



AL-NOOR SUGAR MILLS LIMITED

3rd Quarterly Results for the period
1st October 2014 to 30th June, 2015

COMPANY INFORMATION

BOARD OF DIRECTORS

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

Chairman
Managing Director
Resident Director

Independent Director
(N.I.T. Nominee)

BOARD AUDIT COMMITTEE

MR. A. AZIZ AYOOB
MR. ZIA ZAKARIA
MR. SHAMIM AHMAD
MR. MUHAMMAD ASIF

Chairman
Member
Independent Director
Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

Chairman
Member
Member

CHIEF FINANCIAL OFFICER

MR. ZOHAIR ZAKARIA

COMPANY SECRETARY

MR. MOHAMMAD YASIN MUGHAL
FCMA

AUDITORS

KRESTON 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.alnoorsugar.co

DIRECTORS' REPORT

IN THE NAME OF ALLAH THE MOST GRACIOUS AND MOST MERCIFUL

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 nine months period ended June 30, 2015. During the period under review your company earned pre-tax profit amounting to Rs272.465 million as against Rs.260.956 million earned in the same period of last year. The salient features of the financial statements are summarized as under.

PRODUCTION DATA	30-06-2015	30-06-2014
Crushing commenced on	09-12-2014	01-11-2013
Crushing ended on	29-03-2015	04-04-2014
Duration of crushing (days)	110	155
Sugarcane crushed (M. Tons)	1,013,118	1,293,261
Sugar produced (M. Tons)	104,283	126,719
Sugar recovery percentage	10.30	9.80
Molasses produced (M. Tons)	47,925	64,628
MDF Production (C. Meters)	43,984	40,885

FINANCIAL DATA	(Rupees in thousand)	
Sales	4,054,058	5,171,245
Cost of sales	(3,219,941)	(4,343,398)
Gross profit	834,117	827,847
Other income	40,712	14,499
Administration expenses	(295,065)	(296,566)
Selling and distribution expenses	(21,110)	(24,191)
Other operating expenses	(20,785)	(21,380)
Financial cost	(292,439)	(281,393)
Share of profit of investment in associate	27,035	42,140
Profit before taxation	272,465	260,956
Provision for taxation	(103,814)	(144,574)
Profit after taxation	168,651	116,382
Earnings per share	Rs.8.24	Rs. 5.68

PERFORMANCE REVIEW:

Crushing operation for 2014-15 commenced on December 09, 2014 and continued up to March 29, 2015. The Mills operated for 110 days as against 155 days of operation in the preceding crushing season. Last year the crushing operation was commenced earlier under the directives of Government in order to become eligible to export sugar. During the current crushing season the mills crushed 1,013,118 metric tons of sugarcane as against 1,293,261 metric tons crushed during the last crushing season indicating a decrease of 280,143 metric tons or 21.66 percent. The volume of crushing declined as the cane crop was less than the last year. Production of sugar also decreased to 104,283 metric tons as against 126,719 metric tons produced last year. The production of sugar was lower due to decrease in the crushing volume. However the recovery rate improved to 10.30 percent as against 9.80 percent achieved last year. The Government of Sindh at first increased the cost of cane to 182/= per 40 kg of the same which was protested by the sugar mills keeping in view the

AL-NOOR SUGAR MILLS LTD.

price of the sugar in the local and international markets. Thereafter the Government decreased the same to Rs.155/= per 40 kg of cane which was also not accepted by the growers and under the pressure the Government again increased to Rs.182/= per 40 kg of cane. The sugar mills through Sugar Mills Association took up the case to the Honorable High Court of Sindh on the grounds that the cane price should have some relevance to the price of end product i.e. sugar in the market. The Honorable Sindh High Court decided that since the notification has been issued by the Government of Sindh and the notified price to be followed by the sugar mills. The Sugar Mills Association filed a petition before the Honorable Supreme Court of Pakistan to review the decision of Sindh High Court. In the mean time the growers filed a contempt of court petition before the Honorable Sindh High Court. The Supreme Court of Pakistan directed the Honorable Sindh High Court to decide the case in consultation with the stakeholders amicably in order to enable the mills to continue the crushing. The Sindh High Court after consultation with the Government of Sindh and the growers decided that the sugar mills would purchase the cane at Rs.160/ per 40 kg of sugarcane and Rs.12/= per 40 kg would be paid by the Sindh Government and the balance of Rs.10/= per 40 kg will depend upon the decision of the Honorable Supreme Court of Pakistan. The amount payable by the Government of Sindh has since been paid and payment to the growers has been made.

The Government, keeping in view the surplus availability of sugar in the country allowed export of the same under a defined mechanism to be monitored by State Bank of Pakistan as defined in the notification No. 1(4)CF-C/2014-114 dated February 18, 2015 issued by Finance Division and approved cash subsidy @ Rs.10/= per kg on the sugar exported. Your Company availed this opportunity and exported 1,920 metric tons of sugar. The amount of subsidy, which has not yet been released by State Bank of Pakistan, has not been considered in the financial statements.

MDF BOARD DIVISION:

Laminated products of the Division have now established their acceptability in the market but persistent power crises during off season continue to effect the production and efficiency of the Division.

CHANGES IN THE COMPOSITION OF BOARD OF DIRECTORS:

There has been no change in the composition of the Board of directors of your company during the period under review.

FUTURE OUTLOOK:

As always we look ahead with optimism that agriculture base in Pakistan will continue to grow. Availability of water in canals has been timely and regular which should greatly benefit the planted sugarcane. It is expected that timely availability of water would have a positive effect on the recovery percentage during the next crushing season.

The management and Directors are pleased to place on record their appreciation for the dedicated and devoted efforts of officers, staff and workers of the company.

Board of Directors wish to assure to respectable stakeholders for dedicated efforts to achieve the best results. Please pray to Almighty Allah to guide / help us to achieve the desired goals (Ameen).

Karachi: July 27, 2015


ISMAIL H ZAKARIA
MANAGING DIRECTOR

AL-NOOR SUGAR MILLS LTD.

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT JUNE 30, 2015**

	Un-Audited June 2015	Audited September 2014
Note	(Rupees in thousand)	
ASSETS		
NON - CURRENT ASSETS		
Property, plant and equipment	4 3,623,390	3,706,951
Long term investments	5 267,319	246,884
Long term loans	5,726	3,516
Long term deposits	40,046	46,954
	3,936,481	4,004,305
CURRENT ASSETS		
Stores, spare parts and loose tools	399,643	298,554
Stock in trade	4,465,687	1,794,897
Trade debts	258,232	55,320
Loans and advances	148,236	103,541
Trade deposit and short term prepayments	8,189	3,767
Other receivables	109,117	95,980
Income tax refundable-Payment less provision	12,651	60,241
Cash and bank balances	175,782	148,509
	5,577,537	2,560,809
	9,514,018	6,565,114
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised Capital 50,000,000 (2014 : 50,000,000) ordinary shares of Rs.10 each	500,000	500,000
Issued, subscribed and paid-up capital	204,737	204,737
General reserve	1,000,000	1,000,000
Share of associate's unrealised gain on remeasurement of investments	(1,005)	(1,005)
Unappropriated profit	223,068	29,814
	1,426,800	1,233,546
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	1,185,331	1,230,740
NON-CURRENT LIABILITIES		
Long term financing	1,042,453	1,111,433
Liabilities against assets subject to finance lease	-	62,238
Deferred liabilities -		
Deferred taxation	663,715	655,049
Excise duty	35,120	35,120
	698,835	690,169
Long term deposits	6,802	402
	1,748,090	1,864,242
CURRENT LIABILITIES		
Trade and other payables	1,465,487	457,217
Accrued markup / Finance cost	89,187	65,433
Short term borrowings	3,057,007	1,306,299
Current portion of long term financing and liabilities against assets subject to finance lease	542,116	407,637
	5,153,797	2,236,586
CONTINGENCIES AND COMMITMENTS	6 -	-
	9,514,018	6,565,114

The annexed notes from 1 to 13 form an integral part of this financial information.


ISMAIL H. ZAKARIA
Chief Executive Officer


SULEMAN AYOOB
Director

AL-NOOR SUGAR MILLS LTD.

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2015**

	For the Nine Months		For the quarter	
	October-June 2015	2014	April-June 2015	2014
----- (Rupees in '000) -----				
Note				
Sales	4,054,058	5,171,245	1,582,470	2,199,491
Cost of sales	(3,219,941)	(4,343,398)	(1,434,414)	(1,955,323)
Gross profit	834,117	827,847	148,056	244,168
Profit from trading activities	1,307	2,016	403	1,192
	835,424	829,863	148,459	245,360
Distribution Cost	(21,110)	(24,191)	(4,558)	(3,422)
Administration expenses	(295,065)	(296,566)	(96,604)	(92,369)
Other operating expenses	(20,785)	(21,380)	3,997	(2,617)
	(336,960)	(342,137)	(97,165)	(98,408)
	498,464	487,726	51,294	146,952
Other income	39,405	12,483	8,523	9,779
	537,869	500,209	59,817	156,731
Finance cost	(292,439)	(281,393)	(113,736)	(132,619)
	245,430	218,816	(53,919)	24,112
Share of profit from associate	27,035	42,140	2,063	11,194
Profit/(Loss) before taxation for the nine months	272,465	260,956	(51,856)	35,306
Taxation	(103,814)	(144,574)	23,352	(45,489)
Profit/(Loss) for the nine months after taxation	168,651	116,382	(28,504)	(10,183)
Earnings per share - Basic and diluted- (Rupees)	8.24	5.68	(1.39)	(0.50)

The annexed notes from 1 to 13 form an integral part of this financial information.


ISMAIL H. ZAKARIA
Chief Executive Officer


SULEMAN AYOOB
Director

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2015**

	For the Nine Months		For the quarter	
	October-June 2015	2014	April-June 2015	2014
	----- (Rupees in '000) -----			
Profit/(Loss) for the nine month after taxation	168,651	116,382	(28,504)	(10,183)
Other Comprehensive Income				
Items that shall not be reclassified subsequently to profit and loss				
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax from:				
Company's revaluation surplus	41,712	42,252	15,053	14,389
Shares of associate's incremental depreciation of revaluation surplus	3,365	2,167	1,121	722
Transfer from surplus on revaluation of property, plant and equipment on account of disposal of plant and machinery	509	-	-	-
	45,586	44,419	16,174	15,111
Total Comprehensive Income/(Loss) for the nine months	<u>214,237</u>	<u>160,801</u>	<u>(12,330)</u>	<u>4,928</u>

The annexed notes from 1 to 13 form an integral part of this financial information.


ISMAIL H. ZAKARIA
Chief Executive Officer


SULEMAN AYOOB
Director

AL-NOOR SUGAR MILLS LTD.

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2015**

	June 2015	June 2014
	(Rupees in thousand)	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	272,465	260,956
Adjustments for:		
Depreciation of property, plant and equipment	179,106	164,489
Amortization of intangible assets	-	983
Gain on disposal of property, plant and equipment	(7,342)	(3,383)
Provision for obsolescence and slow moving items	2,596	2,040
Finance cost	292,439	281,393
Share of profit from associate	(27,035)	(42,140)
	439,764	403,383
Cash generated before working capital changes	712,229	664,339
(Increase) in current assets		
Stores, spare parts and loose tools	(103,685)	(109,490)
Stock in trade	(2,670,790)	(2,012,107)
Trade debts	(202,912)	(78,003)
Loans and advances	(44,051)	(29,514)
Trade deposits and short term prepayments	(4,422)	(7,458)
Other receivables	(13,137)	619
	(3,038,997)	(2,235,953)
Increase in current liabilities		
Trade and other payables	1,008,270	133,868
Short term bank borrowings	1,750,708	1,966,838
	2,758,978	2,100,706
Cash generated from operations	432,210	529,092
Income tax paid	(56,168)	(88,920)
Finance cost paid	(268,685)	(219,357)
Increase in long term loans	(2,854)	(1,115)
Decrease / (Increase) in long term deposits - assets	6,908	(2,256)
Increase in long term deposits - liability	6,400	
	(314,399)	(311,648)
Net cash used in operating activities	117,811	217,444
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in Property, Plant & Equipment	(106,532)	(345,249)
Long term deposits		
Sale proceeds from disposal of property, plant and equipment	18,329	5,330
Dividend received	6,600	4,950
Net cash flow from investing activities	(81,603)	(334,969)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in long term financing	285,000	378,733
Repayment of liabilities against assets subject to finance lease	(15,794)	(21,321)
Repayment of long term financing	(257,667)	(216,250)
Dividend paid	(20,474)	(9,749)
Net cash flow from financing activities	(8,935)	131,413
Net increase / (decrease) in cash and cash equivalents (A+B+C)	27,273	13,888
Cash and cash equivalents at the beginning of the period	148,509	98,123
Cash and cash equivalents at the end of the period	175,782	112,011


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 NINE MONTHS PERIOD ENDED 30TH JUNE, 2015**

	Issued, Subscribed & paid up capital	General reserve	Unrealised loss on remeasurement of investments	Unappro- priated profit	Total
	-----Rupees in '000-----				
Balance as at October 1, 2013	194,988	-	(1,603)	957,995	1,151,380
Total Comprehensive Income for the nine months ended June 30, 2014					
Profit for the nine months ended June 30, 2014	-	-	-	116,382	116,382
Other Comprehensive Income					
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax from:					
Company's Revaluation Surplus	-	-	-	42,252	42,252
Shares of associates incremental depreciation of revaluation surplus	-	-	-	2,167	2,167
	-	-	-	44,419	44,419
Transfer from un-appropriated profit to general reserve	-	1,000,000	-	(1,000,000)	-
Transaction with owners					
Final dividend for the year ended September 30, 2013 @ Re. 0.50 per share	-	-	-	(9,749)	(9,749)
Issued Bonus Shares for the year ended September 30, 2013 @ Re. 0.50 per share	9,749	-	-	(9,749)	-
Balance as at June 30, 2014	204,737	-	(1,603)	1,099,298	1,302,432
Total Comprehensive (Loss) for the year ended 30-September-2014					
(Loss) for the year ended 30, September-2014				(85,049)	(85,049)
Other Comprehensive Income					
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax from:					
Company's Revaluation Surplus	-	-	-	14,813	14,813
Shares of associates incremental depreciation of revaluation surplus	-	-	-	752	752
Shares of associate's unrealized gain on remeasurement of investment	-	-	598	-	598
	-	-	598	15,565	16,163
Balance as at September-2014	204,737	1,000,000	(1,005)	29,814	1,233,546
During the Nine Months ended June 30, 2015					
Total Comprehensive Income for the nine months ended June 30, 2015					
Profit for the nine months ended June 30, 2015	-	-	-	168,651	168,651
Other Comprehensive Income					
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax from:					
Company's Revaluation Surplus	-	-	-	41,712	41,712
Shares of associates incremental depreciation of revaluation surplus	-	-	-	3,365	3,365
	-	-	-	45,077	45,077
Transfer from surplus on revaluation of property, plant and equipment on account of disposal of plant and machinery	-	-	-	-	-
Transaction with owners					
Final dividend for the year ended September 30, 2014 @ Re. 1 per share	-	-	-	(20,474)	(20,474)
Balance as at June 30, 2015	204,737	1,000,000	(1,005)	223,068	1,426,800

The annexed notes from 1 to 13 form an integral part of this financial information.


ISMAIL H. ZAKARIA
Chief Executive Officer

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SULEMAN AYOOB
Director

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2015**

1 SELECTED EXPLANATORY NOTES TO THE ACCOUNTS

1.1 The Company and its Operations

The Company was incorporated in Pakistan under the repealed Companies Act, 1913 (now companies Ordinance, 1984) as a public limited company. Its shares are listed in Karachi and Lahore stock Exchanges. The principal activities of the Company are manufacturing and sale of sugar, medium density fiber (MDF) board and power generation. The registered office of the company is situated at 96-A, Sindhi Muslim Society, Karachi and the manufacturing facilities are located at Shahpur Jahania, District Shaheed Benazir Bhutto Abad (Nawabshah) in the province of Sindh.

2 Basis of Preparation

2.1 This condensed interim financial information is being submitted to the shareholders as required under section 245 of Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard-34 "Interim Financial Reporting" as applicable in Pakistan and provision of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of and directives issued under the Companies Ordinance 1984 have been followed. The condensed interim financial statements do not include all the information and disclosure required in the annual financial statements and should be read in conjunction with the company's annual financial statements for the year ended September 30, 2014.

2.2 The figures of the condensed interim profit and loss account and the condensed interim statement of comprehensive income for the quarter ended June 30, 2015 and 2014 are not subject to review.

3 Significant accounting policies and disclosures

The accounting policies and methods of computation followed 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, 2014.

Due to the seasonal availability of sugarcane, the manufacture of sugar is carried out during the period of availability of sugarcane and costs incurred/accrued upto the reporting date have been accounted for. Accordingly, the costs incurred/accrued after the reporting date will reported in the subsequent interim and annual financial statements.

AL-NOOR SUGAR MILLS LTD.

	Unaudited June 30, 2015	Audited September 30, 2014
	Rupees in '000	
4. Property Plant and Equipment		
Operating fixed Assets	3,565,364	3,662,694
Capital Work in Progress	58,026	44,257
	<u>3,623,390</u>	<u>3,706,951</u>
4.1 Operating Fixed Assets:		
Opening Book Value	3,662,694	3,463,920
Direct Additions during the period/year		
Owned	38,632	
Plant and Machinery	16,379	46,620
Furniture, Fixture and Fittings	6,072	171
Office Equipment	3,673	3,927
Vehicle	17,747	4,452
	43,871	55,170
Transfer from CWIP during the period/year		
Owned		
Factory Building	3,533	41,622
Non-Factory Building	-	8,055
Power Plant	-	9,747
Plant and Machinery	38,758	314,095
Office Equipment	739	-
Furniture & Fixture	5,862	-
	48,892	373,519
Book Value of Asset disposed off during the period/year		
Vehicles	(3,529)	(2,462)
Plant & Machinery	(4,673)	(8)
Furniture and Fixture	(2,526)	-
Office Equipment	(259)	-
	(10,987)	(2,470)
Depreciation Charged for the period/year	(179,106)	(227,445)
Closing Book Value	<u>3,565,364</u>	<u>3,662,694</u>
4.2 CAPITAL WORK IN PROGRESS		
Opening	44,257	16,002
Addition during the nine months		
Civil Work	17,405	71,792
Plant & Machinery-Owned	45,256	329,982
	62,661	401,774
Capitalization during the nine months		
Civil Work -factory building	(3,533)	(49,677)
Plant & Machinery-Owned	(38,758)	(323,842)
Office Equipment	(739)	-
Furniture & Fixture	(5,862)	-
	(48,892)	(373,519)
Closing Balance	<u>58,026</u>	<u>44,257</u>

AL-NOOR SUGAR MILLS LTD.

5. Long Term Investment

Investment in associated undertakings:-

	Shahmurad Sugar Mills Limited	Al Noor Modaraba Management (Pvt) Limited	Total June 30, 2015	Total September 30 2014
Opening balance	241,783	5,101	246,884	182,158
Share of profit of associate for the nine months	27,035	-	27,035	35,585
Share of unrealised gain on remeasurement of associates' securities for the months/year	-	-	-	598
Shares of associate's surplus on fresh revaluation of its property, plant and equipment net of deferred tax	-	-	-	33,493
Dividend received during the nine months / year	(6,600)	-	(6,600)	(4,950)
	20,435	-	20,435	64,726
	262,218	5,101	267,319	246,884

The company holds 14.285% (September 2014:14.285%) interest in Al-Noor Modaraba Management (Pvt) Ltd, and holds 15.625% (September 2014:15.625%) interest in Shahmurad Sugar Mills Limited. Since the financial statements of Al Noor Modaraba Management (Pvt) Limited are not prepared except on year end June 30; hence no effect of results of Al-Noor Modaraba Management (Pvt) Ltd has been taken in this condensed interim financial information, however in the case of Shahmurad Sugar Mills Ltd, the shares of profit and other comprehensive income has been taken on the basis of its reviewed condensed interim financial information for the nine months ended June 30, 2015.

6. CONTINGENCIES AND COMMITMENTS

6.1 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, 2014 except that;

- a) During the period an order was issued by Large Taxpayer Unit Karachi for recovery of Rs.31,733,361 including additional tax and penalty amounting, being alleged inadmissible input tax claimed by the company. The amount of alleged inadmissible input tax was deposited by the company after receipt of order. However, the company filed an appeal before the Commissioner Inland Revenue Karachi. The Commissioner Inland Revenue decided the matter in favour of the company, declaring the input tax adjustment claimed by the company as admissible against which Large Taxpayer Unit Karachi has filed an appeal before Sales Tax Appellate Tribunal Inland Revenue Karachi. However the Company has applied for refund of the amount deposited and is confident for outcome in favour of the company so no provision is made in this respect.
- b) The matter of sugarcane price as disclosed under note No.7.3.

6.2 Commitments

Letters of credit

Stores
Raw Material
Plant and Machinery

Bank Gurantees

In favour of Trading of Corporation
of Pakistan (TCP)

Unaudited **Audited**
June 30, **September 30,**
2015 **2014**
Rupees in '000

7,173	8,477
12,376	101,307
79,502	40,936
<u>99,051</u>	<u>150,720</u>
-	34,731

AL-NOOR SUGAR MILLS LTD.

		For Nine Months October-June		For the quarter April-June	
		2015	2014	2015	2014
----- (Rupees in '000) -----					
7. COST OF GOODS SOLD					
Cost of goods manufactured	7.1	5,821,245	6,505,408	545,000	449,519
Finished goods					
Opening stock		1,620,785	1,479,010	5,111,503	5,146,824
Closing stock	7.2	(4,222,089)	(3,641,020)	(4,222,089)	(3,641,020)
		(2,601,304)	(2,162,010)	889,414	1,505,804
		<u>3,219,941</u>	<u>4,343,398</u>	<u>1,434,414</u>	<u>1,955,323</u>
7.1 Cost of goods manufactured					
Raw material consumed	7.3	5,268,477	6,390,358	355,213	330,235
Salaries, wages and benefits		155,274	144,696	46,659	42,443
Stores and spares consumed		202,193	163,299	85,401	49,967
Process Chemical consumed		37,378	46,755	2	2,736
Packing materials		57,627	62,092	-	1,428
Fuel and oil		110,866	88,797	27,312	16,472
Power and water		173,018	133,223	86,560	75,531
Repair and maintenance		108,654	100,420	33,892	23,084
Insurance		11,515	10,322	4,226	3,126
Other manufacturing expenses		28,727	31,956	3,284	4,307
Cane development cess and surcharge		-	8,083	-	89
Depreciation		147,806	132,168	50,141	45,397
		<u>6,301,535</u>	<u>7,312,169</u>	<u>692,690</u>	<u>594,815</u>
Less: by product sale					
Molasses		(357,938)	(625,210)	(134,603)	(200,560)
Power Generation		(102,176)	(178,622)	-	(7,334)
Sander dust		(617)	(702)	(264)	(87)
Baggase		(16,925)	(1,152)	(12,823)	-
		(477,656)	(805,686)	(147,690)	(207,981)
Work-in-process					
Opening stock		6,082	4,834	8,716	68,594
Closing stock		(8,716)	(5,909)	(8,716)	(5,909)
		(2,634)	(1,075)	-	62,685
		<u>5,821,245</u>	<u>6,505,408</u>	<u>545,000</u>	<u>449,519</u>

7.2 It includes stock of refined sugar and molasses at the half year ended valued at net realisable value amounting of Rs. NIL (2014: Rs. 223 million).

7.3 Against the cane purchase price of Rs.172 per 40 kg as fixed for the previous year, the company filed a suit before the Honorable High Court of Sindh during the season 2013-14 which was dismissed and the matter was taken up with the Honorable Supreme Court. In due course of time, the Government of Sindh fixed the price of sugarcane at Rs.182 per 40 kg for the current season in pursuance of which the Sindh Chamber of Agriculture filed a petition in the Honorable High Court of Sindh. The Honorable Court disposed of the case upon settlement with the consent of all stakeholders whereby it was settled that Sugar Mills shall purchase the sugarcane from growers at Rs.160 per 40 kg for crushing season 2014-15 whereas Rs. 12 per 40 kg will be paid by the Government of Sindh. The Honorable Court has subjected this interim arrangement to the decision of Civil appeal No. 48 of 2015 pending before the Honorable Supreme Court of Pakistan and also have ordered that the fate of remaining Rs.10 i.e., difference of Rs.182 and 172 will also be dependent upon the decision of Honorable Supreme Court of Pakistan. The Company as a matter of prudence has accounted for the said difference of Rs.10 in the accounts aggregating to Rs.253.279 million.

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8. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, staff retirement funds, directors and key management personnel. The transaction with related parties are carried out in the normal course of business.

Relationship with the Company	Nature of Transactions	June 2015	June 2014
		(Rupees in thousand)	
Associates			
Shahmurad Sugar Mills Ltd	Sale of molasses	362,738	574,273
Reliance Insurance Compnay Ltd	Insurance premium paid	22,875	10,882
Reliance Insurance Compnay Ltd	Insurance claim received	56,764	426
Other Related Parties			
Directors' and key management personnel	Director's remuneration	17,845	25,459
	Directors meeting fee	207	200
	Executives remuneration	72,172	75,531
Staff provident fund	Contribution made during period	8,826	8,608

9. 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 represent revenue and profit information regarding business segment for the period ended June 30, 2015 and June 30, 2014 and assets and liabilities information regarding business segments as at June 30, 2015 and September 30, 2014:

	Sugar		MDF Board		Total	
	For the Nine Month June 30,		For the Nine Month June 30,		For the Nine Month June 30,	
	2015	2014	2015	2014	2015	2014
----- (Rupees in '000) -----						
External Sales	2,265,412	3,668,785	1,788,647	1,502,460	4,054,059	5,171,245
External Sales of By-product & electricity	477,038	803,832	617		477,655	803,832
Inter segment transfer	46,183	42,488	-	-	46,183	42,488
Segment Results	2,788,633	4,515,105	1,789,264	1,502,460	4,577,897	6,017,565
RESULTS						
Profit from operation	423,956	468,716	113,913	31,493	537,869	500,209
Finance charges					(292,439)	(281,393)
Share of profit of investment in associate					27,035	42,140
Profit before tax					272,465	260,956
Taxation					(103,814)	(144,574)
Profit after taxation					168,651	116,382
Other Comprehensive Income					45,586	44,419
Total Comprehensive Income for the period					214,237	160,801
OTHER INFORMATION						
Capital expenditure	38,018	184,326	68,514	160,923	106,532	345,249
Depreciation	96,027	95,407	83,079	69,082	179,106	164,489
Amortisation	-	-	-	983	-	983

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	Sugar		MDF Board		Total	
	June 30, 2015	September 30, 2014	June 30, 2015	September 30, 2014	June 30, 2015	September 30, 2014
----- (Rupees in '000) -----						
BALANCE SHEET						
Assets						
Segment assets	6,917,676	3,956,614	2,316,372	2,301,375	9,234,048	6,257,989
Investment in associates	267,319	246,884	-	-	267,319	246,884
Unallocated assets	-	-	-	-	12,651	60,241
Total assets					9,514,018	6,565,114
Liabilities						
Segment liabilities	6,180,523	3,319,777	721,364	769,409	6,901,887	4,089,186
Unallocated liabilities					-	11,642
					6,901,887	4,100,828

Geographical Information

All non-current assets of the Company are located in Pakistan. Company's local sales represent sales to various external customers in Pakistan whereas export sales represent sales to customers in various countries of Asia.

10. WORKER'S PROFIT PARTICIPATION FUND, WORKERS WELFARE FUND AND TAXATION

Allocation to the Worker's Profit participation Fund, Worker's Welfare Fund and provision for taxation are provisional, final liability would be determined on the basis of annual results.

11. EVENTS AFTER BALANCE SHEET DATE

Subsequent to the balance sheet date an incidence of fire occurred on May 02, 2015 due to short circuit as a result of which MDFB office situated on the third floor the building has been completely burnt. The premises were fully insured and a claim has been lodged with the insurance company but the quantum of the same is yet to be assessed and finalized by the surveyors. The incidence has no significant effect on operations of the company.

12. GENERAL

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

13. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue on 27th July 2015 by the Board of Directors of the Company.


ISMAIL H. ZAKARIA
Chief Executive Officer


SULEMAN AYOOB
Director

Lasari
WOOD

BOOK POST
PRINTED MATTER



If undelivered please return to :

AL-NOOR SUGAR MILLS LTD.

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KARACHI-74400.