

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

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

DIRECTOR'S REPORT

IN THE NAME OF ALLAH THE MOST GRACIOUS AND MOST MERCIFUL

Dear Members:

Assalam-o- Alaikum:

It is my privilege to present to you on behalf of Board of Directors the Un-Audited Accounts of your company for the period ended December 31, 2010. Segment-wise position is indicated as under:

SUGAR DIVISION:

The Mill started crushing of sugarcane on October 29, 2010 and up to December 31, 2010 the mill crushed 263,891 metric tons of sugarcane as against 263,348 metric tons crushed in the same period last year. The sugar produced was 18,130 metric tons as against 21,370 metric tons produced during the first quarter of last year indicating a decrease of 15 percent. Sugarcane crushed is about the same as last year but production of sugar decreased due to reduction in the recovery percentage. During the period under review the recovery percentage was 7.634 percent as against 8.664 percent achieved last year. The main cause of reduction in the recovery rate was the excess water due to devastating flood and severe pest attack on the standing crop. Accordingly while sugarcane rate remained high; the recovery is one of the lowest in the company's history. Total molasses produced during this period amounted to 11,770 metric tons as against 11,150 metric tons produced last year. Your Company earned pre-tax profit of Rs.250.590 million as against Rs.204.832 million earned in the same period of last year.

For the crushing season in progress the Government of Sindh vide Notification No.SCB/721 dated October 20, 2010 announced minimum sugarcane support price of Rs. 127 per 40 kg as against Rs. 102 fixed last year. This indicates an increase of Rs.25 per 40 kg of sugarcane or 24.51 percent over the previous year. Raw material cost accounts for about 75 percent of the total cost of production of sugar and keeping in view the high cost of raw material and other inputs it is not expected that the cost of sugar would reduce in the open market substantially.

MDF BOARD DIVISION:

During the quarter under review the production of Lasani Wood in various sizes was 8,296 metric tons as against 7,881 metric tons produced in the same period last year. The demand of the products of MDF is increasing not only in the domestic market but also in the neighboring countries.

POWER GENERATION DIVISION:

It was mentioned in the Annual Report 2009-10 that load shedding is done by WAPDA and management made arrangements for in-house power generation. After meeting the requirements of Sugar and MDF Divisions excess available power of 815 mega watt was supplied to WAPDA and generated additional resources of Rs.5.982 million for the Company excluding Sales Tax valuing Rs.1.017 million.

The Board is pleased to place on record its appreciation for the dedicated and devoted services of all the officers and staff and workers of the company under the current demanding environment.

For & on behalf of the Board of Directors



ISMAIL H. ZAKARIA
CHAIRMAN & MANAGING DIRECTOR

Karachi: 27th January 2011

AL-NOOR SUGAR MILLS LTD.

CONDENSED INTERIM BALANCE SHEET
AS AT 31ST DECEMBER, 2010

	Note	Un-Audited December 31, 2010 (Rupees in '000)	Audited September 30, 2010
NON - CURRENT ASSETS			
Property, plant and equipment	3	2,679,026	2,681,942
Long term investments		146,325	143,933
Long term deposits		5,080	4,688
Long term loans		4,527	4,476
		<u>2,834,958</u>	<u>2,835,039</u>
CURRENT ASSETS			
Stores, spares and loose tools		234,554	218,657
Stock in trade		1,128,397	965,121
Trade debts		92,400	-
Current maturity of long term loans		4,876	5,422
Short term loans and advances		161,915	41,528
Short term deposits and Prepayments		6,088	8,164
Other receivables		12,305	10,104
Cash and bank balances		235,149	140,429
		<u>1,875,684</u>	<u>1,389,425</u>
		<u>4,710,642</u>	<u>4,224,464</u>
SHARE CAPITAL AND RESERVES			
Authorised Capital 20,000,000 (2010 : 20,000,000) ordinary shares of Rs.10/- each		<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up capital		185,703	185,703
Unrealised loss on revaluation of investments		(55)	(55)
Unappropriated profit		<u>1,127,040</u>	<u>928,667</u>
		<u>1,312,688</u>	<u>1,114,315</u>
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		696,002	708,767
NON-CURRENT LIABILITIES			
Long term financing		351,458	392,500
Liabilities against assets subject to finance lease		16,389	14,945
Deferred liabilities		547,312	561,830
Long term deposits		6,217	1,089
		<u>921,376</u>	<u>970,364</u>
CURRENT LIABILITIES			
Trade and other payables		452,726	646,914
Interest / mark-up accrued		23,276	41,477
Short term borrowings		1,030,607	549,483
Current portion of non-current liabilities		180,079	168,549
Provision for income tax-net of payments		93,888	24,595
		<u>1,780,576</u>	<u>1,431,018</u>
CONTINGENCIES AND COMMITMENTS	4	-	-
		<u>4,710,642</u>	<u>4,224,464</u>

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


ISMAIL H. ZAKARIA
Chief Executive Officer

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SULEMAN AYOORB
Director

AL-NOOR SUGAR MILLS LTD. ■

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31ST DECEMBER, 2010**

	October to December	
	2010	2009
	(Rupees in '000)	
Sales	2,056,708	1,387,757
Cost of sales	(1,684,482)	(1,086,232)
Gross profit	372,226	301,525
Profit from trading activities	613	903
Other operating income	1,485	647
	374,324	303,075
Distribution cost	(4,695)	(4,335)
Administrative expenses	(64,937)	(50,532)
Other operating expenses	(18,474)	(14,110)
Finance cost	(38,021)	(44,079)
Share of profit of associated undertakings	2,393	14,813
Profit before taxation	250,590	204,832
Taxation	(64,982)	(58,507)
Profit for the period	185,608	146,325
Earnings per share - Basic and Diluted (Rupees)	9.99	7.88

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
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31ST DECEMBER, 2010

	2010	2009
	(Rupees in '000)	
Profit for the period after taxation	185,608	146,325
Other Comprehensive Income		
Share of Associate's unrealized Profit on changes in fair value of investment	-	-
Total Comprehensive Income for the period	<u>185,608</u>	<u>146,325</u>

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 THREE MONTHS PERIOD ENDED 31ST DECEMBER, 2010**

	Issued, subscribed & paid up capital	General revenue reserves	Unappro- priated profit	Unrealised Profit /(loss) on revaluation of investments	Total
	----- (Rupees in '000) -----				
Balance as at October 01, 2009	185,703	-	691,824	(453)	877,074
Changes in equity for the period ended December 31, 2009					
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation- net of deferred tax	-	-	12,379	-	12,379
Share of associate's unrealised loss on revaluation of investment	-	-	898	-	898
Net income recognised directly in equity	-	-	13,277	-	13,277
Total comprehensive income for the period ended December 31, 2009	-	-	146,325	-	146,325
Balance as at December 31, 2009	<u>185,703</u>	<u>-</u>	<u>851,426</u>	<u>(453)</u>	<u>1,036,676</u>
Balance as at October 01, 2010	185,703	-	928,667	(55)	1,114,315
Changes in equity for the period ended December 31, 2010					
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation- net of deferred tax	-	-	11,917	-	11,917
Share of associate's unrealised loss on revaluation of investment	-	-	848	-	848
Net income recognised directly in equity	-	-	12,765	-	12,765
Total comprehensive income for the period ended December 31, 2010	-	-	185,608	-	185,608
Total recognised income and expense for the period	-	-	198,373	-	198,373
Balance as at December 31, 2010	<u>185,703</u>	<u>-</u>	<u>1,127,040</u>	<u>(55)</u>	<u>1,312,688</u>

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


ISMAIL H. ZAKARIA
Chief Executive Officer


SULEMAN AYOB
Director

AL-NOOR SUGAR MILLS LTD.

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31ST DECEMBER, 2010**

	2010	2009
	(Rupees in '000)	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	250,590	204,832
Adjustments for:		
Depreciation of property, plant and equipment	49,564	41,424
Gain on disposal of property, plant and equipment	(242)	-
Provision for compensated absense	-	516
Finance cost	37,485	44,079
Share of profit of associated undertakings	(2,393)	(14,814)
	<u>84,414</u>	<u>71,205</u>
Operating cash flows before movement in working capital	335,004	276,037
(Increase) / decrease in current assets		
Stores, spares and loose tools	(15,898)	(4,290)
Stock in trade	(163,276)	(106,261)
Trade debts	(91,785)	(145,874)
Loans and advances	(120,175)	(10,580)
Trade deposits and short term prepayments	2,081	6,278
Other receivables	(2,488)	(35,482)
	<u>(391,541)</u>	<u>(296,209)</u>
Increase / (decrease) in current liabilities		
Short term borrowings	481,124	345,344
Trade and other payables	(190,423)	(20,328)
	<u>290,701</u>	<u>325,016</u>
Cash generated from operations	234,164	304,844
Income taxes paid	(10,207)	(8,455)
Gratuity paid	(5,296)	(1,685)
Long term deposits-net	(370)	-
Long term loans	5,821	-
Finance cost paid	(55,150)	(45,144)
	<u>(65,202)</u>	<u>(55,284)</u>
Net cash flows from operating activities	<u>168,962</u>	<u>249,560</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(46,660)	(216,368)
Long term deposits	232	(65)
Proceeds from disposal of property, plant and equipment	255	-
Net cash flows used in investing activities	<u>(46,173)</u>	<u>(216,433)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance obtained	-	100,000
Repayment of long term financing	(21,875)	(9,375)
Repayment of principal portion of finance leases	(6,193)	(10,526)
Dividend paid	(1)	-
Net cash flows from/ (used in) financing activities	<u>(28,069)</u>	<u>80,099</u>
Net increase in cash and cash equivalents (A+ B+ C)	94,720	113,226
Cash and cash equivalents at the beginning of the year	140,429	107,769
Cash and cash equivalents at the end of the period	<u>235,149</u>	<u>220,995</u>

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


ISMAIL H. ZAKARIA
Chief Executive Officer

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SULEMAN AYOOB
Director

AL-NOOR SUGAR MILLS LTD.

FOR THE THREE MONTHS PERIOD ENDED 31ST DECEMBER, 2010 (UNAUDITED)

1. SELECTED EXPLANATORY NOTES TO THE ACCOUNTS

1. Status and nature of business

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 and sale of sugar and 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 Shaheed Benazir Bhutto Abad (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. Basis of preparation

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

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

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

2.3 The accounting policies and basis for accounting estimates adopted for the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended September 30, 2010. 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, 2010.

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.

	Unaudited December, 2010		Unaudited December, 2009	
	Addition	Disposal (W.D.V)	Addition	Disposal (W.D.V)
3. ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT				
Owned				
Plant and machinery	98,594		172	
Building on free hold land	-		-	
Furniture, fixture and fittings	246		-	
Office equipment	6,751		358	
Vehicles	5,295	14	7,071	
	110,886	14	7,601	
Capital work in progress				
Plant and machinery	(69,065)		211,285	
Civil work	7,106		-	
Advances	(2,266)		-	
Vehicle	-		(2,518)	
	(64,225)		208,767	

AL-NOOR SUGAR MILLS LTD.

4. CONTINGENCIES AND COMMITMENTS

4.1 Contingencies

There is no material change in the status of contingencies as disclosed in the published annual financial statements for the year ended September 30, 2010.

Unaudited December 31, 2010	Audited September 30, 2010
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----- Rupees in '000 -----

4.2 Commitment

Letters of credit		
Stores	13,106	17,842
Plant and machinery	50,389	133,043
Raw materials	157,666	100,114
Capital work in progress		
Plant and machinery	5,250	22,259

5. RELATED PARTY TRANSACTIONS

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. Other significant transactions with related parties are as follows: -

Relationship with the Company	Nature of Transactions	Un-audited December 31, 2010	Un-audited December 31, 2009
----- Rupees in '000 -----			
Associates:			
Reliance Insurance Company Limited	Insurance premium paid	4,699	2,544
Noori Trading (Private) Limited	Rent received	9	-
Shamurad Sugar Mills Limited	Sale of molasses	91,692	71,495
First Al-Noor Modaraba	Expense reimbursed	150	-
Directors' remuneration		8,116	3,401
Directors' meeting fee		10	-
Executives' remuneration		8,234	7,315
Staff Retirement Benefits Plan	Employer's contribution to provident fund	2,577	786
		115,487	85,541

AL-NOOR SUGAR MILLS LTD.

6. SEGMENT INFORMATION

The company's operating businesses are organized and managed separately according to the nature of products produced with each segment representing a strategic business unit that offers different products and serves different markets. The 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

	Sugar		MDF Board		Consolidated	
	2010 December	2009 December	2010 December	2009 December	2010 December	2009 December
	----- (Rupees in '000) -----					
REVENUE						
External sales	1,474,053	879,672	582,655	508,085	2,056,708	1,387,757
Total Revenue	1,474,053	879,672	582,655	508,085	2,056,708	1,387,757
RESULTS						
Profit from operations	279,307	208,292	25,385	39,916	304,692	248,208
Other operating expenses					(18,474)	(14,110)
Finance cost					(38,021)	(44,079)
Share of profit from associated undertaking					2,393	14,813
Profit before tax					250,590	204,832
Taxation					(64,982)	(58,507)
Net profit for the year					185,608	146,325
OTHER INFORMATION						
Capital expenditure	33,994	198,972	12,666	17,396	46,660	216,368
Depreciation	22,468	14,054	27,096	27,370	49,564	41,424
BALANCE SHEET						
Assets						
Segment assets	2,654,015	2,327,721	1,910,302	1,912,024	4,564,317	4,239,745
Investment in associates	146,325	158,586	-	-	146,325	158,586
Consolidated total assets					4,710,642	4,398,331
Liabilities						
Segment liabilities	2,201,118	1,728,467	406,946	307,093	2,608,064	2,035,560
Unallocated liabilities					93,888	59,982
Consolidated total liabilities					2,701,952	2,095,542

7. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue on 27th January, 2011 by the Board of Directors of the Company.

8. GENERAL

Figures have been rounded off nearest to thousand rupee.


ISMAIL H. ZAKARIA
Chief Executive Officer


SULEMAN AYOOOB
Director

Asari
WOOD

BOOK POST
PRINTED MATTER



If undelivered please return to :

AL-NOOR SUGAR MILLS LTD.

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



AL-NOOR SUGAR MILLS LIMITED

1st Quarterly Results for the period
1st October 2010 to 31st December, 2010