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CORPORATE INFORMATION

BOARD OF DIRECTORS	Adnan Hayat Noon K. Iqbal Talib Salman Hayat Noon Amjad Mahmood Agha Safdar M. Hayat Qureshi Zaheer Ahmad Khan Asif Hussain Bukhari	(Chairman / Chief Executive)
AUDIT COMMITTEE	Salman Hayat Noon Zaheer Ahmad Khan Asif Hussain Bukhari	(Chairman)
MANAGEMENT	K. Iqbal Talib Naveed Akhtar Kamran Zahoor	Managing Director Resident Director Chief Financial Officer
SECRETARY	Syed Anwar Ali	
AUDITORS	Hameed Chaudhri & Co., Chartered Accountants	
LEGAL ADVISERS	Hassan & Hassan (Advocates)	
BANKERS	Allied Bank Limited Habib Bank Limited MCB Bank Limited Standard Chartered Bank (Pakistan) Limited United Bank Limited	
HEAD OFFICE	2nd Floor, Mustafa Center, 45-F, Main Market, Gulberg II, Lahore Tel. # (042) 35788472-3	
REGISTERED OFFICE	66 – Garden Block, New Garden Town, Lahore. Tel. # (042) 35831462-3	
SHARES DEPARTMENT	66 – Garden Block, New Garden Town, Lahore. Tel. # (042) 35831462-3 E-mail: noonshr@brain.net.pk	
MILLS	Bhalwal, District Sargodha.	
WEBSITE	www.noonsugar.com	

DIRECTORS' REVIEW

DEAR MEMBERS

Your directors are pleased to present the condensed un-audited interim financial information of the company for the third quarter ended on 30 June, 2012.

FINANCIAL RESULTS

The sales revenue of the Company, during the period under review, improved by 71% and has reached Rupees 3,870 million as compared to Rupees 2,260 million, for the same period of last year. Gross profit is however, Rupees 306 million as compared to Rupees 323 million of last year. Profit after taxation, for the period, is Rupees 66 million (After tax profit Rupees 64 million in 2011), resulting in a profit of Rupees 3.97 per share, as compared with EPS of Rupees 3.90, earned in the corresponding period of last year.

OPERATIONAL RESULTS

Sugar Division

Sugar Division	Nine months ended 30 June	
	2012	2011
Start of season	21-11-2011	29-11-2010
End of season	13-03-2012	24-03-2011
Duration (Days)	114	116
Sugarcane Crush (M. Tons)	701,850	600,385
Recovery (%)	9.36	7.70
Sugar produced (M. Tons)	65,683	46,180
Molasses produced (M. Tons)	35,172	31,750
Recovery of molasses (%)	5.01	5.29

Reduced gross profit despite a substantially enhanced production and a high average sucrose recovery is owing to an increase of 20% in sugarcane support price announced by the Government, against a sharp fall in selling prices due to a carryover stock from the last season and record sugar production, far in excess of domestic consumption.

Distillery Division

Distillery Division	Nine months ended 30 June	
	2012	2011
Operating period	222	211
Molasses processed (M. Tons)	63,486	50,219
Ethanol produced (Litres)	16,789,443	12,743,501
Average yield	264	254

The performance of distillery has been gratifying, though the operation was seriously handicapped during early part of offseason, when natural gas for the boiler was available only for three days in a week, increasing the dependence on more expensive alternate sources of steam and power. The international market of ethanol also suffered a serious setback and the prices came down by more than 26% as compared to corresponding period last year, which were only partly offset by lower prices of molasses.

FUTURE OUTLOOK

An unprecedented hot weather and extended dry spell of three to four weeks was witnessed which was luckily broken by early rains. It is likely to affect the yield of cane to some extent but generally both the area under cane and the condition of crop is reported to be satisfactory and an appreciably improved supply of good quality cane from gate supply area is expected. The method of cane survey has also been improved to get dependable figures of projected cane supply during the next crushing season.

A soil conditioner duly supported by an established bio-engineering firm is under trial, which has given very encouraging initial results of both, improving the health and yield of the cane crop.

ACKNOWLEDGEMENT

The Board is thankful to the valuable members and bankers for their trust and persistent support to the Company. The Board would also like to place on record its appreciation to all the employees of the Company for their dedication, diligence and hard work.

For and on behalf of the Board



Adnan Hayat Noon
Chairman & Chief Executive



K. Iqbal Talib
Managing Director

Lahore: 30 July 2012

CONDENSED INTERIM BALANCE SHEET

	Un-audited 30-Jun-12	Audited 30-Sep-11
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital	<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up capital	165,175	165,175
Reserves	549,217	739,217
Unappropriated profit / (accumulated loss)	<u>66,234</u>	<u>(164,751)</u>
	780,626	739,641
NON-CURRENT LIABILITIES		
Long term finances	10 83,283	-
Long term deposits	-	411
Staff retirement benefits - gratuity	53,300	49,683
	136,583	50,094
CURRENT LIABILITIES		
Trade and other payables	11 256,165	194,928
Accrued mark-up	32,980	48,327
Short term finances	12 983,072	1,224,228
Current portion of:		
- long term finances	41,642	-
- long term deposits	855	837
Taxation	13 70,070	31,374
	1,384,784	1,499,694
CONTINGENCIES AND COMMITMENTS	14 -	-
	<u>2,301,993</u>	<u>2,289,429</u>

The annexed notes form an integral part of this condensed interim financial information.



Adnan Hayat Noon
Chairman & Chief Executive

AS AT 30 JUNE 2012

	Note	Un-audited 30-June-12	Audited 30-Sep-11
(Rupees in thousand)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	15	1,115,010	1,091,784
Investment property		16,907	16,968
Investments	16	56,528	49,420
Loans and advances		789	760
Deposits		3,766	3,713
		1,193,000	1,162,645
CURRENT ASSETS			
Stores, spares and loose tools		80,500	68,103
Stock-in-trade	17	858,486	876,962
Trade debts		3,407	48,282
Loans and advances	18	42,855	58,571
Deposits and prepayments		2,214	1,415
Other receivables		3,955	3,915
Income tax refundable, advance income tax and tax deducted at source		73,737	34,110
Bank balances		20,117	11,704
		1,085,271	1,103,062
INVESTMENTS			
CLASSIFIED AS			
HELD FOR SALE	19	23,722	23,722
		2,301,993	2,289,429


K. Iqbal Talib
 Managing Director

CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED 30 JUNE 2012

	For the 3rd Quarter		Nine months ended	
	Apr. - Jun. 2012	Apr. - Jun. 2011	Oct. - Jun. 2012	Oct. - Jun. 2011
	----- (Rupees in thousand) -----			
SALES - Net	1,005,184	623,015	3,869,647	2,259,834
COST OF SALES	877,322	544,963	3,564,001	1,936,445
GROSS PROFIT	127,862	78,052	305,646	323,389
DISTRIBUTION AND MARKETING EXPENSES	27,240	17,347	51,358	42,528
ADMINISTRATIVE EXPENSES	21,669	19,223	62,137	55,235
OTHER OPERATING EXPENSES	5,261	(759)	11,038	7,550
OTHER OPERATING INCOME	(3,537)	(2,402)	(12,438)	(6,833)
	50,633	33,409	112,095	98,480
PROFIT FROM OPERATIONS	77,229	44,643	193,551	224,909
FINANCE COST	36,541	64,309	96,202	140,558
PROFIT FOR THE PERIOD BEFORE SHARE OF PROFIT OF AN ASSOCIATED COMPANY AND TAXATION	40,688	(19,666)	97,349	84,351
SHARE OF PROFIT FROM AN ASSOCIATED COMPANY - Net of taxation	-	432	6,999	2,644
PROFIT BEFORE TAXATION	40,688	(19,234)	104,348	86,995
TAXATION	13 9,558	6,193	38,696	22,598
PROFIT AFTER TAXATION	31,130	(25,427)	65,652	64,397
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	31,130	(25,427)	65,652	64,397
	----- Rupees -----			
EARNINGS PER SHARE	1.88	(1.54)	3.97	3.90

The annexed notes form an integral part of this condensed interim financial information.



Adnan Hayat Noon
 Chairman & Chief Executive



K. Iqbal Talib
 Managing Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED 30 JUNE, 2012**

Nine months ended
30-Jun-12 30-Jun-11
(Rupees in thousand)

CASH FLOW FROM OPERATING ACTIVITIES

Profit for the period before share of profit of an Associated Company and taxation	97,349	84,351
Adjustments for non-cash charges and other items:		
Depreciation on property, plant & equipment and investment property	87,389	86,896
Loss / (gain) on disposal of operating fixed assets - net	2,246	(62)
Unclaimed and other payable balances written-back	-	(138)
Provision for staff retirement benefits - gratuity	7,077	2,350
Irrecoverable balances written-off	1	-
Provision for slow moving stores and spares inventory	110	890
Finance cost	96,202	140,558
PROFIT BEFORE WORKING CAPITAL CHANGES	290,374	314,845

EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES

(Increase) / decrease in current assets:

Stores, spares and loose tools	(12,507)	(3,826)
Stock-in-trade	18,476	(1,333,214)
Trade debts	44,875	(99,773)
Loans and advances	15,715	(4,483)
Deposits and prepayments	(799)	(885)
Other receivables	(40)	(2,057)
Increase in trade and other payables	60,681	113,107
	126,401	(1,331,132)

CASH GENERATED FROM / (USED IN) OPERATIONS

Income tax paid	416,775	(1,016,287)
Staff retirement benefits (gratuity) - paid	(39,627)	(14,508)
	(3,460)	(3,223)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	373,688	(1,034,018)

CASH FLOW FROM INVESTING ACTIVITIES

Additions to Property, plant and equipment	(114,404)	(25,621)
Sale proceeds of operating fixed assets	1,604	1,368
Long term deposits - net	(446)	(3,550)
Dividend received	-	2,640
Loans and advances - net	(29)	(35)
NET CASH USED IN INVESTING ACTIVITIES	(113,275)	(25,198)

CASH FLOW FROM FINANCING ACTIVITIES

Long term finances	124,925	(132,143)
Lease finances repaid	-	(729)
Short term finances - net	(241,156)	1,289,379
Finance cost paid	(111,549)	(104,750)
Dividend paid	(24,220)	(5)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(252,000)	1,051,752

NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS

	8,413	(7,464)
CASH AND CASH EQUIVALENTS - At beginning of the period	11,704	38,627
CASH AND CASH EQUIVALENTS - At end of the period	20,117	31,163

The annexed notes form an integral part of this condensed interim financial information.



Adnan Hayat Noon
Chairman & Chief Executive



K. Iqbal Talib
Managing Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED 30 JUNE, 2012

Share capital	Reserves			Sub-total	(Accumulated loss) / unappropriated profit	Total
	Capital	Revenue	General			
	Share premium account					

----- (Rupees in thousand) -----

Balance as at 30 September, 2010	165,175	119,217	620,000	739,217	(200,075)	704,317
Total comprehensive income for the nine months ended 30 June, 2011	0	0	0	0	64,397	64,397
Effect of items directly credited in equity by an Associated Company	0	0	0	0	29	29
Balance as at 30 June, 2011	165,175	119,217	620,000	739,217	(135,649)	768,743
Balance as at 30 September, 2011	165,175	119,217	620,000	739,217	(164,751)	739,641
Transfer	0	0	(190,000)	(190,000)	190,000	0
Transactions with owners:						
Final cash dividend for the year ended 30 September, 2011 at the rate of Rs. 1.50 per share	0	0	0	0	(24,776)	(24,776)
Total comprehensive income for the nine months ended 30 June, 2012	0	0	0	0	65,652	65,652
Effect of items directly credited in equity by an Associated Company	0	0	0	0	109	109
Balance as at 30 June, 2012	165,175	119,217	430,000	549,217	66,234	780,626

The annexed notes form an integral part of this condensed interim financial information.



Adnan Hayat Noon
 Chairman & Chief Executive



K. Iqbal Talib
 Managing Director

**NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED 30 JUNE, 2012**

1. Noon Sugar Mills Limited (the Company) was incorporated in the year 1964 as a Public Company and its shares are quoted on the Stock Exchanges in Pakistan. It is principally engaged in production and sale of white sugar and spirit. The Company's Mills are located at Bhalwal, District Sargodha and its Head Office at 2nd floor, Mustafa Centre, 45-F Main Market, Gulberg, Lahore.
2. This condensed interim financial information of the Company for the nine months ended 30 June, 2012 is being submitted to the shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984 (the Ordinance) and listing regulations of the Stock Exchanges of Pakistan. This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 (Interim Financial Reporting) and provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP) under the Ordinance. In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed.
3. The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the company for the preceding year ended 30 September, 2011.
4. This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended 30 September, 2011.
5. This condensed interim financial information is presented in Pak Rupee, which is the functional currency of the Company. All the financial information presented in Pak Rupees has been rounded-off to the nearest thousand except stated otherwise.
6. **Standards, amendments and interpretations to published approved accounting standards, which have been effective during the current financial period**
 - 6.1 During the current period, the Company has adopted new and amended IFRSs and IASs as referred to in note 5.2 to the audited financial statements of the Company for the year ended 30 September, 2011. The adoption of these IFRSs and IASs did not have any material effect on this condensed interim financial information other than certain additional disclosures, which will be detailed in the financial statements of the Company for the year ending 30 September, 2012.

6.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are other standards, amendments and interpretations, which are not yet effective and are not considered to be relevant or do not have any significant effect on the Company's operations and are therefore not detailed in this condensed interim financial information.

7. Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the annual audited financial statements of the Company as at and for the year ended 30 September, 2011.

8. SEASONALITY OF OPERATIONS

The Company is inter-alia engaged in manufacturing of sugar for which the season begins in October / November and ends in March / April. Therefore, majority of expenses are incurred and production activities are undertaken in first half of the Company's financial year thus increasing volume of inventories and trade payables at the end of first half.

9. PROVISIONS

Provisions in respect of taxation, retirement benefit obligations and workers' (profit) participation fund are estimated and these are subject to final adjustments in the annual financial statements of the Company for the year ending 30 September, 2012.

10. LONG TERM FINANCES - Secured

	Note	Un-audited Nine months ended 30-June-12	Audited Year-ended 30-Sep-11
(Rupees in thousand)			
Allied Bank of Pakistan	10.1	124,925	-
Less: Current portion		41,642	-
		83,283	-

- 10.1** Allied Bank Limited has sanctioned a fresh demand Finance Facility (DF) by converting the existing Running Finance Facility of Rs. 124.925 million. DF is repayable in twelve (12) equal quarterly intervals commencing from 01 July 2012. it carries mark up at the rate of one (1) month KIBOR plus 150 bps. This finance facility is secured against 1st parri passu charge of Rs. 167.000 million on fixed assests (Plant and machinery) and current assests of the Company.

11. TRADE AND OTHER PAYABLES

Period-end trade and other payables include trade creditors aggregating Rs. 112.688 million (30 September, 2011: Rs. 91.020 million) and advance payments received from customers against future sales aggregating Rs. 108.832 million (30 September, 2011: Rs. 60.666 million).

12. SHORT TERM FINANCES - Secured

Short term finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs. 2.160 billion (30 September, 2011: Rs.2.135 billion). These facilities, during the period, carried mark-up at the rates ranging from 11.00% to 15.97% (30 September, 2011: 10.00% to 15.97%) per annum. The aggregate facilities are secured against charge on current and fixed assets, pledge of stocks of sugar and molasses. These facilities are expiring on various dates by February, 2013.

13. TAXATION

In view of available unused tax losses, provisions made during the current and preceding periods represent minimum tax payable under section 113 and final tax deducted at source on realisation of foreign exchange proceeds under section 154 of the Income Tax Ordinance, 2001.

14. CONTINGENCIES AND COMMITMENTS

14.1 There has been no significant change in the status of contingencies as reported in the annual audited financial statements of the Company for the year ended 30 September, 2011.

14.2 Guarantee given to Sui Northern Gas Pipelines Ltd. by a commercial bank on behalf of the Company outstanding as at 30 June, 2012 was for Rs. 10.392 million (30 September, 2011: Rs. 10.392 million). The guarantee is valid upto 03 October, 2013.

15. PROPERTY, PLANT AND EQUIPMENT

		Un-audited Nine months ended 30-Jun-12	Audited Year-ended 30-Sep-11
	Note	(Rupees in thousand)	
Operating fixed assets	15.1	1,108,738	1,031,767
Capital work-in-progress		6,272	60,017
		<u>1,115,010</u>	<u>1,091,784</u>

	Un-audited Nine months ended 30-Jun-12 (Rupees in thousand)
15.1 Operating fixed assets	
Book value as at 30 Sep., 2011	1,031,767
Additions during the period:	
Buildings on freehold land	
- factory	26,338
- colony	2,474
Plant and machinery	112,140
Scales and weighbridges	13,176
Other equipment	5,242
Electric installations and fittings	1,299
Office equipment	650
Furniture and fixtures	80
Vehicles	5,774
Farm tractors	880
Farm equipment	96
	168,149
Book value of plant and machinery written-off during the period	(3,570)
Book value of vehicles disposed-off during the period	(280)
Depreciation charge for the period	(87,328)
Book value as at 30 June, 2012	1,108,738

16. INVESTMENTS - Quoted

Noon Pakistan Ltd. (NPL - an Associated Company)

2,420,000 (30 September, 2011: 2,200,000)
non-voting ordinary shares
of Rs.10 each - **cost**

Equity held 17.36% (30 September, 2011: 17.36%)

Post acquisition profit brought forward including
effect of items directly credited in equity by NPL

Share of profit for the period/year -net of taxation

Dividend received during the year

Un-audited Nine months ended 30-Jun-12 (Rupees in thousand)	Audited Year-ended 30-Sep-11
----------------------------------------------------------------------	------------------------------------

20,000

20,000

29,529

25,552

6,999

6,508

-

(2,640)

56,528

49,420

Fair value of investments in NPL as at 30 June, 2012 was Rs. 42.350 million (30 September, 2011: Rs.25.894 million).

17. STOCK-IN-TRADE

	Un-audited Nine months ended 30-Jun-12 (Rupees in thousand)	Audited Year-ended 30-Sep-11
Raw materials - molasses	162,455	33,540
Work-in-process:		
- sugar	4,734	5,786
- molasses	4,636	4,481
	9,370	10,267
Finished goods:		
- sugar	457,522	781,729
- spirit	227,913	51,083
	685,435	832,812
Other stocks - (Fair Price Shop and Depot)	1,226	343
	858,486	876,962

18. LOANS AND ADVANCES

Balance as at 30 June, 2012 mainly includes due from growers aggregating Rs. 36.193 million (30 September, 2011: Rs. 29.646 million).

19. INVESTMENTS CLASSIFIED AS HELD FOR SALE

Within the provisions of the Share Purchase Agreement dated 22 May 2009 and upon satisfactory compliance of provisions of the Listed Companies (Substantial Acquisition of Voting Share and Take-Over) Ordinance 2002 and the Listed Companies (Substantial Acquisition of Voting Share and Take-Over) Regulations 2008, the Buyer (Vision Holding Middle East Limited) will now make payment to the Company aggregating to Rs. 23.722 million within thirty days post Close of offer Period dated 22 July 2012.

20. TRANSACTIONS WITH RELATED PARTIES

The Company has related party relationship with its Associated Companies, its directors and key management personnel. Transactions with related parties are carried-out on arm's length basis.

- Aggregate transactions with Noon Pakistan Ltd. during the period were as follows:

		Un-audited Nine months ended	
		30-Jun-12	30-Jun-11
Sale of sugar	(Rupees in thousand)	37,069	30,582
Dividend received	(Rupees in thousand)	-	2,640
Bonus shares received	(No. of shares)	220,000	-

- Remuneration paid to key management personnel during the period aggregated Rs. 14.154 million (30 June, 2011: Rs. 15.311 million).
- Period-end trade debts include due from Noon Pakistan Ltd. amounting Rs. 1.712 million (30 September, 2011: Rs.Nil).

21. SEGMENT INFORMATION

	Sugar		Distillery		Elimination of inter segment transactions		Total		
	----- Un-audited -----								
	For nine months ended 30 June,		For nine months ended 30 June,		For nine months ended 30 June,		For nine months ended 30 June,		
	2012	2011	2012	2011	2012	2011	2012	2011	
----- Rupees in thousand -----									
Sales - net	3,413,591	1,865,013	702,924	654,899	(246,868)	(260,078)	3,869,647	2,259,834	
Cost of sales	3,390,792	1,717,701	420,077	478,822	(246,868)	(260,078)	3,564,001	1,936,445	
Gross profit	22,799	147,312	282,847	176,077	-	-	305,646	323,389	
Distribution and marketing cost	4,281	4,106	47,077	38,422	-	-	51,358	42,528	
Administrative expenses	54,013	47,178	8,124	8,057	-	-	62,137	55,235	
	58,294	51,284	55,201	46,479	-	-	113,495	97,763	
Segment results	(35,495)	96,028	227,646	129,598	-	-	192,151	225,626	
Unallocatable income and expenses:									
Other operating expenses								(11,038)	(7,550)
Other operating income								12,438	6,833
Profit from operations								193,551	224,909
Finance cost								(96,202)	(140,558)
Share of profit from an Associated Company								6,999	2,644
Taxation								(38,696)	(22,598)
Profit after taxation								65,652	64,397

22. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue in the Board of Directors' meeting held on 30 July, 2012.

23. CORRESPONDING FIGURES

- Corresponding figures in the condensed interim balance sheet comprise of balances as per the annual audited financial statements of the Company for the year ended 30 September, 2011 and corresponding figures in the condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity comprise of balances of comparable period of the immediately preceding financial year, i.e. nine months ended 30 June, 2011. In addition, corresponding figures in the condensed interim profit and loss account also include balances of the three months period ended 30 June, 2011.
- Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison; however, no material re-arrangements / re-classifications have been made in this condensed interim financial information.



Adnan Hayat Noon
Chairman & Chief Executive



K. Iqbal Talib
Managing Director