



AL-NOOR SUGAR MILLS LIMITED

Half Yearly Results for the period
1st October 2008 to 31st March, 2009

COMPANY INFORMATION

BOARD OF DIRECTORS

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

Chairman & Managing Director
Resident Director

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

BOARD AUDIT COMMITTEE

A. AZIZ AYOOB
ZIA I. ZAKARIA
MUHAMMAD ASIF

Chairman
Member
Member

CHIEF FINANCIAL OFFICER

ZOHAIR ZAKARIA

COMPANY SECRETARY

MOHAMMAD YASIN MUGHAL
FCMA

AUDITORS

M. YOUSUF ADIL SALEEM & CO.
Chartered Accountants

LEGAL ADVISOR

ABDUL SATTAR PINGAR

REGISTERED OFFICE

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

FACTORY

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

REGISTRAR & SHARE REGISTRATION OFFICE

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

DIRECTORS' REPORT

Dear Members – Assalam-o-Alaikum:

On behalf of the Board of Directors, it is my privilege to present to you the Un-Audited Financial Statements of your Company for the period ended March 31, 2009. The auditors have reviewed these financial statements as required under the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan.

Salient features of the Financial Statements are as under:

<u>PRODUCTION DATA</u>	<u>March 31, 2009</u>	<u>March 31, 2008</u>
Crushing started on	23-11-2008	16-11-2007
Crushing terminated on	16-03-2009	23-04-2008
Duration of crushing (days)	114	159
Sugarcane crushed (M.Tons)	736,420	1,062,304
Sugar produced (M.Tons)	66,495	98,113
Sugar recover rate	9.03%	9.24%
Molasses produced (M.Tons)	35,528	55,453
MDF Board produced (M.Tons)	20,049	21,858
<u>FINANCIAL DATA</u>	<u>Rs. In thousand</u>	<u>Rs. In thousand</u>
Sale	1,546,341	1,156,955
Cost of sales	(1,311,301)	(927,080)
Gross Profit	235,040	229,875
Administrative Expenses	(85,693)	(69,584)
Financial charges	(146,230)	(82,398)
Profit before taxation	35,331	80,349
Provision for taxation	(9,686)	(8,544)
Profit after tax	25,645	71,805

PERFORMANCE REVIEW:

During the period under review, the sugarcane crop was weaker as would be observed from the total sugarcane crushed when compared with the last crushing season. Accordingly sugarcane crushed this year was less by 31% when compared with the previous year's crushing season and recovery rate also reduced to 9.03% as against 9.24% achieved last year. Similarly the production of sugar also decreased by 31,618 metric tons or 32.23%. Although the Government had increased sugarcane support price by 28.75% from Rs. 63 /= to Rs. 81/= per 40 kgs the persistent shortage of water resulted in growers diverting their focus to less water dependent crops.

MDF BOARD DIVISION:

MDF Board division is performing well and produced 20,049 metric tons of Board in various thick-nesses / sizes as against 21,858 metric tons produced last year. The production of MDF Board Plant, however, is slightly lower due to extensive load-shedding by WAPDA. The demand for Lasani Wood is still increasing locally and the company is actively exploring export possibilities as well. The management continues to consider various options to increase the production capacity of the plant in order to meet the domestic and export demand of the product.

CHANGES IN THE COMPOSITION OF BOARD OF DIRECTORS:

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

Board of Directors wish to assure to respectable stakeholders for dedicated efforts to achieve the success with better planning to overcome, Insha Allah, the difficult situation presently being faced by the sugar division. Please pray to Almighty Allah to guide / help us to achieve the desired goals (Ameen).

Karachi:
Dated: 25th May 2009



ISMAIL H. ZAKARIA
CHAIRMAN & MANAGING DIRECTOR

REVIEW REPORT TO THE MEMBERS ON INTERIM FINANCIAL INFORMATION

We have reviewed the accompanying condensed interim balance sheet of AL-NOOR SUGAR MILLS LIMITED (the Company) as at March 31, 2009, and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity (here-in-after referred to as the 'interim financial information') for the six-months period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the three months ended March 31, 2009 and 2008 have not been reviewed, as we are required to review only the cumulative figures for the six months ended March 31, 2009 and 2008.

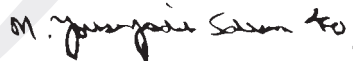
Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the six months period ended March 31, 2009 is not prepared in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Karachi:
Dated: 25th May 2009



M. Yousuf Adil Saleem & Co.
Chartered Accountants


AL-NOOR SUGAR MILLS LTD.

CONDENSED BALANCE SHEET
AS AT MARCH 31, 2009

	Note	Un-Audited March 31, 2009 (Rupees in '000)	Audited September 30, 2008 (Restated)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital 20,000,000 (2008 : 20,000,000) ordinary shares of Rs.10/- each		200,000	200,000
Issued, subscribed and paid-up capital		185,703	185,703
General revenue reserve		190,000	190,000
Unappropriated profits		366,649	366,139
		742,351	741,842
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		741,686	772,261
NON-CURRENT LIABILITIES			
Long term financing		193,750	237,500
Liabilities against assets subject to finance lease		15,985	28,261
Long term deposits		5,194	4,869
Deferred liabilities		511,105	497,970
CURRENT LIABILITIES			
Trade and other payables		870,376	526,054
Interest / mark-up accrued		65,189	28,416
Short term borrowings		1,880,996	862,684
Current portion of non-current liabilities		114,117	123,808
		2,930,678	1,540,962
CONTINGENCIES AND COMMITMENTS	3	5,140,749	3,823,665
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	4	2,307,019	2,264,422
Long-term investments		86,774	85,690
Long-term deposits		4,813	5,071
CURRENT ASSETS			
Stores, spares and loose tools		178,889	188,578
Stock-in-trade		2,149,112	1,009,052
Trade debts Unsecured - Considered Good		175,511	11,314
Loans and advances		103,848	149,526
Trade deposits and short-term prepayments		7,752	7,164
Income tax refundable		28,157	16,168
Other receivables		1,849	417
Cash and bank balances		97,025	86,263
		2,742,143	1,468,482
		5,140,749	3,823,665

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


ISMAIL H. ZAKARIA
Chief Executive Officer


SULEMAN AYOOB
Director

AL-NOOR SUGAR MILLS LTD.

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2009**

	Note	<u>Six months period ended</u>		<u>Three month period ended</u>	
		March 31, 2009 (October-March)	March 31, 2008	March 31, 2009 (January-March)	March 31, 2008
----- (Rupees in '000) -----					
Sales		1,546,341	1,156,955	792,384	493,784
Cost of goods sold	5	(1,311,301)	(927,080)	(677,831)	(279,357)
Gross profit		235,040	229,875	114,553	214,427
Profit from trading activities		41,857	13,213	25,148	908
Other operating income		1,254	772	1,254	535
		278,151	243,860	140,955	215,870
Distribution cost		(11,191)	(11,089)	(6,933)	(8,867)
Administration expenses		(85,693)	(69,584)	(48,095)	(40,489)
Other operating expenses		(2,439)	(4,229)	(601)	(3,121)
Finance cost		(146,230)	(82,398)	(87,569)	(54,634)
Share of profit of associated undertakings		2,733	3,789	3,103	12,084
Profit before taxation		35,331	80,349	860	120,843
Taxation					
- Current		(2,734)	(8,691)	6,058	(4,945)
- Deferred		(6,952)	147	(2,388)	(2,463)
		(9,686)	(8,544)	3,670	(7,408)
Profit / (Loss) for the period		25,645	71,805	4,530	113,436
Earnings per share					
- Basic and diluted		1.38	3.87	0.24	6.11

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


ISMAIL H. ZAKARIA
Chief Executive Officer


SULEMAN AYOOB
Director

AL-NOOR SUGAR MILLS LTD.

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2009**

	March 31, 2009	March 31, 2008
Rupees in '000		
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	35,331	80,349
Adjustments for:		
Depreciation of property, plant and equipment	83,660	55,356
Gain on disposal of property, plant and equipment	(742)	(344)
Provision for staff gratuity	6,500	7,847
Finance cost	146,230	82,398
Share of loss / (profit) of associated undertakings	(2,733)	(3,789)
	232,916	141,468
Operating cash flows before movement in working capital	268,247	221,817
(Increase) / decrease in current assets		
Stores, spares and loose tools	9,689	(15,929)
Stock in trade	(1,140,060)	(1,139,284)
Trade debts	(164,197)	(384,213)
Loans and advances	45,678	(25,404)
Trade deposits and short term prepayments	(588)	(12,861)
Other receivables	(1,432)	22,259
	(1,250,910)	(1,555,432)
Increase in trade and other payables	343,636	228,519
Cash used in operations	(639,027)	(1,105,096)
Income taxes paid	(14,722)	(4,270)
Gratuity paid	(317)	(158)
Long term deposits	325	464
Deferred liabilities paid	-	(21,684)
Finance cost paid	(109,457)	(58,098)
	(124,171)	(83,746)
Net cash from operating activities	(763,199)	(1,188,842)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(124,771)	(38,582)
Long term deposits	258	718
Proceeds from disposal of property, plant and equipment	897	405
Net cash used in investing activities	(123,616)	(37,458)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(43,749)	(56,250)
Repayment of finance lease	(21,968)	(30,815)
Short term bank borrowings	1,018,313	1,344,806
Dividend paid	(55,019)	(27,855)
Net cash from financing activities	897,577	1,229,886
Net increase in cash and cash equivalents (A+ B+C)	10,762	3,586
Cash and cash equivalents at the beginning of the period	86,263	47,597
Cash and cash equivalents at the end of the period	97,025	51,183

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


ISMAIL H. ZAKARIA
Chief Executive Officer



SULEMAN AYOOB
Director

AL-NOOR SUGAR MILLS LTD.

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2009**

	Issued, Subscribed & paid up capital	----- Revenue Reserves -----		Total
		General revenue reserve	Unappropriated profits	
-----Rupees in '000-----				
Balance as at October 1, 2007	185,703	190,000	154,659	530,362
Incremental depreciation arising due to surplus on revaluation of property, plant and equipment-net of deferred tax	-	-	7,019	7,019
Share of associate's transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax and disposal	-	-	1,297	1,297
Net income recognised directly in equity	-	-	8,316	8,316
Profit for the period from October 01, 2007 to March 31, 2008	-	-	71,805	71,805
Total recognised income and expense for the period	-	-	80,121	80,121
Final cash dividend for the year ended September 30, 2007 at Rs. 1.5/- per share	-	-	(27,855)	(27,855)
Balance as at March 31, 2008	185,703	190,000	206,925	582,628
Balance as at October 1, 2008	185,703	190,000	366,139	741,842
Incremental depreciation arising due to surplus on revaluation of property, plant and equipment -net of deferred tax	-	-	29,337	29,337
Share of associate's transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	1,238	1,238
Net income recognised directly in equity	-	-	30,575	30,575
Profit for the period from October 01 2008 to March 31, 2009	-	-	25,645	25,645
Total recognised income and expense for the period	-	-	56,220	56,220
Final cash dividend for the year ended September 30, 2008 at Rs. 3/- per share	-	-	(55,711)	(55,711)
Balance as at March 31, 2009	185,703	190,000	366,649	742,351

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


ISMAIL H. ZAKARIA
Chief Executive Officer


SULEMAN AYOOB
Director

**SELECTED EXPLANATORY NOTES TO THE
CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2009**

1. GENERAL INFORMATION

- 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 the Companies Ordinance, 1984). The company is currently listed on Karachi and Lahore Stock Exchanges. The principal activities of the company are manufacturing and sale of sugar and medium density fiber board. The registered office of the company is situated at 96-A, Sindhi Muslim Society, Karachi in the province of Sindh and the manufacturing facilities are located at Shahpur Jahania, District Nawabshah in the province of Sindh.

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

The operating divisions are as follows:

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

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

2. BASIS OF PREPARATION

- 2.1 These condensed interim financial statements have been prepared under historical cost convention modified by:
- revaluation of certain property, plant and equipment; and
 - recognition of certain employees retirement benefits at present value.
- 2.2 These unaudited interim financial statements have been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and in compliance with requirement of Section 245 of the Companies Ordinance, 1984. These interim financial statements are unaudited. However, a limited scope review of these interim financial statements has been performed by the external auditors of the Company in accordance with the requirement of clause (xxi) of the Code of Corporate Governance.
- 2.3 "The accounting policies and basis for accounting estimates adopted for the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended September 30, 2008.

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

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

2.5 Prior period error

During previous years, the Company recorded investment in associate under equity method without taking effect of revaluation surplus in the carrying amount of investment. As a result the carrying value of investment is understated by share in revaluation surplus on fixed assets of associate. The effect of aforementioned restatements on those financial statements

Increase in carrying value of investments	47,939
Increase in surplus on revaluation	42,027
Increase in Deferred tax liability	5,912

3. CONTINGENCIES AND COMMITMENTS

3.1 Contingencies

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

	Unaudited March 31, 2009	Audited September 30, 2008
Rupees in '000		
3.2 Commitments		
Letters of credit		
Stores	6,303	920
Plant and machinery	27,755	57,425
Trading stock	-	107,395
Capital work in progress		
Plant and machinery	29,219	10,975

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4. ADDITIONS TO AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

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

	March 31, 2009		March 31, 2008	
	Additions	Disposal (W.D.V)	Additions	Disposal (W.D.V)
	----- Rupees '000 -----			
Operating assets				
Owned				
Plant and machinery	160,058		54,885	-
Building on free hold land	6,819		1,762	-
Furniture and fixture	31		36	-
Office equipment	2,217		1,567	-
Vehicle	6,502	155	6,566	61
Capital work in progress				
Plant and machinery	109,903	-	2,502	-
Civil work	6,969	-	19,396	-
	-----Six month-----		-----Three month-----	
	March 31,	March 31,	March 31,	March 31,
	2009	2008	2009	2008
	(October-March)		(January-March)	
	----- (Rupees in '000) -----			
5. Cost of goods manufactured (5.1)	2,434,833	2,021,571	1,714,418	1,345,518
Finished goods				
Opening stock	826,790	294,980	913,735	323,310
Closing stock	(1,950,322)	(1,389,471)	(1,950,322)	(1,389,471)
	(1,123,532)	(1,094,491)	(1,036,587)	(1,066,161)
	<u>1,311,301</u>	<u>927,080</u>	<u>677,831</u>	<u>279,357</u>
5.1 Cost of goods manufactured				
Raw material consumed	2,185,429	1,806,025	1,601,383	1,222,204
Salaries, wages and benefits	62,553	51,723	42,087	35,022
Stores and spares consumed	68,453	63,031	27,414	39,528
Packing materials	22,684	27,609	16,474	21,870
Fuel and oil	80,829	54,965	55,191	36,608
Power and water	34,504	30,926	15,420	11,242
Repair and maintenance	31,653	20,613	10,797	8,406
Insurance	4,015	4,369	1,778	2,456
Depreciation	72,897	49,695	37,201	24,676
Other manufacturing expenses	27,515	16,006	15,401	9,186
	<u>2,590,532</u>	<u>2,124,962</u>	<u>1,823,146</u>	<u>1,411,198</u>
Less: by product sale				
Molasses	152,421	79,310	133,499	58,236
Sander dust	2,636	3,900	1,357	2,495
	(155,057)	(83,210)	(134,856)	(60,731)
Work-in-process				
Opening stock	1,503	1,963	28,273	17,195
Closing stock	(2,145)	(22,143)	(2,145)	(22,143)
	(642)	(20,181)	26,128	(4,948)
	<u>2,434,833</u>	<u>2,021,571</u>	<u>1,714,418</u>	<u>1,345,519</u>

AL-NOOR SUGAR MILLS LTD.

6. TRANSACTIONS WITH RELATED PARTIES

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

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

	March 31, 2009	March 31, 2008
Rupees in '000		
Associates		
Sale of molasses	152,421	75,174
Insurance premium paid	3,181	4,254
Insurance claim received	-	1,304
Key management personnel		
Director's remuneration	5,301	2,644
Directors meeting fee	90	43
Executives remuneration	10,097	3,974
Contribution made to provident fund	819	246

7. SEGMENT INFORMATION

The company's operating businesses are organized and managed separately according to the nature of products produced with each segment representing a strategic business unit that offers different products and serves different markets. The sugar segment is the manufacturer of sugar and board segment is a manufacturer of Medium Density Fiber (MDF) board. The following tables represents revenue and profit information regarding business segment for the period ended March 31, 2009 and March 31, 2008 and certain assets and liabilities information regarding business segments as at March 31, 2009 and September 30, 2008:

	Sugar		MDF Board		Total	
	Six months period ended March 31,		Six months period ended March 31,		Six months period ended March 31,	
	2009	2008	2009	2008	2009	2008
----- (Rupees in '000) -----						
Segment Revenue	993,069	563,311	553,272	593,644	1,546,341	1,156,955
Segment Results	86,710	44,441	94,557	118,746	181,267	163,187

UNALLOCATED ITEMS

Other operating expenses	(2,439)	(4,229)
Finance charges	(146,230)	(82,398)
Share of (loss) / profit from associated undertaking	2,733	3,789
Profit before taxation	35,331	80,349
Taxation	(9,686)	(8,544)
Profit after taxation	25,645	71,805

AL-NOOR SUGAR MILLS LTD.

	Sugar		MDF Board		Total	
	Six months period ended March 31,		Six months period ended March 31,		Six months period ended March 31,	
	2009	2008	2009	2008	2009	2008
	----- (Rupees in '000) -----					
Assets						
Segment assets	3,425,598	2,149,446	1,628,378	1,588,529	5,053,975	3,737,975
Investment in associates	86,774	85,690	-	-	86,774	85,690
Consolidated Total assets					<u>5,140,749</u>	<u>3,823,665</u>
Liabilities						
Segment liabilities	3,155,636	1,748,335	501,076	561,227	<u>3,656,712</u>	<u>2,309,562</u>
OTHER INFORMATION						
Capital expenditure	140,699	50,890	34,927	96,350	175,626	147,240
Depreciation	25,100	43,825	58,560	72,187	83,660	116,012

8. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue on 25th May 2009 by the Board of Directors of the Company.


ISMAIL H. ZAKARIA
 Chief Executive Officer


SULEMAN AYOOB
 Director

Assani
WOOD

BOOK POST
PRINTED MATTER



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AL-NOOR SUGAR MILLS LTD.

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KARACHI-74400.