	1,631,936
Cash generated from operations		**421,113**	745,090
Income tax paid		**(97,523)**	(61,608)
Gratuity paid		**(5,069)**	(18,279)
Long term deposits		**(439)**	(38,442)
Long term loans		**802**	(556)
Finance cost paid		**(442,390)**	(368,161)
		(544,619)	(487,046)
Net cash flows from operating activities		**(123,506)**	258,044
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(70,084)**	(375,693)
Proceeds from disposal of property, plant and equipment		**6,990**	8,254
Dividend received		**3,300**	3,300
Net cash flows used in investing activities		**(59,794)**	(364,139)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finance obtained		**480,000**	100,000
Obligation under finance lease		**-**	175,000
Repayment of long term financing		**(193,334)**	(157,500)
Repayment of principal portion of finance leases		**(27,630)**	(15,667)
Dividend paid		**(55,711)**	(92,851)
Net cash flows from/ (used in) financing activities		**203,325**	8,982
Net increase in cash and cash equivalents (A+B+C)		**20,025**	(97,113)
Cash and cash equivalents at the beginning of the year		**43,316**	140,429
Cash and cash equivalents at the end of the year		**63,341**	43,316

The annexed notes from 1 to 45 form an integral part of these financial statements.

ISMAIL H. ZAKARIA
Chief Executive Officer

SULEMAN AYOOB
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Issued, Subscribed & paid up capital	Unappropriated Profit	Share of associate's unrealized (loss)/ Gain on remeasurement of investment	Total
	.... Rupees in '000			....
Balance as at October 1, 2010	185,703	928,903	6	1,114,551
During the year ended Septemeber 30, 2011				
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation-net of deferred tax	-	44,887	-	44,887
Share of associate's revaluation surplus	-	3,393	-	3,393
Total comprehensive income for the year ended September 30, 2011		104,465	(1,143)	103,322
Transcation with owners				
Final dividend for the year ended September 30, 2010 @ Rs. 5 per share	-	(92,851)	-	(92,851)
Balance as at September 30, 2011	185,703	988,736	(1,137)	1,173,302
During the year ended Septemeber 30, 2012				
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation-net of deferred tax	-	40,702	-	40,702
Share of associate's revaluation surplus	-	3,203	-	3,203
Total comprehensive income for the year ended September 30, 2012	-	(43,099)	5,847	(37,252)
Transcation with owners				
Final dividend for the year ended September 30, 2011 @ Rs. 3 per share	-	(55,711)	-	(55,711)
Balance as at September 30, 2012	**185,703**	**933,831**	**4,710**	**1,124,244**

The annexed notes from 1 to 45 form an integral part of these financial statements.

ISMAIL H. ZAKARIA
Chief Executive Officer

SULEMAN AYOOB
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

1. THE COMPANY AND ITS OPERATIONS

1.1 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 Companies Ordinance, 1984). The Company is listed on Karachi and Lahore Stock Exchanges. The principal activities of the Company is manufacturing sugar, medium density fiber (MDF) board, power generation and its sale. 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.

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

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984 in case requirements differ, the provisions of the Companies Ordinance, 1984 shall prevail.

3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods as appropriate.

In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

a) Property, plant and equipment

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of asset is made for possible impairment on an annual basis. In making these estimates, the Company uses technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effects on the depreciation and impairment.

b) Stock-in-trade

The Company reviews the net realizable value of stock in trade to assess any diminution in the respective carrying values. Net realizable value is estimated with reference to the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

c) Taxation

In making the estimate for income tax payable by the Company, the Company takes into account the applicable tax laws and decision by appellate authorities on certain issues in past. Due weightage is given to past history while determining the ratio of future export sales for the purposes of calcualting deferred taxation.

Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

d) Impairment

The Company reviews carrying amount of assets annually to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated and impairment losses are recognized in the profit and loss account.

e) Stores and spares with respect to provision for obsolescence and slow moving items

The estimates of slow moving and obsolete stores, spare parts and loose tools, are made, using and appropriately judging the relevant inputs and applying the parameters, as the management considers appropriate, which, on actual occurrence of the subsequent event, may fluctuate. The effects of variation is given as and when it takes place.

f) Trade debts

The Company reviews its doubtful trade debts at each reporting date to access whether provision should be recorded in the profit and loss account. In particular, judegement by management is required in the estimation of the amount and timing of future cash flow when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provision.

4 STANDARDS, AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARD AND INTERPRETATIONS

4.1 New and amended standards and interpretations became effective

During the year, the following amendments, interpretations and improvements to the accounting standards became effective, but these are either irrelevant or do not have any significant effect on the company's operations and financial statements except for additional disclosures, incorporated in these financial statements if relevant:

IFRS 7 Financial Instruments: Disclosures - Amendments enhancing disclosures about transfer of financial assets.

This amendment aims to promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitization of financial assets.

IAS 24 Related Party Disclosures (Revised)

The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Company complies with the requirements of revised IAS.

IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendment)

The limit on a defined benefit asset, minimum funding requirements and their interaction. Without the amendments, entities are not permitted to recognize as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct this.

4.2 Accounting and Financial Reporting Standards and Interpretations and Amendments to published approved accounting standards issued but not yet effective for the current financial year

The following revised standards, amendments and interpretations with respect to approved accounting standards as applicable in Pakistan and would be effective from the dates mentioned below against the respective standards or interpretations:

Standard, interpretation or amendment		Effective dates (accounting period beginning on or after)
IAS-12	**Income Tax (Amendment)- Deferred Taxes: Recovery of underlying Assets** The amendment provides an exception to the measurement principle in respect of investment property measured using the fair value model in accordance with IAS 40 Investment Property	**January 1, 2012**
IAS-1	**Presentation of Financial Statement- Amendments to Presentation of items of comprehensive income** The main change resulting from these amendment is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).	**July 1, 2012**

IFRS-7	**Financial Instruments: Disclosures- Disclosures about offsetting of financial assets and liabilities** The amendments to IFRS 7 contain new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting agreement or similar arrangement.	**January 1, 2013**
IAS-19	**Employee Benefits- Amended** The amended IAS-19 require the actuarial gains and losses to be recognized immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognized all changes in the defined benefit obligation and in plan assets in profit or loss, which currently allows under IAS 19; and that the expected return on plan assets recognized in profit or loss is calculated based on the rate use to discount the defined benefit obligation.	**January 1, 2013**
IFRIC -20	**Stripping Costs in the Production Phase of a Surface Mine** The costs of stripping activity to be accounted for in accordance with the principles of IAS 2 Inventories to the extent that the benefit from the stripping activity is realized in the form of inventory produced.	**January 1, 2013**
IAS-32	**Financial Instruments - Presentation- Offsetting Financial Assets and Financial Liabilities - (Amendments)** This amendment clarifies some of requirements for offsetting financial assets and financial liabilities on the balance sheet.	**January 1, 2014**

The Company expects that the adoption of the above revisions, amendments and interpretations of the standards will not have material affect on the Company's financial statements in the period of the initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan for the purpose of applicability in Pakistan.

Standard or Interpretation		**IASB Effective dates (annual period beginning on or after)**
IFRS-9	**Financial Instruments** This standard is the first step in the process to replace IAS 39, Financial instruments: recognition and measurement. IFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the Company's accounting for its financial assets.	**January 1, 2015**
IFRS-10	**Consolidated Financial Statements** This standard outlines the requirements for the preparation and presentation of consolidated financial statements, requiring entities to consolidate entities it controls. Control requires exposure or rights to variable returns and the ability to affect those returns through power over an investee.	**January 1, 2013**
IFRS-11	**Joint Arrangements** This standard outlines the accounting by entities that jointly control an arrangement. Joint control involves the contractual agreed sharing of control and arrangements subject to joint control are classified as either a joint venture (representing a share of net assets and equity accounted) or a joint operation (representing rights to assets and obligations for liabilities, accounted for accordingly).	**January 1, 2013**
IFRS-12	**Disclosure of Interest in Other Entities** This standard includes the disclosure requirement for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.	**January 1, 2013**

IFRS-13 Fair Value Measurement **January 1, 2013**

This standard applies to IFRSs that require or permit fair value measurements or disclosures and provide a single IFRS frame work for measuring fair value and requires disclosures about fair value measurement. the standard defines fair value on the basis of an 'exit price' notion and uses 'a fair value hierarchy', which results in market-based, rather than entity-specific measurement.

5 SIGNIFICANT ACCOUNTING POLICIES

The Principal accounting policies adopted are set out below:

5.01 Accounting convention

These financial statements have been prepared under the "historical cost convention", except that certain property, plant and equipment have been included at revalued amount and long term investments in associates equity method.

5.02 Finance leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease.

Assets held under finance leases are recognised as items of property, plant and equipment of the company at their fair value at the inception of lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as "liabilities against assets subject to finance lease". Lease payments are apportioned between finance charges and reduction of the liabilities against assets subject to finance lease so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit & loss account unless they are directly attributable to qualifying assets in which case they are capitalised in accordance with the company's general policy on borrowing cost.

5.03 Staff Post Retirement Benefits

Defined Contribution Plan

The Company operates an approved funded contributory provident fund scheme for all its employees of sugar division eligible for benefit. Equal monthly contributions are made by the company and employees at the rate of 10% of basic salary plus cost of living allowance. The company's contribution to the fund is charged to profit and loss account for the year.

Company has also launched Provident Fund Scheme (defined contribution plan) w.e.f 1st October 2008 for workers and w.e.f. 1st October 2009 for Officers of MDFB division as well in place of unfunded gratuity which was ceased with effect from the date of applicability of contributory provident fund.

5.04 Compensated Unavailed leaves

The Company accounts for its liability towards unavailed leaves accumulated by employees on accrual basis.

5.05 Trade and other payables

Liabilities for trade and other amounts payable are carries at cost which is the fair value of the consideration to be paid in future for goods and services.

5.06 Provisions

A provision is recognized when the Company has a legal or constructive obligation as a result of a past event, if it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

5.07 Property, plant and equipment

Owned

Property, plant and equipment except power plant, furniture, fixture & fittings, office equipments and vehicles are stated at revalued amounts less accumulated depreciation and impairment, if any. Power plant, furniture fixture & fittings, office equipment and vehicles are stated at cost less accumulated depreciation and impairment, if any.

Depreciation on addition including assets after revaluations is charged from the quarter in which the assets are put to use while no Depreciation is charged in the quarter in which the assets are disposed off. Depreciation is charged to income applying the reducing balance method at the rates specified in assets note no. 6.1 .

Maintenance and normal repairs are charged to income as and when incurred, major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

In accordance with the Section 235 of the Companies Ordinance, 1984 an amount equal to the incremental depreciation charged on assets after revaluation has been transferred from the surplus on revaluation of fixed assets to unappropriated profit through Statement of changes in equity. Consequently incremental depreciation charged for the period on revalued assets is transferred from surplus on revaluation of fixed assets to unappropriated profit as the case may be during the current year as referred to in note no. 6.1 of these financial statements.

Gain or loss on disposal of property, plant and equipment is taken to profit and loss account.

The carrying value of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If such indications exist and where the carrying values exceed the estimated recoverable amounts, the assets are written down to the recoverable amount.

Assets subject to finance lease

Assets held under finance lease are initially recognized as items of property, plant & equipment of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments.)

These are subsequently stated at recorded amount less accumulated depreciation and impairment loss, if any. These assets are depreciated over their expected useful life at the rates specified in the note no 6.1 on the same basis as owned assets.

(b) Intangible assets

Intangible asets acquired by the compnay are stated at cost less accumulated amorizartion and impairment losses, if any.

Amortization

Amortization is charged to the profit and loss account on astraight line basis over the estimated useful lives of intangible assets unless such lives are indefinite. All intangible assets with an indefinite useful life are systematically tested for impairment at each balance sheet date. Amortization on additions to intangible assets is charged from the month in whcih an item is acquired or capitalized while no amortization is charged for the month which the item is disposed off.

5.08 Investment in associates

The Investment in associates is accounted for under equity method. Under this method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss of the investee after the date of acquisition which is recognized in the profit and loss account. Dividend received, if any, reduces the carrying amount of investment. Changes in associate's equity including those arising from the revaluation of property, plant and equipment are recognized directly in the Company's equity in proportion of the equity held. Dividend from investments is recognised when the right to receive payment is established.

Investment is de-recognized when the Company has transferred substantially all risks and rewards of ownership and rights to receive cash flows from the investment has expired or has been transferred.

5.09 Stores, spares and loose tools

These are valued at lower of cost and net realizable value. Net realizable value signifies the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Sugar Division

The cost is determined on first-in-first out (FIFO) basis less allowance for obsolete and slow moving items. Items in transit are valued at invoice values plus other charges incurred thereon upto balance sheet date.

MDF Board Division

The cost is determined on moving average cost less allowance for obsolete and slow moving items. Items in transit are valued at cost accumulated upto the date of the balance sheet.

5.10 Stock-in-Trade

Stock-in-trade except "by products" are valued at the lower of cost and net realizable value. By products are valued at net realizable value.

Cost for raw material is determined using weighted average cost basis except for those in transit which are stated at invoice price plus other charges paid thereon upto the balance sheet date.

Finished goods and work-in-process consist of cost of direct materials, labour and a proportion of manufacturing overheads based on normal capacity. Cost of MDF Board stock is determined on average basis while weighted average cost is used for finished goods of sugar stock.

Cost of trading stock is determined using weighted average cost basis except for those in transit which are stated at invoice price plus other charges paid thereon upto the balance sheet date.

Net realizable value signifies the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

5.11 Trade debts and other receivables

Trade debts originated by the company are recognised and carried at original invoice amount. A provision for doubtful debt is established when there is objective evidence that the Company will not be able to collect amount due according to the original terms of the debts. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in making payments are considered indicators that the trade debt is doubtful and the provision recognized in the profit and loss account. When a trade debt is uncollectable, it is written off.

5.12 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash and bank balances .

5.13 Impairment of Assets

All Company's assets are reviewed at each financial year end to determine whether there is objective evidence of impairment. If any such indication exists, the assets recoverable amount is estimated and carrying amounts are adjusted accordingly. Impairment losses are recognized in the profit and loss account.

5.14 Financial Instruments

All the financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company loses control of the contractual right that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognition of the financial assets and financial liabilities are taken to profit and loss account.

5.15 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and government levies. The following recognition criteria must be adopted before revenue is recognized.

* Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer usually on dispatch of the goods to customers.

* Return on bank deposits is recognized on a time proportion basis on the principal amount outstanding and the rate applicable.

* Mark-up on grower loan is accounted for in line with the recovery of the respective loan due to exigencies involved in such matters. Recognition of markup on loans considered doubtful is deferred.

5.16 Borrowings and their costs

Borrowings are recorded at the proceeds received.

Borrowing costs incurred on finances obtained for the construction/installation of qualifying assets are capitalized up to date the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to the profit and loss account currently.

5.17 Taxation

(a) Current

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any, or minimum tax under section 113 of the Income Tax Ordinance, 2001 whichever is higher. The Company falls under the final tax regime under section 154 and 169 of the Income Tax Ordinance, 2001 to the extent of direct export sales.

(b) Deferred

Deferred tax is recognized using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying values for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the deductible temporary differences will reverse in the future and sufficient taxable income will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be utilized.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirement of Accounting Technical Release - 27 of the Institute of Chartered Accountants of Pakistan (ICAP), if considered material.

(c) Sales tax

Revenues, expenses and assets are recognized net off amount of sales tax except:

i) Where sales tax incurred on a purchase of asset or service is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

ii) Receivables or payables that are stated with the amount of sales tax included.

iii) The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

5.18 Foreign currency transactions and translation:

Transactions in foreign currencies are initially recorded at the exchange rate prevailing on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are subsequently translated into rupees at the exchange rates prevailing on the balance sheet date.Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. Exchange differences on foreign currency translations are included in profit and loss account.

5.19 Segment Reporting

The Company has following reportable segments on the basis of product characteristics and the criteria defined by the "IFRS 8 Segment Reporting".

Sugar Division - Manufacturing and sale of Refined Sugar

MDF Board - Manufacturing of Medium Density Fiber Board

Operating segments are reported in a manner consistent with the internal reporting structure. Management monitors the operating results of its business units separately for the purpose of making decisions regarding resource allocation and performance assessment.

Power generation segment does not meet the criteria of segment reporting since it is below the threshold specified therein and the same is included in sugar division

Segment results, assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis. Segment assets, consist primarily of property, plant and equipment, intangibles, stores and spares, stock in trade and other debts. Segment liabilities comprise of operating liabilities and exclude items that are common to all operating segments.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

5.20 Dividend and other appropriations

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

		2012	2011
		(Rupees in '000)	
6 PROPERTY, PLANT AND EQUIPMENT			
Operating assets	6.1	**2,651,554**	2,812,585
Capital work in progress	6.2	**22,478**	18,336
		2,674,032	2,830,921

6.1 Operating Assets

The following is a statement of operating assets

(Rupees in '000)

PARTICULARS	2012 NET CARRYING VALUE: OPENING BOOK VALUE AT OCT 01, 2011	ADDITIONS	TRANSFER AT NBV	DISPOSAL	DEPRECIATION	NET BOOK VALUE AT SEP 30, 2012	GROSS CARRYING VALUE: COST	ACCUMULATED DEPRECIATION	NET BOOK VALUE AT SEP 30, 2012	DEPRECIATION RATE
OWNED										
FREE HOLD LAND										
Cost	3,787	-	-	-	-	3,787	3,786	-	3,786	
Revaluation	77,558	-	-	-	-	77,558	77,558	-	77,558	
FACTORY BUILDING						-				
Cost	49,069	20,457	-	-	5,645	63,881	103,557	39,676	63,881	10%
Revaluation	5,248	-	-	-	525	4,723	10,556	5,833	4,723	10%
NON FACTORY BUILDING						-				
Cost	86,759	406	-	-	4,758	82,407	145,002	62,595	82,407	5% 10%
Revaluation	67,427	-	-	-	3,793	63,634	95,702	32,068	63,634	
POWER PLANT						-				
Cost	98,193		-	-	11,569	86,624	136,960	50,336	86,624	5%
PLANT & MACHINERY										
Cost	1,511,957	29,940			103,816	1,438,081	2,592,795	1,154,714	1,438,081	5%
Revaluation	636,851	-	-	-	57,950	578,901	1,128,624	549,723	578,901	5%
FURNITURE, FIXTURE AND										
Cost	4,948	44	-	-	497	4,495	16,337	11,842	4,495	10%
OFFICE EQUIPMENT						-				
Cost	11,512	1,117	-	-	3,924	8,705	54,482	45,777	8,705	10%
VEHICLES										
Cost	67,704	13,978	358	(2,928)	14,089	65,023	134,862	69,839	65,023	20%
LEASED										
PLANT AND MACHINERY						-				
cost	15,928	-		-	1,663	14,265	19,667	5,402	14,265	5%
Revaluation	5,204	-	-	-	350	4,854	8,429	3,575	4,854	5%
POWER PLANT						-				
Cost	169,167	-	-	-	15,167	154,000	175,000	21,000	154,000	5%
VEHICLES										
Cost	1,260	-	(358)	-	299	603	5,331	4,728	603	20%
TOTAL										
Cost	2,020,284	65,942	-	(2,928)	161,427	1,921,884	3,387,780	1,465,909	1,921,884	
Revaluation	792,288	-	-	-	62,618	729,670	1,320,869	591,199	729,670	
	2,812,572	**65,942**	**-**	**(2,928)**	**224,045**	**2,651,554**	**4,708,649**	**2,057,108**	**2,651,554**	

(Rupees in '000)

PARTICULARS	2011 – NET CARRYING VALUE: OPENING BOOK VALUE AT OCT 01, 2010	ADDITIONS	TRANSFER AT NBV	DISPOSAL	DEPRECIATION	NET BOOK VALUE AT SEP 30, 2011	GROSS CARRYING VALUE: COST	ACCUMULATED DEPRECIATION	NET BOOK VALUE AT SEP 30, 2011	DEPRECIATION RATE
FREE HOLD LAND										
Cost	3,787	-	-	-	-	3,787	3,787	-	3,787	
Revaluation	77,558	-	-	-	-	77,558	77,558	-	77,558	
FACTORY BUILDING						-				
Cost	36,431	16,552	-	-	3,914	49,069	83,100	34,031	49,069	10%
Revaluation	5,831	-	-	-	583	5,248	10,556	5,308	5,248	10%
NON FACTORY BUILDING						-				
Cost	84,701	6,582	-	-	4,524	86,759	144,596	57,837	86,759	5% 10%
Revaluation	71,468	-	-	-	4,041	67,427	95,702	28,275	67,427	
POWER PLANT						-				
Cost	262,106	39,877	(175,000)	-	28,790	98,193	136,960	38,767	98,193	5%
PLANT & MACHINERY										
Cost	1,128,422	422,264	42,515	1,359	79,885	1,511,957	2,562,855	1,050,898	1,511,957	5%
Revaluation	700,894	-	-	-	64,043	636,851	1,128,624	491,773	636,851	5%
FURNITURE, FIXTURE AND FITTINGS										
Cost	5,364	130	-	-	546	4,948	16,293	11,345	4,948	10%
OFFICE EQUIPMENT						-				
Cost	10,086	5,855	-	-	4,429	11,512	53,365	41,853	11,512	10%
VEHICLES										
Cost	60,699	23,864	-	3,168	13,691	67,704	123,454	55,750	67,704	20%
LEASED POWER PLANT						-				
Cost	-	-	175,000	-	5,833	169,167	175,000	5,833	169,167	5%
PLANT & MACHINERY										
cost	62,529	-	(42,515)	-	4,086	15,928	19,667	3,739	15,928	5%
Revaluation	5,592	-	-	-	388	5,204	8,429	3,225	5,204	5%
VEHICLES										
Cost	1,858	-	-	-	598	1,260	5,689	4,429	1,260	20%
TOTAL										
Cost	1,655,983	515,124	-	4,527	146,296	2,020,297	3,324,766	1,304,482	2,020,297	
Revaluation	861,343	-	-	-	69,055	792,288	1,320,869	528,581	792,288	
	2,517,326	**515,124**	**-**	**4,527**	**215,351**	**2,812,585**	**4,645,635**	**1,833,063**	**2,812,585**	

6.1.1 Detail of disposal of property, plant,equipment and vehicles - by negotiation

Particulars	Original Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain on disposal	Particulars of Buyer
	....	....	Rupees in '000	....	....	
Vehicles AJV-111	604	276	328	1,000	672	Asad Akbar S/o Muhammad Akbar Plot No 868 Federal B Area Block #3, karachi
ACB-366	765	681	84	525	441	Asad Akbar S/o Muhammad Akbar Plot No 868 Federal B Area Block #3, karachi
AHB-128	1,263	1,029	234	740	506	Khair Muhammad S/o Gul Sarwar Khan Plot No 182/B Rabnawaz Wakeel Railway Road Bannu
AMR-944	901	629	272	800	528	Khair Muhammad S/o Gul Sarwar Khan Plot No 182/B Rabnawaz Wakeel Railway Road Bannu
LEH-1500	1,203	775	428	1,000	572	Asif Naseer S/o Sheikh Naseer Plot No 65/2 Khayaban-e-Shaheen Phase -5 DHA karachi
AQG-800	677	407	271	600	329	Asad Akbar S/o Muhammad Akbar Plot No 868 Federal B Area Block #3, karachi
AVM-938	1,013	178	835	950	115	Asad Akbar S/o Muhammad Akbar Plot No 868 Federal B Area Block #3, karachi
AQG-799	513	312	201	550	349	Asad Akbar S/o Muhammad Akbar Plot No 868 Federal B Area Block #3, karachi
AHG-826	739	543	196	425	229	Muhammad Aamir Burney B-12 Block-B Gulshan-e-Jamal Karachi
ADS-424	380	301	79	200	121	Farooq Ahmed S/o Muhammad Ashiq Plot No 8/7 Qasba Colony Mangopir Road Sector - A Karachi
V-9474	326	325	1	200	199	Farooq Ahmed S/o Muhammad Ashiq Plot No 8/7 Qasba Colony Mangopir Road Sector - A Karachi
Rupees 2012	8,384	5,455	2,928	6,990	4,061	
Rupees 2011	12,893	8,560	4,333	8,254	3,921	

Detail of Vehicle Snatched during the period - aganist Insurance Claim Receivable

Particulars	Original Cost/ Valuation	Accumulated depreciation	Written down value	Claim Receivable	Gain on disposal
	....	....	Rupees in '000	....	....
Rupees 2012	-	-	-	-	-
Rupees 2011	554	55	499	554	55
Rupees 2012	8,384	5,455	2,928	6,990	4,061
Rupees 2011	12,893	8,560	4,333	8,254	3,921

	2012	2011
	Rupees in '000	
6.2 Capital work in progress		
Plant and machinery	**12,349**	13,135
Civil work	**9,960**	2,331
Advance for Capital Expenditures	**169**	2,870
	22,478	18,336

	2012				2011			
	Balance as on 01-10-2011	Additions during the year	Capitalized during the year	Balance as on 30-09-2012	Balance as on 01-10-2010	Additions during the year	Capitalized during the year	Balance as on 30-09-2011
	Rupees in '000							
Plant and machinery	13,135	15,978	(16,764)	12,349	104,430	370,846	(462,141)	13,135
Civil work	2,331	28,491	(20,862)	9,960	11,583	13,881	(23,133)	2,331
Advance for Capital Expenditures	2,870		(2,701)	169	43,735	-	(40,865)	2,870
Intangible Asset- Advance for SAP	-	-	-	-	4,867	6,848	(11,715)	-
	18,336	44,469	(40,327)	22,478	164,615	391,575	(537,854)	18,336

Revaluation of land, buildings and plant and machinery had been lastly carried out on September 30, 2008 by Messers SIPRA & Company (Private) Limited on the basis of market value or depreciated replacement values as applicable. Revaluation surplus has been credited to surplus on revaluation of property, plant and equipment account to comply with the requirement of section 235 of the Companies Ordinance, 1984.

	Note	2012	2011
		Rupees in '000	
6.3 Depreciation for the year has been allocated as follows:			
Cost of goods sold	29.1	**194,919**	187,164
Administrative expenses	32	**29,126**	28,187
		224,045	215,351

7. INTANGIBLE ASSETS

2012

PARTICULARS	NET CARRYING VALUE						GROSS CARRYING VALUE			
	OPENING BOOK VALUE AT OCT 01, 2011	ADDITIONS	TRANSFER AT NBV	DISPOSAL	AMORTIZATION	NET BOOK VALUE AT SEP 30, 2012	COST	ACCUMULATED DEPRECIATION	NET BOOK VALUE AT SEP 30, 2012	RATE IN %
ERP software system	4,860	25	-	-	1,611	3,274	6,873	3,599	3,274	33%

2011

PARTICULARS	NET CARRYING VALUE						GROSS CARRYING VALUE			
	OPENING BOOK VALUE AT OCT 01, 2010	ADDITIONS	TRANSFER AT NBV	DISPOSAL	AMORTIZATION	NET BOOK VALUE AT SEP 30, 2011	COST	ACCUMULATED DEPRECIATION	NET BOOK VALUE AT SEP 30, 2011	RATE IN %
ERP software system	-	6,848	-	-	1,988	4,860	6,848	1,988	4,860	33%

8 LONG TERM INVESTMENTS

Investment in associates: -

	Note	Shahmurad Sugar Mills Limited	Al Noor Modaraba Management (Pvt.) Limited	Total 2012	Total 2011 Restated
		Rupees in '000			
Opening balance as originally stated		151,111	2,909	**154,020**	144,169
Share of associates' revaluation surplus		-	-	**-**	3,393
Share of profit of associate		22,710	687	**23,397**	14,294
Share of unrealised gain / (loss) on remeasurement of investment		5,313	534	**5,847**	(1,143)
Dividend received from associate		(3,300)	-	**(3,300)**	(3,300)
		24,723	1,221	**25,944**	13,244
Effect of restatement	45.1	-	-	**-**	(3,393)
Closing Balance (2011-restated)		175,834	4,130	**179,964**	154,020

Note

Summarized financial statements of associates are as follows: -

	----- 2012 -----		----- 2011 -----	
	Shahmurad Sugar Mills Limited	Al Noor Modaraba Management (Pvt.) Limited	Shahmurad Sugar Mills Limited	Al Noor Modaraba Management (Pvt.) Limited
	Rupees in '000			
Total assets	**4,309,668**	**36,307**	3,310,486	40,005
Total liabilities	**3,224,806**	**7,403**	2,417,248	7,796
Net assets	**1,084,862**	**28,904**	893,238	32,209
Revenue / Income	**5,362,004**	**9,466**	4,440,856	3,027
Profit / (loss) for the year	**111,079**	**5,900**	32,248	(2,716)
Number of shares held	**3,299,784**	**500,000**	3,299,784	500,000
Cost of investment	**21,631**	**5,000**	21,631	5,000
Ownership interest	**15.625%**	**14.285%**	15.625%	14.285%

8.1 The market value of Shahmurad Sugar Mills Limited share as at September 30, 2012 was Rs. 42.270 million (2011 : Rs. 36.957 million).

8.2 The financial year of Al-Noor Modaraba Management (Pvt.) Limited is June 30. Therefore, the financial results as of June 30, 2012 have been used for the purpose of application of equity method. The name of Chief Executive of the company is Mr. Jalaluddin Ahmed. The breakup value per sahre of this company as June 30, 2012 is Rs. 8.26 (2011: Rs. 5.82) and the aggregate breakup value of shares owned by the company amounts Rs. 2.161 million (2011: 2.91 million).

	Note	2012	2011
		Rupees in '000	
9 LONG TERM DEPOSITS			
Lease deposits		**37,700**	38,335
Other deposits		**5,135**	4,040
		42,835	42,375
10 LONG TERM LOANS			
Secured & Interest free			
Considered good			
Due from - Executives	10.1	**6,628**	1,563
- Non Executive		**2,790**	8,908
		9,418	10,471
Less : Current porton of			
Due from - Executives		**(3,120)**	(905)
- Non Executive		**(2,068)**	(4,534)
		(5,188)	(5,439)
		4,230	5,032

10.1 Movement of outstanding amount of loans to Executives:

	2012	2011
Balance at the beginning of the year	**1,563**	3,180
Disbursement during the year	**6,631**	1,500
Repayment during the year	**(1,566)**	(3,117)
Balance at the end of the year	**6,628**	1,563

10.2 Loans and advances have been given in accordance with the terms of employment and are repayable in monthly installments. These are secured against the retirement benefits.

10.3 Outstanding loans are receivable within a period of 3 years.

11 STORES, SPARES AND LOOSE TOOLS

	Note	2012	2011
Stores		**86,061**	168,690
Spares		**165,060**	120,390
Loose tools		**532**	556
Stores in transit		**6,514**	44
		258,167	289,680
Less: Provision for obsolete store and spare items	11.1	**(22,688)**	(21,688)
		235,479	267,992

11.1 Provision for obsolete store and spare items

	2012	2011
Opening balance	**21,688**	21,050
Provision for the year	**1,000**	638
Closing balance	**22,688**	21,688

	Note	2012	2011
		Rupees in '000	
12 STOCK IN TRADE			
Raw material - in hand		88,308	127,719
- in transit		12,134	11,812
		100,442	139,531
Sugar in process		3,527	4,317
Finished goods			
Sugar		1,970,121	1,903,275
Molasses		-	15,942
MDF Sheets		433,999	351,588
Trading stock of Laminated flooring		11,369	8,176
		2,415,489	2,278,981
		2,519,458	2,422,829

12.1 Stocks of refine sugar/MDFB Sheets amounting to Rs. 1,576 million.(2011:1644 million) are pledged against cash finance facilities and istisna arrangements as refered in Note.25.1 and 23.1 respectively.

12.2 Stock of finished goods of sugar includes stock valued at NRV amounting to Rs. 1,608 million

	Note	2012	2011
13 TRADE DEBTS			
Export- Secured against L/C		38,465	-
Local - Unsecured, considered good		115,041	7,843
		153,506	7,843
14 LOANS AND ADVANCES			
Secured			
Current portion of long term loans		5,188	5,439
Un-secured & Interest free			
Considered good			
Loan to growers	14.1	-	16,505
Advances against purchases and services		51,614	53,295
Advances to Employees-other than executives, Director and Chief executives		1,899	3,116
Considered doubtful			
For purchase and services		1,555	1,555
For transportation		2,740	2,740
Provision for doubtful advances		(4,295)	(4,295)
			-
		58,701	78,355
14.1 Loans to growers - Unsecured			
Growers - considered good	14.2	-	16,505
Growers - considered doubtful		36,801	36,801
		36,801	53,306
Less: Provision for doubtful loans		(36,801)	(36,801)
		-	16,505

14.2 These loans are given to farmers/growers for their capital requirements for sugarcane cultivation and development. These are adjusted against purchase of sugarcane from respective growers. Interest is charged on these loans @ 10% subject to realization of principal, however no interest is accrued as at balance sheet date as all the balances are doubtful. Provision has been made in respect of advances against which future adjustment through purchase of sugarcane is considered doubtful.

	Note	2012	2011
		Rupees in '000	
14.3 Provision for doubtful growers' loans			
Opening balance		**36,801**	36,801
Provision made during the year		**-**	-
Closing balance		**36,801**	36,801
15 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Trade deposits		**882**	502
Lease deposits		**-**	60
Sales Tax		**-**	5,855
Short term prepayments		**1,885**	1,355
		2,767	7,772
16 OTHER RECIEVABLES			
Insurance Claim receivable from related party		**8,470**	22,089
Others		**58**	213
		8,528	22,302

16.1 These claims are receivable from M/s Reliance Insurance Company Limited, a related party. The maximum aggregate amount due from related party at the end of any month during the year was Rs. 22.089 million

		2012	2011
17 CASH AND BANK BALANCES			
Cash in hand		**659**	1,892
Cash at banks			
On current accounts		**62,682**	41,424
		63,341	43,316

18 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2012	2011		2012	2011
No. of Shares				
3,617,635	3,617,635	Ordinary shares of Rs.10 each allotted for consideration paid in cash.	**36,177**	36,177
		Ordinary shares of Rs. 10 each allotted as fully paid up otherwise than in cash:		
814,637	814,637	Issued to P.I.C.I.C in terms of loan agreement	**8,146**	8,146
40,000	40,000	Issued to I.C.P. in terms of debenture trust deed	**400**	400
20,000	20,000	Issued to State Life Insurance Corporation of Pakistan in terms of debenture trust deed	**200**	200
10,000	10,000	Issued to N.I.T. in terms of debenture trust deed	**100**	100
884,637	884,637		**8,846**	8,846
14,067,980	14,067,980	Ordinary shares of Rs. 10 each allotted as fully paid bonus shares.	**140,680**	140,680
18,570,252	18,570,252		**185,703**	185,703

18.1 Associated companies hold 1,811,294 (9.75%) ordianry shares in the Company.

	Note	2012	2011
		Rupees in '000	
19 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Surplus on revaluation of property, plant and equipment	19.1	**553,804**	594,503
Share of associates's surplus on revaluation of property, plant and equipment		**62,781**	65,984
		616,585	660,487

19.1 Surplus on revaluation of property, plant and equipment

	2012	2011
Gross opening balance	**792,287**	861,343
Incremental depreciation - net of deferred tax	**(40,702)**	(44,887)
Related deferred tax liability	**(21,916)**	(24,169)
	(62,618)	(69,056)
Gross closing balance	**729,669**	792,287
Related deferred tax liability		
Opening balance	**(197,782)**	(221,951)
Transferred to profit and loss account on account of - incremental depreciation	**21,916**	24,169
	(175,865)	(197,782)
	553,804	594,505

19.2 This represents surplus over book values resulting from the revaluation of land, building and plant & machiney carried out lastly on September 30, 2008 by Messers SIPRA & Company (Private) Limited, adjusted by surplus realized on disposal of revalued assets, incremental depreciation arising out of revaluation and deferred taxation.

20 LONG TERM FINANCING- Secured (Non-participartory)	Note	2012	2011
Banks	20.1	**308,333**	83,333
Financial Institution	20.1	**114,167**	215,833
Modaraba		**168,750**	-
		591,250	299,166

20.1

	BANKS						FINANCIAL INSTITUTION				MODARABA	TOTAL	
	Burj Bank Ltd	Burj Bank Ltd	Burj Bank Ltd	Burj Bank Ltd	Meezan Bank Ltd	Total	SAPICO	Pak Oman Inv	Pak Brunei Inv	Total	Standard Chartered	2012	2011
	Rupees in '000												
Balance October 1	37,500	37,500	100,000	-	-	**175,000**	80,000	150,000	87,500	**317,500**	**-**	**492,500**	550,000
Add: Receipts	-	-	-	100,000	200,000	**300,000**	-	-	-	**-**	**180,000**	**480,000**	100,000
Less: Payment	37,500	37,500	16,667	-	-	**91,667**	26,667	50,000	25,000	**101,667**	**-**	**193,334**	157,500
Total Payable as on 30.09-2012	-	-	83,333	100,000	200,000	**383,333**	53,333	100,000	62,500	**215,833**	**180,000**	**779,166**	492,500
Less: Current Maturity Shown under current liabilities	-	-	33,333	16,667	25,000	**75,000**	26,667	50,000	25,000	**101,667**	**11,250**	**187,916**	193,334
	-	-	50,000	83,333	175,000	**308,333**	26,667	50,000	37,500	**114,167**	**168,750**	**591,250**	299,166
Description	Diminishing Musharaka	Diminishing Musharaka	Diminishing Musharaka	Diminishing Musharaka	Diminishing Musharaka		Long Term Finance	Long Term Finance	Long Term Finance		Diminishing Musharaka		
Sanctioned/Sale Price/ Disbursed Amount (Rs in million)	150	150	100	100	200		100	200	100		180		
Facility Tenor	5 Years	5 Years	4 Years	4 Years	5Years		4 Years	5 Years	5 Years		4 Years		
Grace Period	1 Year	1 Year	1 Year	1 Year	1 Year		3 Months	1 Year	1 Year		1 Year		
Effective rate of markup (per annum)	3M KIBOR + 2%	6M KIBOR + 2%	3M KIBOR + 2.50%	3 M KIBOR + 2.50%	6 M KIBOR + 2.25%		6 M KIBOR + 2.50%	6M KIBOR + 3.00%	6 M KIBOR + 2.75%		6 M KIBOR + 2.00%		
Installments Payable	Quarterly	Half Yearly	Quarterly	Quately	Half Yearly		Quately	Quarterly	Half Yearly		Quately		
Number of installments	16	8	12	12	8		15	16	8		12		
Date of payment of disbursement Date of maturity	28-08-2007 28-08-2012	27-09-2009 27-09-2012	21-03-2011 21-03-2015	23-02-2012 23-02-2016	23-11-2011 23-11-2016		02-09-2010 02-09-2014	18-07-2009 18-07-2014	18-12-2009 18-12-2014		15-05-2012 15-05-2016		

SECURITIES

Burj Bank Limited Rs.150-M.	First pari passu E/M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Mills Limited-MDFB Division
Burj Bank Limited Rs. 150-M	First pari passu E/M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Mills Limited-MDFB Division
Burj Bank Limited Rs. 100-M	First pari passu E/M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Mills Limited-MDFB Division
Burj Bank Limited Rs. 100-M	First pari passu E/M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Mills Limited-MDFB Division
Meezan Bank Limited	First pari passu E/M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Mills Limited-Sugar Division
Saudi Pak Industrial & Agricultural Investment Co Ltd	First pari passu E/M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Mills Limited-MDFB Division
Pak Oman Investment Compnay Ltd	First pari passu E/M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Mills Limited-MDFB Division
Pak Brunei Investment Compnay Ltd	First pari passu E/M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Mills Limited-MDFB Division
Standard Chartered Modaraba	First pari passu E/M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Mills Limited-Sugar Division

21 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Future minimum lease payments under finance lease together with the present value of the net minimum lease payments are as follows: -

	------- 2012 -------		------- 2011 -------	
	Minimum lease payments	Present Value	Minimum lease payments	Present Value
	---------------- Rupees in '000		--------------	
Within one year	**49,177**	**33,323**	49,339	27,045
After one year but not more than five years	**145,009**	**124,374**	199,689	158,282
Total minimum lease payments	**194,186**	**157,697**	249,028	185,327
Less: Amount representing finance charges	**(36,489)**	**-**	(63,701)	-
Present value of minimum lease payments	**157,697**	**157,697**	185,327	185,327
Less: Current portion				
shown under current liabilities (see Note no.26)	**(33,323)**	**(33,323)**	(27,044)	(27,044)
	124,374	**124,374**	158,283	158,283

21.1 These represent machinery and vehicles acquired under finance lease from leasing companies. The outstanding lease rentals due under the lease agreements are payable in monthly and quarterly installments latest by 2016. The financing rates used as discounting factor range from 6 month kibor+2.50% and 26.17% (2011 : 15.87% to 26.17%) per annum. The Company intends to exercise the option to purchase the leased assets upon completion of the lease period. Liabilities are secured against promissory notes, security deposit, and specific charge over Plant and Machinery.

	Note	2012	2011
		Rupees in '000	
22 DEFERRED LIABILITIES			
Deferred taxation	22.1	**339,440**	418,641
Excise duty	22.2	**35,120**	35,120
		374,560	453,761
22.1 Deferred taxation			
Opening Balance		**418,641**	526,710
Reversal during the year		**(79,201)**	(108,069)
		339,440	418,641
Deferred tax liabilities on taxable temporary differences arising due to :			
Accelerated depreciation rates		**254,154**	177,409
Investment in associates		**15,333**	10,132
Lease financing arrangements		**2,656**	50,116
Surplus on revaluation of property, plant and equipments		**175,865**	197,781
		448,008	435,438
Deferred tax assets on deductible temporary difference arising due to :			
Provisions		**(16,342)**	(16,797)
Unabsorbed tax losses		**(92,226)**	-
		(108,568)	(16,797)
		339,440	418,641

22.2 This represents liability recognised in respect of denial of excise duty exemption by Central Excise and Land Customs Department vide notification of December 23, 1992. The company had filed a constitutional petition before the High Court of Sindh however the same was rejected by the Sindh High Court. The company has filed an appeal before the Supreme Court of Pakistan against the order of Sindh High Court. The appeal is pending for hearing, whereas the Company has recognised full amount of liability in this respect as a matter of abundant precaution and on prudent basis.

	Note	2012	2011
		Rupees in '000	
23 TRADE AND OTHER PAYABLES			
Creditors		**114,953**	103,605
Istisna payable	23.1	**550,000**	280,000
Accrued expenses	23.2	**39,969**	65,946
Advances from customers		**715,043**	470,794
Custom duty		**-**	199
Workers' Profit Participation fund	23.3	**1,649**	5,449
Workers' welfare fund		**1,272**	7,099
Unclaimed dividend		**3,408**	2,031
Sales tax payable		**37,072**	29,585
Payable to provident fund - related party		**1,423**	1,799
Others		**2,166**	4,161
		1,466,955	970,668

23.1 Istisna/Murabaha facilities have been availed from Islamic banks at 6M Kibor+1% to 1.5% per anum (2011: 6M Kibor+2.5% and +6M Kibor+1.50%). The profit is payable with principle amount on the date of maturity of transcation. These include pledge and hypothecation facilities. Pledge facilities are primarily secured by pledge of sugar and collaterally secured by ranking charge on current assets and hypothecation facilities are secured by 1st pari pasu hypothecation charge over plant and machery.

23.2 It includes Rs. Nil (2011 : Rs. 0.0200 million) due to related party Reliance Insurance Company Limited and Directors family members respectively.

23.3 Workers' Profit Participation fund

	2012	2011
Balance October 1,	**5,449**	21,521
Interest on funds utilized in the Company's business	**1,649**	2,101
	7,098	23,622
Paid to the fund	**(5,449)**	(21,521)
	1,649	2,101
Allocation for the year	**-**	3,348
	1,649	5,449

	Note	2012	2011
24 INTEREST / MARK-UP ACCRUED			
On Long term financing		**21,472**	11,385
On Finance lease		**285**	244
On Short term borrowings		**42,665**	73,939
		64,422	85,568
25 SHORT TERM BORROWINGS - Secured			
From banking companies			
Running finance/Cash finance	25.1	**1,394,401**	1,839,204
		1,394,401	1,839,204

25.1 The aggregate unavailed running finance facilities amounts to Rs.450 million (2011 : Rs.1,771 million) from commercial banks. These carry markup at rates ranging from 1M Kibor+2% and 3M Kibor+1.50 to 2.00% (2011 : 1M Kibor+2% and 3M Kibor+1.75 to 2.5%) per annum payable quarterly. These are secured against pledge of refine sugar/MDFB sheets, pari passu equitable mortgage charge on fixed assets and hypothecation of stocks and receivables.

	Note	2012	2011
		Rupees in '000	
26 CURRENT PORTION OF LONG TERM FINANCING AND LIABILITIES AGAINST LEASES			
Long term financing	20	**187,916**	193,334
Liabilities against assets subject to finance lease	21	**33,323**	27,044
		221,239	220,378

27 CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

27.1.1 A demand of Rs.6.216 million in respect of sales tax on in house use of baggase as fuel was raised by the Collectorate of Sales Tax, Hyderabad. The Company has disputed the liability and had filed an appeal before the Appellate Tribunal Karachi. The Appellate Tribunal has remanded back the case to the department of sales tax with a direction to compute the sales value and the sales tax payable thereon correctly after providing proper opportunity to the parties. The Sales Tax Tribunal has also directed the department to consider the fact that there was no deliberate or willful attempt to defraud the revenue therefore, the additional tax liability may be uncalled for. However, to avail of relief from levy of additional tax, as provided through SRO 1349(1) 99 dated 17th December,1999, the Company had to pay a total amount of Rs. 11.791 million including additional tax of Rs.5.577 million in December,1999.

The adjudicating authority has conducted the proceedings on remanded back case of the Tribunal and maintained its previous order. The Company had filed an appeal before Collector Appeals which was decided against the company. The company has filed an appeal before the Appellate Tribunal. However the company has provided for the contingency for the amount of sales tax and additional tax already paid through the aforesaid SRO.

27.1.2 The Company had filed petition before the High Court of Sindh contesting the levy of further tax against taxable supplies made to persons other than registered person under section 3(IA) of the Sales Tax Act, 1990. However, the entire liability till November 30, 2000 against such further tax had been paid by the Company including additional tax and penalties. During December 2000, a judgment in favour of Company was awarded by the High Court of Sindh. Accordingly, Company filed claim for refund of such further tax amounting to Rs.48.990 million out of which an amount of Rs.5.233 million has already been refunded by the department.

The Department of Sales Tax has filed an Appeal before the Honorable Supreme Court against the Order of the High Court of Sindh. The Honorable Supreme Court has allowed the Appeal with direction to the department to act in accordance with law. The Company is of the view that the Honorable Supreme Court has allowed the Appeal however ratio-decidendi ordered by the High Court of Sindh has not been reversed, over ruled or amended. The Company is therefore of the view that the final outcome of the matter will be in favor of the Company. Sales Tax department has raised demands of further tax, involving amount of Rs. 116 million , which has been contested by the company in the light of Sindh High Court Judgment. Tribunal has issued order in favour of the company against which the sales tax department filed appealed against the orders of Tribunal which are pending at Honorable Sindh High Court.

27.1.3 Various Sugar Mills of Sindh filed constitutional petitions against levy of Quality premium which had been dismissed by the High Court of Sindh. The mills preferred to file appeals in the Supreme Court against the High Court's Order. Subsequently the Honorable Supreme Court has admitted the appeals of the sugar mills for regular hearing. In view of the given circumstances and as per the decision of the Punjab High Court in a similar case in which the Punjab High Court had declared the demand of quality premium as un lawful, the management of the company expect a favourable decision and therefore, has decided not to provide for the Quality premium for the current season and as well as previous season which aggregates to Rs.323.48 million (2009 : Rs. 251.287 million).

27.1.4 The Company has filed a pettioin before the Honorable High Court of Sindh against the imposition of special exisie duty. The Honorable High Court has issued stay order for the recovery of 70% of the total amount of Rs.7.135 million against excise duty involed. The Company has however as a matter of precaution has provided for the amount of said duty in these account.

26.1.5 The Company has filed a petition in the Honourable Supreme Court of Pakistan against a show cause notice issued by Competition Commission of Pakistan (CCP), challenging the vary jurisdiction of the Competition Commission. The Honourable Supreme Court of Pakistan has disposed the petition on the ground that this matter is already under proceedings with Honorable High Courts and refrained CCP from passing any final / penal order till a final decision is achieved at Honourable High Courts. Therefore, there are no financial implications related to this at the moment.

27.1.6 The Company has filed a suit before the Honourable High Court of Sindh against Pakistan Standards and Quality Control Authority (the Authority) challenging the levy of making fee under PSQCA Act-VI of 1996. The Authority has demanded a fee payment @ 0.1% of ex-factory price for the year 2008-09 amounting to Rs. 6.5 million. The Company is of the view that demand notifications so raised are without any lawful authority under the PSQCA Act-VI of 1996 and are violation of the constitution. The Honourable High Court of Sindh has accepted the petition and termed that the impugned notification have been issued without lawful authority and suspended the operation of the impugned notifications.The case is pending for hearing therefore no provisions has been made in this regard since the management is confident that the outcome would be in Company's favour as the amount is insignificant and is not likely to materialize.

	Note	2012	2011
		Rupees in '000	
27.2 Commitments			
Letters of credit			
Stores		**10,261**	3,934
Raw Material		**22,138**	3,675
		32,399	7,609
28 SALES			
Local		**5,364,882**	4,915,753
Export		**1,264,621**	1,366,481
		6,629,503	6,282,234
Sales tax and federal excise duty		**499,105**	298,667
Brokerage and commission		**1,317**	521
		(500,422)	(299,188)
		6,129,081	5,983,046
29 COST OF GOODS SOLD			
Cost of goods manufactured	29.1	**5,570,505**	6,603,359
Finished goods			
Opening stock		**2,010,613**	653,094
Closing stock		**(2,130,961)**	(2,010,613)
		(120,348)	(1,357,519)
		5,450,157	5,245,840
29.1 Cost of goods manufactured			
Raw material consumed	29.1.1	**4,817,452**	5,866,240
Salaries, wages and benefits	29.1.2	**148,972**	135,812
Stores and spares parts consumed		**207,393**	171,062
Packing materials		**34,519**	25,335
Fuel and oil		**188,142**	275,558
Power and water		**216,047**	158,024
Repair and maintenance		**87,250**	106,994
Insurance		**17,266**	20,779
Depreciation	6.3	**194,919**	187,164
Other manufacturing expenses		**61,630**	55,338
		5,973,590	7,002,306
Less:			
Byproduct sale			
Molasses		**290,750**	338,933
Sander dust		**2,183**	6,364
Sale of Electric Power		**110,942**	58,224
		(403,875)	(403,521)
Work-in-process			
Opening stock		**4,317**	8,891
Closing stock		**(3,527)**	(4,317)
		790	4,574
		5,570,505	6,603,359

		Note	2012	2011
			Rupees in '000	
29.1.1	**Raw material consumed**			
	Opening stock		**127,719**	218,254
	Purchases and purchase expenses	29.1.1.1	**4,778,041**	5,775,705
			4,905,760	5,993,959
	Closing stock		**(88,308)**	(127,719)
			4,817,452	5,866,240

29.1.1.1 It includes subsidies paid to growers aggregating to Rs. 73.880 million (2011: Rs.143.515 million) in addition to minimum support price fixed by the Government of Sindh.

29.1.2 It includes Rs. 7.256 million (2011: Rs.6.597 million) in respect of staff retirement benefits.

30 PROFIT FROM TRADING ACTIVITIES

	2012	2011
Sales	**22,134**	20,573
Sales tax and federal excise duty	**(3,053)**	(3,146)
	19,081	17,428
Cost of goods sold:		
Opening stock	**8,176**	7,587
Purchases	**13,140**	9,773
Closing stock	**(11,369)**	(8,176)
	9,947	9,184
	9,134	8,244
Distribution expenses	**(5,816)**	(5,619)
Profit for the year	**3,318**	2,625

31 DISTRIBUTION COST

	2012	2011
Sales promotion	**13,583**	7,955
Export sale expenses	**23,438**	4,048
Dispatch and stacking	**7,247**	4,879
	44,268	16,882

32 ADMINISTRATIVE EXPENSES

	Note	2012	2011
Salaries, wages and benefits	32.1	**141,077**	114,196
Staff welfare		**22,178**	16,117
Rent, rates and taxes		**1,623**	1,825
Electricity and gas charges		**4,691**	3,960
Repair and maintenance		**52,770**	41,134
Legal and professional		**4,080**	2,991
Vehicle running		**28,460**	25,550
Insurance		**3,543**	2,895
Communication		**5,408**	5,886
Entertainment		**7,531**	7,280
Printing and stationery		**3,274**	2,719
Fees and subscription		**3,046**	1,926
Traveling and conveyance		**11,141**	7,173
Security Expenses		**8,158**	7,306
Auditors' remuneration	32.2	**862**	800
Charity and donation	32.3	**3,961**	5,473
Depreciation	6.3	**29,126**	28,187
Amortisation		**1,611**	1,988
Others		**2,820**	6,389
		335,360	283,795

32.1 It includes Rs. 4.09 million (2010 : Rs. 4.06 million) in respect of staff retirement benefits.

		2012	2011
		Rupees in '000	
32.2	**Auditors' remuneration**		
	Audit fee	**550**	500
	Out of pocket expenses	**49**	50
	Half yearly review fee	**83**	75
	Code of corporate governance review fee	**55**	50
		737	675
	A.D.Akhawala & Co. - Provident Fund	**25**	25
	A.D.Akhawala & Co. - Cost Audit	**100**	50
		125	75
		862	750

32.3 No directors or their spouses had any interest in the donee funds.

33 OTHER OPERATING EXPENSES

	2012	2011
Provision for obsolete stores and spare items	**1,000**	638
Worker's Profit Participation fund	**-**	3,348
Workers welfare fund	**-**	1,272
	1,000	5,258

34 OTHER OPERATING INCOME

	2012	2011
Income from financial assets:		
Profit on bank deposits	**1,803**	4,098
Exchange gain on export proceeds	**1,127**	-
	2,930	4,098
Income from assets other than financial assets:		
Insurance claim	**3,500**	11,279
Sale of scrap	**1,593**	1,618
Gain on disposal of property, plant and equipment	**4,061**	3,921
Rent	**636**	486
Recovery of FED previously written off	**-**	1,797
Refund of Wharfage	**-**	738
	9,790	19,839
	12,720	23,937
	2,000	10,516

35 FINANCE COST

	Note	2012	2011
Interest / Markup on:			
Long term financing		**104,307**	74,314
Liabilities against asset subject to finance lease		**2,542**	8,677
Short term borrowings		**187,593**	287,696
Export refinance		**57,511**	
Morabaha financing		**44,586**	34,084
Workers' profit participation fund	23.3	**1,649**	2,101
Bank charges		**20,248**	2,729
Others		**2,808**	2,651
		421,244	412,252

36 TAXATION

	2012	2011
Current year	**37,091**	63,479
Prior years	**1,696**	-
Deferred	**(79,201)**	(108,069)
	(40,414)	(44,590)

36.1 The company has worked out the tax liabilities for the current year on the basis of amendment incorporated in the Income tax law which have resulted in reducing of tax expenses substantially.

36.2 In view of available tax losses/depreciation, the provision for current taxation represents minimum tax being the turnover tax under Section 113 of the Income Tax Ordinance, 2001., hence tax reconciliation of tax expense with accounting profit is not presented.

37 EARNINGS PER SHARE
- Basic and diluted

		2012	2011
		Rupees in '000	
(Loss)/ Profit after taxation		**(43,099)**	104,465
Weighted average number of ordinary shares outstanding during the year (in thousands)		**18,570**	18,570
Earnings per share (Rupees)	Rs.	**(2.32)**	5.63

There is no dilutive effect on the basic earnings per share of the Company.

38 RELATED PARTY TRANSACTIONS AND REMUNERATION OF CEO, DIRECTORS AND EXECUTIVES

38.1 Related Party Transcations

The related parties comprise associates, key management personnel and staff retirement benefit plans. The transactions with related parties are carried out as per agreed terms. Amounts due from and to related parties are shown under receivables and payables, and remuneration of directors and key management personnel is disclosed in note 38 whereas transaction with respect to investment and return thereto are disclosed in Note 7. Other significant transactions with related parties are as follows: -

Relationship with the Company	Nature of Transactions	2012	2011
		Rupees in '000	
Assocates:			
Reliance Insurance Company Limited	Insurance premium paid	**36,672**	34,819
Reliance Insurance Company Limited	Insurance claim received	**25,577**	24,599
Noori Trading (Private) Limited	Rent received	**36**	36
Shamurad Sugar Mills Limited	Sale of molasses	**290,767**	338,931
First Al-Noor Modaraba (Pvt) Limited	Expense reimbursed	**600**	600
Staff Retirement Benefits Plan	Employer's contribution to provident fund	**14,182**	6,597
Dividend received from associates		**3,300**	3,300

38.2 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration including all benefits to Chief Executive, Directors and Executives of the Company were as follows: -

	Chief Executive		Directors		Executives		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	--- Rupees in '000 ---							
Meeting fee	21	20	205	180	-	-	226	200
Remuneration	6,324	4,348	18,282	14,620	33,995	22,599	58,601	41,567
Provident fund	-	-	-	-	606	312	606	312
Perquisite (including house rent and bonus)	3,162	3,558	9,141	8,232	28,295	17,113	40,598	28,903
Reimbursable expenses including traveling expenses	1,485	1,183	2,086	1,169	-	-	- 3,571	2,352
	10,992	9,109	29,714	24,201	62,896	40,024	103,602	73,334
Number of persons	1	1	3	3	30	28		

38.2.1 The Chief Executive, certain Directors and Executives are provided with free use of company's cars.

38.2.2 Meeting fee has been paid to 10 Directors.

	2012	2011

39 CAPACITY AND PRODUCTION

Sugar Division

	2012	2011
Capacity Days	**120**	120
Cane crushing capacity per day (M.Ton)	**7,000**	7,000
Total Crushing Capacity on basis of no. of days (M.Ton)	**840,000**	840,000
No of days Mill operated	**108**	142
Actual Crushing (M.Ton)	**885,101**	888,736
Sugar Production (M.Ton)	**88,058**	71,655

The sugar production plant capacity is based on crushing sugar cane on daily basis and the sugar production is dependent on certain factors which include sucrose recovery.

MDF Board division

Mande Line

	2012	2011
No. of Days Mill Operated	**228**	241
Capacity Per Day (Cubic Meter)	**70**	70
Total Capacity on basis of no. of days (Cubic Meter)	**15,960**	16,870
Actual Production (Cubic Meter)	**13,117**	15,177

Sunds Line

	2012	2011
No. of Days Mill Operated	**325**	294
Capacity Per Day (Cubic Meter)	**122**	122
Total Capacity on basis of no. of days (Cubic Meter)	**39,650**	35,868
Actual Production (Cubic Meter)	**36,769**	36,055

Production of MDF Board division was lower due to production mix of different sizes.

40 SEGMENT INFORMATION

The operating results, assets and liabilities and other significant information of each sagement is as follows:

	SUGAR		MDF BOARD		TOTAL	
	2012	2011	2012	2011	2012	2011
	---------- Rupees in "000" ----------					
REVENUE						
External sales	3,888,788	3,386,330	2,240,293	2,596,716	6,129,081	5,983,046
Inter-Segment sales					-	-
Total Revenue	3,888,788	3,386,330	2,240,293	2,596,716	6,129,081	5,983,046
RESULTS						
Profit from operations	296,272	342,239	19,062	120,852	315,334	463,091
Other operating expenses					(1,000)	(5,258)
Finance cost					(421,244)	(412,252)
Share of profit from associates					23,397	14,294
Profit before tax					(83,513)	59,875
Taxation					40,414	44,590
Net profit for the year					(43,099)	104,465
OTHER INFORMATION						
Capital expenditure	33,588	107,968	36,496	267,725	70,084	375,693
Depreciation	94,292	102,985	131,364	114,354	225,656	217,339
BALANCE SHEET						
Assets						
Segment assets	3,730,992	3,559,201	2,243,211	2,331,809	5,798,421	5,730,204
Investment in associates	179,964	157,413	-	-	179,964	157,413
Total assets					5,978,385	5,887,617
Liabilities						
Segment liabilities	3,370,761	3,202,722	871,211	851,098	4,237,556	4,027,362
Unallocated liabilities					-	26,466
Total liabilities					4,237,556	4,053,828

41 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities of the company as at September 30 are as follows:

	2012						
	Markup / Interest Based			Non Markup / Interest Based			Total
	Maturity up to One Year	Maturity after One Year	Sub Total	Maturity up to One Year	Maturity after One Year	Sub Total	
	--(Rupees in '000')--						
FINANCIAL ASSETS							
Long Term Investment	-	-	-	-	179,964	179,964	**179,964**
Deposits	-	-	-	882	42,835	43,717	**43,717**
Long Term Loans	-	-	-	5,188	4,230	9,418	**9,418**
Trade debts	-	-	-	153,506	-	153,506	**153,506**
Loans and advances	-	-	-	1,899	-	1,899	**1,899**
Other receivables	-	-	-	8,528	-	8,528	**8,528**
Bank balances	-	-	-	62,682	-	62,682	**62,682**
	-	-	-	232,685	227,029	459,714	**459,714**
FINANCIAL LIABILITIES							
Long Term Financing	187,916	591,250	779,166	-	-	-	**779,166**
Liabilities against assets subject to finance lease	33,323	124,374	157,697	-	-	-	**157,697**
Long term deposits	-	-	-	-	355	355	**355**
Trade and other Payables	550,000	-	550,000	201,912	-	201,912	**751,912**
Accrued markup / finance cost	-	-	-	64,422	-	64,422	**64,422**
Short term borrowings	1,394,401	-	1,394,401	-	-	-	**1,394,401**
	2,165,640	715,624	2,881,264	266,334	355	266,689	**3,147,953**

	2011						
	Markup / Interest Based			Non Markup / Interest Based			Total
	Maturity up to One Year	Maturity after One Year	Sub Total	Maturity up to One Year	Maturity after One Year	Sub Total	
	--(Rupees in '000')--						
FINANCIAL ASSETS							
Long Term Investment	-	-	-	-	154,020	154,020	154,020
Deposits	-	-	-	502	42,375	42,877	42,877
Long Term Loans	-	-	-	5,439	5,032	10,471	10,471
Trade debts	-	-	-	7,843	-	7,843	7,843
Loans and advances	-	-	-	19,621	-	19,621	19,621
Other receivables	-	-	-	22,302	-	22,302	22,302
Bank balances	-	-	-	41,424	-	41,424	41,424
	-	-	-	97,131	201,427	298,558	298,558
FINANCIAL LIABILITIES							
Long Term Financing	193,334	299,166	492,500	-	-	-	492,500
Liabilities against assets subject to finance lease	27,044	158,283	185,327	-	-	-	185,327
Trade and other Payables	285,449	-	285,449	214,425	-	214,425	499,874
Accrued markup / finance cost	-	-	-	85,568	-	85,568	85,568
Short term borrowings	1,839,204	-	1,839,204	-	-	-	1,839,204
	2,345,031	457,449	2,802,480	299,993	-	299,993	3,102,473

42 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

42.1 Financial Risk Management Objectives

The Company's activities expose it to a variety of financial risks; credit risk, liquidity risk and market risk (including interest rate risk, currency risk and other price risk). The Company's overall risk management programs focuses on the under predictability of financial markets and seek to minimize potential adverse effects on the Company's financial performance.

This note presents information about the Company's exposure to each of the above risk, the Company's objectives, policies and procedures for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Company's senior management provides policies for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, financial instruments and investment of excess liquidity. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

A Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed to perform as contracted. The Company manages credit risk interalia by setting out credit limits in relation to individual customers and / or by obtaining advance against sales and / or through letter of credits and/or by providing for doubtful debts. Also the Company does not have significant exposure in relation to individual customer. Consequently the Company believes that it is not exposed to any major concentration of credit risk.

The carrying amount of financial assets as disclosed in note no 41 represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was: Rs. 459.714 million (2011: Rs. 298.558 million)

The Company is exposed to credit risk from its operating and certain investing activities and the Company's credit risk exposures are categorised under the following headings:

Bank balances

The Company limits its exposure to credit risk by investing in liquid securities and maintaining bank accounts only with counter-parties that have stable credit rating. Given these high credit ratings, management does not expect that any counter party will fail to meet their obligations.

The bank balances along with credit ratings are tabulated below:

	Long Term Ratings	Short Term Ratings	2012	2011
			Rupees in '000	
United Bank Limited	AA+	A1+	**24,390**	17,218
Habib Bank Limited	AA+	A1+	**2,066**	2,601
Allied Bank Limited	AA+	A1+	**142**	225
MCB Bank Limited	AA+	A1+	**19,008**	737
Standard Chartered Bank Limited	AAA	A1+	**2,139**	487
National Bank of Pakistan	AAA	A1+	**2,811**	7,804
Faysal Bank Limited	AA	A1+	**1,082**	2,079
Bank Al-Falah Limited	AA	A1+	**10,703**	6,737
Bank Islami Limited	A	A1	**9**	9
Habib Metropolitan Bank Limited	A	A1	**17**	18
Al-Baraka Bank (Pakistan) Limited	A	A2	**178**	287
Soneri Bank Limited	AA-	A1+	**8**	364
China Bank	AA-	A1	**125**	-
Meezan Bank Limited	AA-	A1+	**4**	715
Summit Bank Limited	A	A2	**-**	11
KASB Bank	BBB	A3	**-**	62
Askari Commercial Bank	AA	A1+	**-**	12
Burj Bank	A	A-2	**-**	114
Bank Al-Habib	AA+	A1+	**-**	196
Dubai Islamic Bank	A	A1	**-**	10
JS Bank	A	A1	**-**	1,737
			62,682	41,423

Long term loans

The Company believes that no impairment allowance is required in respect of loans because these are not past due. The Company actively pursue the recovery of loans and the does not expect these employees will fail to meet their obligations.

Trade debts

Trade Debts of Rs. 38.465 millions (2011: nil) are essentially due from foreign debtors whereas remaining amount of Rs. 115.041 millions (2011: 7.843 millions) is receivable from local debtors and the Company does not expect that these companies will fail to meet their obligations.

The Company believes that no allowance is necessary in respect of trade debts because these are neither past due nor impaired. The Company actively purse the recovery of its debtors and does not expect that these debtors will fail to meet their obligations. Aging of trade debts is as follows:

	2012	2011
	(Rupees in '000)	
1 to 6 months	**153,506**	7,843
	153,506	7,843

Export debts are secured under irrevocable letter of credit, document acceptance and other acceptable banking instruments.

Loans and advances

These represent loans to growers and and advances to employees; the company does not expect these companies will fail to meet their obligations except for certain past due loans to growers against which appropriate provision has been made in the financial statements as disclosed in note no 14.1.

Other receivables

The company believes that no impairment allowance is necessary in respect of these receivable because these are neither past due nor impaired as at balance sheet date. Furthermore these balances have been subsequently recovered.

Financial assets that are either past due or impaired

The credit quality of financial assets that are either past due or impaired is assessed by reference to historical information and external ratings or to historical information about counter party default rates.

As at the balance sheet date amounts of Rs. 36.801 millions (2011: 36.801 millions) receivable from growers are past due against which allowance for doubtful debts have been made in note no 14.

B Liquidity risk

Liquidity risk represent the risk where the Company will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and ensuring the fund availability through adequate credit facilities. At September 30, 2012 the Company has PKR 1,835 million (2011: PKR 1,771 million) available unutilized short term borrowing limit from financial institutions and also has PKR 62.682 million (2011: PKR 41.424 million) being balances at banks. Based on the above, management believes the liquidity risk is insignificant.

The following are the contractual maturities (undiscounted) of the financial liabilities:

Year ended 30 September 2012	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
			(Rupees in thousands)			
Long term financing	-	-	187,916	591,250	-	**779,166**
Liabilities against assets subject to finance lease	-	-	33,323	124,374	-	**157,697**
Trade and other payables	-	628,464	120,422	-	-	**1,466,955**
Short-term borrowings	-	630,113	121,799	-	-	**751,912**
Accrued mark-up on		42,665	21,757	-	-	**64,422**
	-	1,301,242	485,217	715,624	-	**3,220,152**

Year ended 30 September 2011	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
			(Rupees in thousands)			
Long term financing	-	-	193,334	299,166	-	492,500
Liabilities against assets subject to finance lease	-	-	27,044	158,283	-	185,327
Trade and other payables	-	382,978	116,896	-	-	499,874
Short-term borrowings	-	-	1,839,204	-	-	1,839,204
Accrued mark-up on		85,568	-	-	-	85,568
	-	468,546	2,176,478	457,449	-	3,102,473

C Market Risk

Market risk refers to fluctuation in value of financial instruments as a result of changes in market prices. The company manages market risk through binding contracts.

D Interest/ markup rate risk management

Interest rate risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from long term financings, short term borrowings and Finance Lease. The Company analyses its mark up/interest rate exposure on a regular basis by monitoring markup/interest rate trends. The At the balance sheet date the interest rate profile of the Company's mark up/interest bearing financial instruments is as under:

	Effective interest rates		Carrying Values	
	2012	2011	2012	2011
			--- Rupees in "000" ----	
Financial Assets				
Fixed Rate Instruments				
Advances to growers	See Note 14.1		**-**	16,505
Financial Liabilities				
Fixed Rate Instruments				
WPPF	See Note 23		**-**	5,449
Variable Rate Instruments				
Long Term Financing	See Note 19		**492,500**	827,071
Istisna payable	See Note 23		**550,000**	280
Liabilities Against assets subject to finance lease	See Note 21		**157,697**	185,327
Short term Borrowings	See Note 25		**1,394,401**	1,839,204

Sensitivity analysis

A change of 100 basis points in interest rates at the reporting date would have increased/ decreased profit for the year before tax by the amounts shown below. The analysis assumes that all other variables remains constant.

	2012	2011
	--- Rupees in "000" ----	
Effect due to 100 basis points change	-	
Increase	**(25,946)**	(34,016)
Decrease	**25,946**	34,016

E Foreign exchange risk management

Foreign exchange risk is the risk that the fair value of future cash flows of financial statements will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk arises mainly from future economical transactions or receivables and payables that exist due to transactions in foreign currencies.

Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivables / payable from / to the foreign entities and outstanding letters of credit, long term foreign currency loans and bills payable. In appropriate cases, the Company takes out forward contracts to mitigate risk. The Company's exposure to foreign currency risk is as follows:

		2012		2011	**2012**	2011
		(in thousands)			**(Rupees in thousands)**	
Balance Sheet Exposure						
Foreign debtors	$	405		-	38,465	-
Off Balance Sheet Exposure						
Commitments						-
US Dollars	**$**	**233**	$	270	**22,138**	
EUROS	€	**73**			**8,950**	7,609
JPY	**JPY**	**2,285**	JPY	2,330	**1,311**	
					32,399	7,609

The following significant exchange rate has been applied:

	2012	2011
Rupee per USD		
Average rate	**91.18**	86.48
Reporting date rate	**95.00**	87.28

Sensitivity analysis

A 10 percent strengthening / weakening of the PKR against USD at 30 Sept would have decreased / increased equity and profit and loss account by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2011.

	2012	**2011**
	(Rupees in '000)	
As at September 30		
- Effects in US$ gain / (loss)	**3,808/ (3,808)**	-

F Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair value estimates.

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

G Capital risk management

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix amongst various sources of finance to minimize risk.

The primary objectives of the Company when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

During 2012 the Company's strategy was to maintain leveraged gearing. The gearing ratios as at September 30, 2012 and 2011 were as follows:

	2012	2011
	(Rupees in '000)	
Total borrowings	**2,881,264**	2,797,031
Less: Cash and bank	**(63,341)**	(43,316)
Net debt	**2,817,923**	2,753,715
Total equity	**1,740,829**	1,833,789
Total equity and debt	**4,622,093**	4,630,820
Gearing ratio (%)	**60.97%**	59.46%

43 DATE OF AUTHORIZATION

These financial statements were authorized for issue in the Board of Directors meeting held on December 27, 2012.

44 EVENTS AFTER BALANCE SHEET DATE

Subsequent to the year ended September 30, 2012, the Board of Directors has proposed a final cash dividend of Re.0.50 (2011 Rs.3) per share amounting to Rs.9.285 million (2011 :55.711 million) and 5% bonus shares i.e.1 share evey 20 share at their meeting held on December 27,2012 for the approval of the members at the Annual General Meeting to be held on 30th January 2013.

45 GENERAL

45.1 Restatement:

Compretative corresponding figure of long term investment and surplus on revaluation of Property, Plant and Equipments has been restated as consequence of correction of error in recording Investee's surplus on revaluation of Property, Plant and Equipment which has been rectified retrospectively having impact only incoressponding year's figures only however the same do not effect figures of profit and loss account of the coresspoding period.

45.2 Reclassification:

For better presentation, reclassification made in the Financial Statements is as follows:

RECLASSIFICATION FROM COMPONENTS	RECLASSIFICATION TO COMPONENTS	2012	2011
		(Rs. In '000')	
Cost of Sales	**Other Operating Charges**		
Provision for Obsolete stores and spare items	Provision for Obsolete stores and spare items	1,000	638
Property, Plant and Equipment	**Intangibles Assets**		
Intangibles	ERP Software	3,274	4,860
Adminitrative Expenses	**Adminitrative Expenses**		
Depreciation	Amortisation	1,611	1,988

45.3 Amounts have been rounded off to the nearest thousand rupee unless otherwise stated.

ISMAIL H. ZAKARIA
Chief Executive Officer

SULEMAN AYOOB
Director

KEY OPERATION & FINANCIAL DATA FOR LAST TEN YEARS

(Rupees in thousand)

	2012	2011 (Restated)	2010	2009	2008 (Restated)	2007	2006 (Restated)	2005	2004	2003
BALANCE SHEET:										
Share Capital	185,703	185,703	185,703	185,703	185,703	185,703	185,703	185,703	185,703	185,703
Reserves	938,541	987,599	928,612	691,371	568,382	344,659	301,468	197,805	90,778	(3,041)
Surplus on revaluaiton of fixed assets	616,585	660,487	708,767	765,432	795,686	337,261	369,288	399,472	432,671	447,548
Long Term Liabilities	715,979	457,783	408,534	358,463	270,630	400,714	150,073	229,526	283,025	182,742
Deferred Liabilities	374,560	453,761	561,830	518,674	473,657	346,074	344,112	279,750	308,640	350,783
Current Liabilities	3,147,017	3,142,284	1,431,018	1,283,079	1,542,332	723,653	723,016	873,515	804,576	1,022,207
Operating Assets	2,674,032	2,830,921	2,681,942	2,327,921	2,264,422	1,527,982	1,472,955	1,456,103	1,445,824	1,521,749
Long Term Deposits	42,835	42,375	4,688	4,290	5,071	11,317	10,742	11,047	9,991	9,461
Long Term Loans	4,230	5,032	4,476	4,144	-	-	-	-	-	-
Long Term Investments	179,964	154,020	143,933	143,772	98,416	10,263	8,607	3,671	39,852	18,449
Deferred Cost	-	-	-	-	-	-	-	-	-	5,759
Current Assets	3,074,050	2,850,409	1,389,425	1,322,595	1,466,075	788,502	581,356	694,950	609,726	630,524
TRADING:										
Turnover	6,129,081	5,983,046	6,313,220	4,249,981	3,048,478	2,382,212	2,698,535	1,703,015	1,521,994	1,291,612
Gross Profit	678,924	737,206	1,001,803	682,952	622,358	327,203	415,307	297,704	203,695	77,772
Operating Profit (Loss)	682,242	739,831	1,006,841	690,503	637,048	212,905	324,858	215,492	130,712	8,594
Profit(Loss) before Tax	(83,513)	59,875	391,453	210,749	244,243	39,759	182,154	94,955	16,082	(104,461)
Profit(Loss) after Tax	(43,099)	104,465	254,398	119,738	212,217	26,924	116,767	103,888	35,886	(74,502)
Earning per share	(2.32)	5.63	13.70	6.45	11.26	1.45	6.29	5.59	1.93	(4.01)
Cash dividend	5%	30%	50%	40%	30%	15%	10%	10%	NIL	NIL
Bonus shares	5%	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
SUGAR PRODUCTION:										
a) From Cane (M.Tons)	88,058	71,655	73,175	66,495	98,113	68,310	62,722	49,004	70,360	52,508
b) From Raw Sugar	-	-	-	-	-	-	7,980	6,141	-	-
Sugar Produced (M.Tons)	88,058	71,655	73,175	66,495	98,113	68,310	70,702	55,145	70,360	52,508
Cane crushed (M.Tons)	885,101	888,736	774,230	736,420	1,062,304	782,777	662,200	538,064	756,425	622,697
Recovery (%)	9.95%	8.05%	9.47%	9.03%	9.24%	8.72%	9.47%	9.11%	9.30%	8.40%

PATTERN OF HOLDING OF THE SHARES HELD BY THE SHAREHOLDERS AS ON 30-09-2012

NOs OF SHARESHOLDERS	HOLDINGS					TOTAL SHARES HELD
444	FROM	1	TO	100	SHARES	13,418
408	FROM	101	TO	500	SHARES	115,474
94	FROM	501	TO	1000	SHARES	70,637
107	FROM	1001	TO	5000	SHARES	252,548
15	FROM	5001	TO	10000	SHARES	116,274
3	FROM	10001	TO	15000	SHARES	37,731
7	FROM	15001	TO	20000	SHARES	126,730
5	FROM	20001	TO	25000	SHARES	120,766
1	FROM	25001	TO	30000	SHARES	26,385
3	FROM	30001	TO	35000	SHARES	96,491
2	FROM	35001	TO	40000	SHARES	76,475
1	FROM	40001	TO	45000	SHARES	40,342
6	FROM	45001	TO	50000	SHARES	288,154
4	FROM	50001	TO	55000	SHARES	213,402
3	FROM	55001	TO	60000	SHARES	172,411
2	FROM	60001	TO	65000	SHARES	122,272
1	FROM	65001	TO	70000	SHARES	67,609
2	FROM	80001	TO	85000	SHARES	168,082
1	FROM	85001	TO	90000	SHARES	85,194
1	FROM	90001	TO	95000	SHARES	92,500
3	FROM	95001	TO	100000	SHARES	296,619
3	FROM	105001	TO	110000	SHARES	327,456
1	FROM	115001	TO	120000	SHARES	116,947
1	FROM	140001	TO	145000	SHARES	142,350
1	FROM	150001	TO	155000	SHARES	151,453
3	FROM	165001	TO	170000	SHARES	504,186
2	FROM	170001	TO	175000	SHARES	345,536
2	FROM	175001	TO	180000	SHARES	355,088
2	FROM	185001	TO	190000	SHARES	374,563
2	FROM	200001	TO	205000	SHARES	402,222
1	FROM	210001	TO	215000	SHARES	214,101
1	FROM	215001	TO	220000	SHARES	218,627
1	FROM	245001	TO	250000	SHARES	245,264
3	FROM	250001	TO	255000	SHARES	762,291
1	FROM	260001	TO	265000	SHARES	261,573
1	FROM	275001	TO	280000	SHARES	275,844
1	FROM	290001	TO	295000	SHARES	293,329
1	FROM	330001	TO	335000	SHARES	334,518
2	FROM	335001	TO	340000	SHARES	675,534
1	FROM	365001	TO	370000	SHARES	365,065
1	FROM	375001	TO	380000	SHARES	378,976
1	FROM	425001	TO	430000	SHARES	425,976
1	FROM	435001	TO	440000	SHARES	437,688
1	FROM	465001	TO	470000	SHARES	468,230
1	FROM	510001	TO	515000	SHARES	513,757
1	FROM	640001	TO	645000	SHARES	644,821
1	FROM	700001	TO	705000	SHARES	703,629
1	FROM	920001	TO	925000	SHARES	924,470
1	FROM	1105001	TO	1110000	SHARES	1,109,294
1	FROM	1700001	TO	1705000	SHARES	1,701,294
1	FROM	2295001	TO	2300000	SHARES	2,296,656
1154						**18,570,252**

CATEGORIES OF SHAREHOLDING AS ON 30-09-2012

SR.NO.	CATEGORIES OF SHAREHOLDER'S	NUMBER OF SHARES HOLDERS	SHARES HELD	PERCENTAGE
1	INDIVIDUALS	1127	12,805,385	68.96%
2	JOINT STOCK COMPANIES	11	2,362,164	12.72%
3	INSURANCE COMPANIES	1	513,757	2.77%
4	FINANCIAL INSTITUTIONS	6	2,593,656	13.97%
5	MODARABA COMPANIES	1	110,000	0.59%
6	OTHERS	8	185,290	1.00%
	TOTAL	**1154**	**18,570,252**	**100.00%**

CATEGORIES OF SHARE HOLDING
AS AT SEPTEMBER 30, 2012

Categories of Shareholders	No. of Share Holders	Sheres Held	Percentage
ASSOCIATED COMPANIES UNDERTAKINGS			
AND RELATED PARTIES	2		
FIRST AL-NOOR MODARABA		110,000	0.59
NOORI TRADING CORP. (PVT) LTD		1,701,294	9.16
NIT & ICP			
NATIONAL BANK OF PAKISTAN (TRUSTEE DEPTT)	1	2,296,656	12.37
INVESTMENT CORPORATION OF PAKISTAN	1	190	0.00
NATIONAL INVESTMENT TRUST LTD.	2	78,083	0.42
NATIONAL BANK OF PAKISTAN	1	218,627	1.18
DIRECTORS , CEO & THEIR SPOUSES AND MINOR CHILDREN	14		
MRS. MUNIRA ANJUM YUSUF		365,065	1.97
MR. MUHAMMAD SULEMAN AYOOB		293,329	1.58
MR. MUHAMMAD YUSUF AYOOB		336,538	1.81
MR. ABDUL AZIZ AYOOB		109,787	0.59
MRS. MEHRUNNISA A. AZIZ (W/O A. AZIZ AYOOB)		188,860	1.02
MRS. ZARINA ISMAIL (W/O ISMAIL H. ZAKARIA)		173,393	0.93
MR. ZIA ZAKARIA		175,772	0.95
MR. ZOHAIR ZAKARIA		275,844	1.49
MRS. SURAIYA SULEMAN (W/O SULEMAN AYOOB)		54,486	0.29
MR. MOHAMMAD SALIM SULEMAN		84,183	0.45
MR. ISMAIL H. ZAKARIA		425,976	2.29
MR NOOR MOHAMMAD ZAKARIA		10,231	0.06
MR SHEHNAZ ZAKARIA (W/O NOOR MOHAMMAD)		338,996	1.83
MRS. ADIBA SALIM (W/O SALIM AYOOB)		67,609	0.36
PUBLIC SECTOR COMPANIES AND CORP.	1	513,757	2.77
BANK, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE INSTITUTIONS, INSURANCE COMPANIES, MODARABAS AND	1	100	0.00
MUTUAL FUNDS			
JOINT STOCK COMPANIES	10	660,870	3.56
OTHERS	8	185,290	1.00
INDIVIDUALS	1113	9,905,316	53.34
TOTAL:-	**1154**	**18,570,252**	**100.00**

CERTIFICATES HOLDERS HOLDING FIVE PERNCENT OR MORE VOTING INTEREST IN THE LISTED COMPANY

National Bank of Pakistan Trustee Deptt.	---	2,296,656	
Zaki Zakaria		1,109,294	
Noori Trading Corporation (Pvt.) Ltd.		1,701,294	

PROXY FORM

I/We ....

in the district of .... being a Member of **AL-NOOR SUGAR MILLS LIMITED**

and holder of .... Ordinary Shares as per Share
(Number of Shares)

Register **Folio No.** .... and/or **CDC Participant I.D. No.** .... **and Sub Account No.** ....

hereby appoint .... of ....

or failing him ....

of.. also a member; as my/our Proxy in my/our absence to attend and vote for me/us at the 43rd Annual General Meeting of the Company to be held on the 30th day of January two thousand and thirteen at 10.30 A.M. and at any adjournment thereof :

Signed this .... day of 2013

WITNESSES:

1. Signature ....
   Name: ....
   Address ....
   ....
   NIC or
   Passport No. ....

2. Signature ....
   Name: ....
   Address ....
   ....
   NIC or
   Passport No. ....

Rupees five
Revenue
Stamp

Signature of Member(s)

NOTE:

If a Member is unable to attend the Meeting, he may sign this Form and send it to Secretary AL-NOOR SUGAR MILLS LIMITED, KARACHI so as to reach him not less than 48 hours before the time of holding the Meeting. A proxy need to be a member of the company.