



AL-NOOR SUGAR MILLS LIMITED

3rd Quarterly Results for the period
1st October 2009 to 30th June, 2010

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. ZOHAIK 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. ZOHAIK 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 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.com.pk

DIRECTORS' REPORT

Dear members:

Assalam-o-Alaikum

It is my pleasure to present on behalf of the Board of Directors the un-audited financial statements of your company for the nine months period ended June 30, 2010. During the period under review your company earned pre-tax profit amounting to Rs.209.668 million as against Rs.64.729 million earned in the same period of last year. The financial results are summarized as under.

	<u>Rs. in thousands</u>
Profit before taxation	209,668
Provision for taxation	(72,551)
Profit after taxation	137,117
Earning per share	Rs.7.38

PERFORMANCE REVIEW:

Crushing operations 2009-10 commenced on November 13, 2009 and the mill operated up to March 03, 2010 for 111 days as against 114 days operation in the preceding crushing season. During the current crushing season the mill crushed 774,230 metric tons of sugarcane as against 736,420 metric tons of sugarcane crushed during the last crushing season. The production of sugar was 73,175 metric tons as against 66,495 metric tons produced last year indicating an increase of approximately 10%. The production of sugar increased due to higher crushing of sugarcane and also improvement in the sugar recovery rate.

The Government fixed minimum support price of sugarcane for the crushing season 2009-10 at Rs.102 per 40 kg but due to competition amongst the sugar mills the average sugarcane cost incurred was much higher. During the crushing season the cost of sugar in the international market was about US\$ 800 per metric ton and it was expected that this price would be stable but unfortunately the international price dropped by almost half of this which subsequently put severe pressure on the domestic sugar price. Trading Corporation of Pakistan has been directed to import the sugar in order to fill the expected gap between demand and supply. The imported sugar would be cheaper than the sugar produced locally and may further deteriorate the financial health of the local industry while the government exercise control over fixing the minimum support price of sugarcane in order to protect the interest of the growers but the price of the final product is left to the market forces. The growers do not sell their sugarcane on the support price fixed by the Government and the mills owners are compelled to pay much higher price for the procurement of the same. In the sugar industry the cost of the sugarcane accounts for more than 70% of the total cost of production of the sugar. Persistent shortage of water further aggravates the availability of sugarcane and cost thereof. Pakistan Sugar Mills Association is stressing the Government to formulate the sugar policy and link the sugarcane price with the sugar price in order to protect the industry.

MDF BOARD DIVISION:

Laminated products of the Division have now established their acceptability in the market but persistent power crises continue to effect the production and efficiency of the Division. Additionally the water shortage across Sindh is also affecting the raw material supply making it erratic and effecting the production as well.

BOARD OF DIRECTORS:

During the period under review there has been no change in the composition of the Board of Directors.

FUTURE OUTLOOK:

The consumption of sugar in the country has increased over the period of time but production of sugar has decreased due to non availability of water, reduction in the area under sugarcane cultivation and diversion of growers to alternate crops requiring less water and higher price of the same in the open market. For the forthcoming crushing season the area under plantation has increased, but the real position will only be known after the monsoon 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.



ISMAIL H. ZAKARIA
CHAIRMAN & MANAGING DIRECTOR

Karachi:
Dated: 29th July 2010

AL-NOOR SUGAR MILLS LTD.

**CONDENSED INTERIM BALANCE SHEET
AS AT 30TH JUNE, 2010**

	Note	Un-Audited June 30, 2010	Audited September 30, 2009
(Rupees in thousand)			
SHARE CAPITAL AND RESERVES			
Authorised Capital 20,000,000 (2009 : 20,000,000) ordinary shares of Rs. 10.00 each		200,000	200,000
Issued, subscribed and paid-up capital		185,703	185,703
Unrealised loss on remeasurement of investment		(453)	(453)
Unappropriated profit		793,597	691,824
		793,144	691,371
		978,847	877,074
SURPLUS ON REVALUATION OF PROPERTY, PLANTS AND EQUIPMENTS			
		726,495	765,432
NON CURRENT LIABILITIES			
Long term financing		353,125	350,000
Liabilities against assets subject to finance lease		1,869	7,994
Long term deposits		6,150	469
Deferred liabilities		563,873	518,674
CURRENT LIABILITIES			
Trade and other payables		624,599	385,294
Interest/markup accrued		99,327	36,529
Short term borrowings		2,089,721	748,412
Current portion of non-current liabilities		138,528	106,720
Provision for income tax - net of payments		-	6,124
		2,952,175	1,283,079
CONTINGENCIES AND COMMITMENTS	3	-	-
		5,582,534	3,802,722
NON-CURRENT ASSETS			
Properties, plant and equipments	4	2,526,918	2,327,921
Long-term investments		140,489	143,772
Long-term deposits		7,623	4,290
Long-term Loans		2,626	4,144
CURRENT ASSETS			
Stores, spares and loose tools		221,271	187,173
Stock-in-trade		2,305,710	963,870
Trade debts		106,370	-
Current portion of long term loans		2,778	2,588
Short term loans and advances		55,445	44,026
Short term trade deposits and prepayments		4,092	8,636
Advance Income Tax -net of Provision		10,152	-
Other receivables		6,352	8,533
Cash and bank balances		192,708	107,769
		2,904,878	1,322,595
		5,582,534	3,802,722

The annexed notes from 1 to 9 form an integral part of these financial statements.


ISMAIL H. ZAKARIA
Chief Executive Officer


SULEMAN AYOB
Director

AL-NOOR SUGAR MILLS LTD.

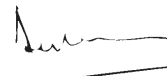
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2010**

	TOTAL		TOTAL	
	For the period from October to June		For the quarter from April to June	
	2010	2009	2010	2009
	(Rupees in thousand)			
Sales	4,180,243	2,883,181	1,837,978	1,100,601
Cost of goods sold	(3,514,301)	(2,444,108)	(1,607,437)	(936,374)
Gross Profit	665,942	439,073	230,541	164,227
Profit from trading activities	2,303	3,119	1,155	1,068
Other operating income	1,773	1,433	519	179
	670,018	443,625	232,215	165,474
Distribution cost	(14,836)	(16,334)	(3,207)	(5,143)
Administration expenses	(171,071)	(128,341)	(58,581)	(42,648)
Other operating expenses	(15,443)	(4,592)	(3,855)	(2,153)
Finance cost	(260,667)	(233,845)	(114,569)	(87,615)
Share of profit of associated undertaking	1,667	4,216	(1,704)	1,483
Profit before taxation	209,668	64,729	50,299	29,398
Taxation				
Current period	(22,668)	(16,838)	(4,083)	(14,104)
Deferred	(49,883)	7,328	(10,302)	14,280
	(72,551)	(9,510)	(14,385)	176
Profit for the period	137,117	55,219	35,914	29,574
Earning per share				
- Basic and diluted	7.38	2.97	1.93	1.59

The annexed notes from 1 to 9 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 NINE MONTHS PERIOD ENDED 30TH JUNE, 2010**

	TOTAL		TOTAL	
	For the period from October to June		For the quarter from April to June	
	2010	2009	2010	2009
Profit for the period after taxation	137,117	55,219	35,914	29,574
Other Comprehensive Income				
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	2,684	1,856	891	618
Incremental depreciation arising due to surplus on revaluation of fixed assets - net of deferred tax	36,253	40,987	11,491	11,650
	38,937	42,843	12,382	12,268
Total Comprehensive Income for the period	<u>176,054</u>	<u>98,062</u>	<u>48,296</u>	<u>41,842</u>

The annexed notes from 1 to 9 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 (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2010**

	2010 June	2009 June
(Rupees in thousand)		
A. CASH FROM OPERATING ACTIVITIES		
Profit before taxation	209,668	64,729
Adjustment for:		
Depreciation of property, plant and equipment	138,045	127,052
Gain on disposal of property, plant and equipment	-	(742)
Provision for staff gratuity	-	9,000
Provision for employees compensated absense	766	2,000
Financial cost	260,667	233,845
Share of loss / (profit) of associated undertakings	3,284	(2,564)
	402,762	368,591
Operating cash flows before movement in working capital	612,430	433,320
(Increase)/decrease in current assets		
Stores, spares and loose tools	(34,098)	6,719
Stock-in-trade	(1,341,840)	(552,530)
Trade debts	(105,907)	(91,572)
Loans and advances	(15,455)	65,945
Trade deposits and short term prepayments	4,811	-
Other receivables	120	-
	(1,492,369)	(571,438)
Increase / (decrease) in current liabilities		
Trade and other payables	248,614	128,056
Short term running finance and borrowings	1,341,309	540,627
Cash generated from operations	1,589,923	668,683
Finance cost paid	(197,870)	(183,771)
Income tax paid	(38,894)	(10,064)
Long term deposits	(316)	282
Gratuity paid	(5,450)	(1,575)
	(242,530)	(195,128)
Net cash flows from operating activities	467,454	335,437
B. CASH FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(337,041)	(151,669)
Proceed from disposal of property, plant and equipment	-	897
Net cash used in investing activities	(337,041)	(150,772)
C. CASH FROM FINANCING ACTIVITIES		
Redeemable Capital	100,000	-
Repayment of long term financing and finance lease	(71,193)	(88,462)
Dividend paid	(74,281)	(55,000)
Net cash from financing activities	(45,474)	(143,462)
Net Increase in cash and cash equivalents (A+B+C)	84,939	41,203
Cash and cash equivalent at the beginning of the period	107,769	86,263
Cash and cash equivalent at the end of the period	192,708	127,466

The annexed notes from 1 to 9 form an integral part of these financial statements.


ISMAIL H. ZAKARIA
Chief Executive Officer


SULEMAN AYOOB
Director

AL-NOOR SUGAR MILLS LTD.

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2010**

Particulars	Issued, Subscribed & paid up capital	General Revenue reserve	Unappro- priated profit	Unrealised loss on remeasurement of investments	Total
	(Rupees in thousand)				
Balance as at September 30, 2008	185,703	190,000	378,873	(491)	754,085
Total Comprehensive Income for the period Oct-08 to June-09			98,062		98,062
Final dividend for the year ended September 30, 2008 @ Rs. 3 per share			(55,711)		(55,711)
Balance at June 30, 2009	185,703	190,000	421,224	(491)	796,436
Transfer to unappropriated profit		(190,000)	190,000		-
Total Comprehensive Income for the period July-09 to Sep-09	-	-	80,600	38	80,638
Balance at September 30, 2009	185,703	-	691,824	(453)	877,074
Final cash dividend for the year ended September 30, 2009 at Rs. 4/- per share	-	-	(74,281)		(74,281)
Total Comprehensive Income for the period Oct-09 to Jun-10	-	-	176,054		176,054
Balance at June 30, 2010	185,703	-	793,597	(453)	978,847

The annexed notes from 1 to 9 form an integral part of these financial statements.


ISMAIL H. ZAKARIA
Chief Executive Officer


SULEMAN AYOOB
Director

**NOTE TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30TH JUNE, 2010**

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

1.1 General information

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

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

The operating divisions are as follows:

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

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

2. BASIS OF PREPARATION

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

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

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

2.3 "The accounting policies and basis for accounting estimates adopted for the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended September 30, 2009.

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, 2009"

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- 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** The Company has applied revised IAS-1 "Presentation Of Financial Statement", which becomes effective as on January 01,2009. As a result, the company presents in the statements of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income . This presentation has been applied in these condensed interim financial information. Comparative information has been re-presented so that it is also in conformity with the revised standards. Since this change in accounting policy only impacts the presentation aspects,there is no impact on Company's earnings per share.
- 2.6** IFRS-8 "Operating Segments" requires disclosure of information about the company's operating segments and replaces the requirements to determine primary and secondary reporting segments. Adoption of this standard did not have any effect on the financial position or performance of the Company. The Company determined that the operating segments were the same as the business segments previously identified under IAS-14"Segment Reporting".

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, 2009.

	Unaudited June 30, 2010	Audited September 30, 2009
Rupees in '000		
3.2 Commitments		
Letters of credit		
Stores	39,705	19,848
Plant and machinery	-	19,573
Trading items	-	54,477
Raw material	116,561	-
Capital work in progress		
Plant and machinery - local	20,391	187,811

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4. ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

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

	June 30, 2010		June 30, 2009	
	Acquisitions / Additions	Disposal (W.D.V)	Acquisitions	Disposal (W.D.V)
	----- Rupees '000 -----			
Operating assets				
Owned				
Plant and machinery	358,450	-	245,694	
Building on free hold land	2,187	-	7,209	
Furniture and fixture	134	-	43	
Office equipment	3,136	-	3,264	
Vehicle	26,259	(8)	9,630	(3,094)
Leased				
Vehicles	-	-	-	(359)
Capital work in progress				
Plant and machinery	(53,118)		77,486	
Civil work	-		-	

5. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

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.

	June 30, 2010	June 30, 2009
	Rupees in '000	
Associates		
Sale of molasses	232,901	189,194
Insurance premium paid	7,165	6,965
Services Rended	100	-
Rent received	36	36
Key management personnel		
Director's remuneration	19,979	7,951
Directors meeting fee	145	130
Executives remuneration	26,189	15,657
Contribution made to provident fund	4,142	2,541

AL-NOOR SUGAR MILLS LTD.

 Nine monthThree month	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
..... (Rupees in thousand)				
6. COST OF GOODS SOLD				
Cost of goods manufactured (6.1)	4,849,082	3,033,662	471,327	402,396
Finished goods				
Opening stock	710,793	826,790	3,181,684	1,950,322
Closing stock	<u>(2,045,574)</u>	<u>(1,416,344)</u>	<u>(2,045,574)</u>	<u>(1,416,344)</u>
	<u>(1,334,781)</u>	<u>(589,554)</u>	<u>1,136,110</u>	<u>533,978</u>
	<u>3,514,301</u>	<u>2,444,108</u>	<u>1,607,437</u>	<u>936,374</u>
6.1 Cost of goods manufactured				
Raw material consumed	4,334,157	2,622,024	244,436	242,410
Salaries, wages and benefits	87,187	90,882	22,296	28,329
Stores and spares consumed	123,792	79,771	47,157	24,368
Process Chemical consumed	12,149	13,050	-	-
Packing materials	24,030	22,684	-	-
Fuel and oil	169,876	112,615	61,364	31,786
Power and water	111,731	82,605	59,871	48,101
Repair and maintenance	64,889	45,922	24,817	14,269
Insurance	9,408	5,567	3,009	1,552
Cane development cess and surcharge	4,839	4,603	291	2,355
Depreciation	118,915	110,829	41,137	37,932
Other manufacturing expenses	39,539	37,143	8,790	9,628
	<u>5,100,512</u>	<u>3,227,695</u>	<u>513,168</u>	<u>440,730</u>
Less: by product sale				
Molasses	232,901	189,194	39,915	36,773
Power Generation	6,729	-	-	-
Sander dust	5,259	4,157	1,777	1,521
	<u>(244,889)</u>	<u>(193,351)</u>	<u>(41,692)</u>	<u>(38,294)</u>
Work-in-process				
Opening stock	2,244	1,503	8,636	2,145
Closing stock	<u>(8,785)</u>	<u>(2,185)</u>	<u>(8,785)</u>	<u>(2,185)</u>
	<u>(6,541)</u>	<u>(682)</u>	<u>(149)</u>	<u>(40)</u>
	<u>4,849,082</u>	<u>3,033,662</u>	<u>471,327</u>	<u>402,396</u>

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 manufacture of Medium Density Fiber (MDF) board. The following tables represents revenue and profit regarding business segment for the period ended June 30, 2010 and June 30, 2009 and certain assets and liabilities information regarding business segments for the year ended and as at June 30, 2010 and September 30, 2009 :-

	Sugar		MDF Board		Consolidated	
	Nine months period ended June 30,		Nine months period ended June 30,		Nine months period ended June 30,	
	2010	2009	2010	2009	2010	2009
..... (Rupees in '000)						
REVENUE						
External sales	2,689,352	1,642,463	1,490,891	1,240,717	4,180,243	2,883,180
Total Revenue	<u>2,689,352</u>	<u>1,642,463</u>	<u>1,490,891</u>	<u>1,240,717</u>	<u>4,180,243</u>	<u>2,883,180</u>
RESULTS						
Profit from operations	369,181	168,524	114,930	130,426	484,111	298,950
Other operating expenses					(15,443)	(4,592)
Finance cost					(260,667)	(233,845)
Share of Profit from associated undertaking					1,667	4,216
Profit before tax					209,668	64,729
Provision for taxation					(72,551)	(9,510)
Profit after taxation					137,117	55,219
Other Comprehensive Income					38,937	42,843
Total Comprehensive Income for the period					<u>176,054</u>	<u>98,062</u>

AL-NOOR SUGAR MILLS LTD.

	Sugar		MDF Board		Consolidated	
	June 2010	September 2009	June 2010	September 2009	June 2010	September 2009
	------(Rupees in '000)-----					
BALANCE SHEET						
Assets						
Segment assets	3,533,444	2,017,386	1,908,601	1,641,564	5,442,045	3,658,950
Investment in associates	140,489	143,772	-	-	140,489	143,772
Consolidated total assets					5,582,534	3,802,722
Liabilities						
Segment liabilities	3,436,475	1,637,882	440,666	516,210	3,877,141	2,154,092
Unallocated liabilities					-	6,124
Consolidated total liabilities					3,877,141	2,160,216
OTHER INFORMATION						
Capital expenditure	270,750	242,660	66,291	71,028	337,041	313,688
Depreciation	54,396	50,941	83,649	118,621	138,045	169,562

8. GENERAL

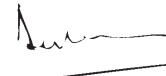
Figures have been rounded off to the nearest thousand of rupees. Corresponding figures have been rearranged and reclassified to reflect more appropriate presentation of events and transactions for the purposes of comparison.

9. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue on 29th July, 2010 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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