Noon Sugar Mills Limited

2nd Floor, Mustafa Center, 45-F, Main Market, Gulberg-II, Lahore.

NOON SUGAR MILLS LTD.

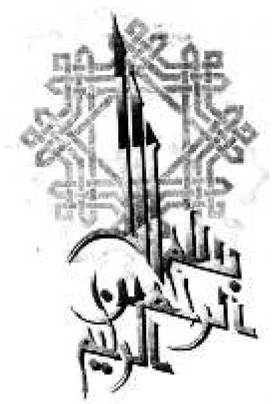
ANNUAL REPORT 2014

2014






NOON
GROUP OF COMPANIES



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CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. Salman Hayat Noon	Chairman
	Malik Adnan Hayat Noon	Chief Executive
	Mr. K. Iqbal Talib	(Executive Director)
	Mr. Zaheer Ahmad Khan	(Non-Executive Director)
	Mr. Asif Hussain Bukhari	(Non-Executive Director)
	Lt Col (R) Abdul Khaliq Khan	(Non-Executive Director)
	Mr. Muhammad Iqbal	(Independent Director)
AUDIT COMMITTEE	Mr. Muhammad Iqbal	Chairman
	Mr. Asif Hussain Bukhari	Member
	Mr. Zaheer Ahmad Khan	Member
HRR COMMITTEE	Mr. Zaheer Ahmad Khan	Chairman
	Mr. K. Iqbal Talib	Member
	Mr. Asif Hussain Bukhari	Member
MANAGEMENT	Mr. K. Iqbal Talib	Director
	Mr. Naveed Akhtar	Resident Director
	Mr. Kamran Zahoor	Chief Financial Officer
SECRETARY	Syed Anwar Ali	
AUDITORS	Hameed Chaudhri & Co., Chartered Accountants	
HEAD INTERNAL AUDIT	Mr. Muhammad Shafiq	
LEGAL ADVISERS	Hassan & Hassan (Advocates)	
BANKERS	Allied Bank Limited MCB Bank Limited NIB 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 & 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	

MISSION STATEMENT

"Noon Sugar Mills Limited is committed to continue its sustained efforts towards optimizing its resources through updated technology, staff motivation and good corporate governance so as to Insha Allah maintain its tradition of high yield and handsome returns to its shareholders on their investment in the Company."

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 52nd Annual General Meeting of Noon Sugar Mills Limited will be held on Saturday, 31 January, 2015 at 11:30 a.m. at 66 Garden Block, New Garden Town, Lahore to transact the following business:

1. To confirm the minutes of the Extraordinary General Meeting held on 31 March, 2014.
2. To receive, consider and adopt the audited accounts for the year ended 30 September, 2014 and the reports of the directors and auditors thereon.
3. To appoint auditors for the year ending 30 September, 2015 and to fix their remuneration.
4. To transact any other business as may be placed before the meeting with the permission of the Chairman.

CLOSURE OF SHARE TRANSFER BOOKS

The Share Transfer Books of the Company will remain closed from 25 January, 2015 to 31 January, 2015 (both days inclusive) for the purpose of holding the AGM.

By Order of the Board

SYED ANWAR ALI
Company Secretary

Lahore: 30 December, 2014

NOTES:

1. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend, speak and vote on his/her behalf. Proxies in order to be effective must be received by the Company at the registered office not less than 48 hours before the meeting. The shareholders through CDC are requested to bring original CNIC/Passport for the purpose of identification to attend the meeting. Representatives of corporate members should bring the usual documents required for such purpose.
2. Members having physical shares are requested to send copy of their Computerized National Identity Card (CNIC) if they have not already provided the same.
3. The members are also requested to notify change in their addresses, if any.

SIX YEARS' REVIEW AT A GLANCE

YEAR ended 30th September		2014	2013	2012	2011	2010	2009
Sugar Production:							
Cane crushed	(M.Tons)	498,954	603,528	701,851	600,385	294,534	358,130
Average sucrose recovery	(%)	9.83	9.57	9.36	7.70	7.28	8.65
Sugar produced	(M.Tons)	49,054	57,766	65,684	46,181	21,444	30,965
Operating period	(Days)	99	107	114	116	98	98
Alcohol Production:							
Molasses processed	(M.Tons)	71,957	71,315	83,748	72,644	29,969	27,772
Alcohol produced	(000's Ltrs.)	17,228	17,292	22,028	17,571	7,415	7,350
Average alcohol yield	(Ltrs/Ton)	239	243	263	242	247	262
Operating period	(Days)	261	234	307	302	165	180
Operating results:							
Sales	(000' Rs.)	3,252,536	3,834,732	4,622,657	3,101,489	1,723,592	1,714,912
Cost of sales	(000' Rs.)	3,101,236	3,618,215	4,201,356	2,695,524	1,719,524	1,443,161
Gross profit	(000' Rs.)	151,300	216,517	421,301	405,965	4,068	271,751
Pre-tax profit/(loss)	(000' Rs.)	(100,808)	(136,387)	120,785	62,642	(183,237)	66,148
Total Comprehensive Income/(loss)	(000' Rs.)	(121,968)	(159,915)	106,298	34,858	(246,085)	56,572
Gross Profit to Net Sales	(%)	4.65	5.65	9.11	13.09	0.24	15.85
Net Profit/(loss) to Net Sales	(%)	(3.75)	(4.17)	2.30	1.12	(14.28)	3.30
Shareholders' Equity:							
Paid up capital	(000' Rs.)	165,175	165,175	165,175	165,175	165,175	150,159
Reserves & surplus	(000' Rs.)	355,310	467,767	660,525	574,466	539,142	815,196
Shareholders' equity	(000' Rs.)	520,485	632,942	825,700	739,641	704,317	965,355
Break-up value per share	(Rupees)	31.51	38.32	49.99	44.78	42.64	64.29
Earnings/(loss) per share	(Rupees)	(6.72)	(9.68)	6.44	2.11	(14.90)	3.42
Return on equity	(%)	(23.43)	(25.27)	12.87	4.71	(34.94)	5.86
Financial position:							
Current assets	(000' Rs.)	762,781	639,796	630,140	1,129,184	354,449	316,343
Fixed capital expenditure	(000' Rs.)	1,010,005	1,086,398	1,146,199	1,108,752	1,134,653	1,242,597
Total assets	(000' Rs.)	1,790,805	1,756,427	1,826,793	2,289,429	1,536,321	1,598,772
Current liabilities	(000' Rs.)	1,126,478	919,959	878,945	1,499,694	781,124	448,038
Long term debts	(000' Rs.)	90,000	151,231	72,873	0.00	0.00	132,872
Total liabilities	(000' Rs.)	1,270,320	1,123,485	1,001,093	1,549,788	832,004	633,417
Current ratio	(%)	0.68	0.70	0.72	0.75	0.45	0.71
Debt equity ratio	(%)	14.74	19.28	8.11	0.00	0.00	12.10
Dividends:							
Cash	(%)	0	0	20	15	0	10
Bonus shares	(%)	0	0	0	0	0	10
Total pay out	(%)	0	0	20	15	0	20

DIRECTORS' REPORT TO THE MEMBERS

Dear members,

The Directors of Noon Sugar Mills Limited are pleased to present the 52nd annual report and audited Financial Statements of the Company and the Auditors' Report thereon for the year ended 30 September 2014.

Financial Results

The comparative financial results of the Company are summarized below:

Particulars	2014	2013
	(Rupees in million)	
Total Revenue	3,252	3,835
Gross Profit	151	216
Operating Profit	78	36
After-tax (loss)	(111)	(160)
(Loss) Per Share (Rs.)	(6.72)	(9.68)

Operating Results

The operating results of your Company for the year under review with comparative statistics of last year are tabulated below:

Sugar		2014	2013
Operating period	Days	99	107
Cane crushed	M. Tons	498,954	603,528
Sugar produced	M. Tons	49,054	57,766
Average sucrose recovery	% age	9.83	9.57
Molasses recovery	% age	4.40	4.89
Molasses produced	M. Tons	21,954	29,517
Distillery			
Operating period	Days	261	234
Molasses processed	M. Tons	71,957	71,315
Ethanol produced	000's Ltrs.	17,228	17,292
Average yield	Ltrs./ M.Ton	239	243

Sugar

During the year under review, sugarcane crushing was 17.32% less than last year resulting in reduced production of sugar and molasses. A poor average yield of cane per acre due to extended dry weather and increased competition from two neighboring mills under new management, did not allow adequate utilization of crushing capacity of your mills.

However, the Company achieved the highest average sucrose recovery of 9.83% to reward the management's consistent efforts for cane development through loan of some carefully selected seeds of sugar rich varieties of cane with promising yields of both plant ratoon crops. A system of discriminating premium on good varieties of cane and a priority in supply permits, was also introduced to provide further incentives to encourage the cultivation of good varieties of cane in gate supply area of your sugar mills.

You may recall that the Government had increased the minimum support price of sugarcane since the crushing season 2012-13 at Rs. 170, against previous price of Rs. 150 per 40 kg of sugarcane, indicating an increase of 13.33 percent, which was maintained during 2013-14 also. However, due to a greater surplus, the sugar prices remained below its cost level, all through the year under review. Your mill's significant improvement in season's average sucrose recovery was therefore, more than offset by the increased mismatch of raw material and product sale prices.

As a supportive measure for the industry, the Federal Government had allowed the export of 750,000 tons of sugar but it was restricted to 650,000 tons during the period under review, due to procedural delays and rapidly falling international price of sugar. The incentives promised to exporters also were not honoured, creating an atmosphere of uncertainty and delays. Consequently, the sugar market remained under pressure, and substantially below cost levels.

Distillery

The natural gas supply, which provides an alternative fuel during 8 months of off-season, remained mostly suspended to compel the operation of a large bagasse fired boiler and steam turbo generator of sugar mills by a supplementing own surplus bagasse with purchase of significant quantities from other sugar mills at high prices from long distances incurring heavy transport charges. Also due to increased competition among the distilleries both the availability and price of molasses, restricted the procurement of raw material to limit the capacity utilization of the distilleries. A significant quantity of molasses booked with a sugar mill of a good repute, had to be cancelled due to heavy dilution and very poor ethanol yield.

It is however, gratifying to report that more than 74% of industrial grade ethanol produced during the season was exported, though yielding a slimmer margin owing to increase in average molasses price as compared to the previous year, further compounded by a significant fall in export prices, and revaluation of Pak rupees against US dollar.

Future Outlook:

The current crushing season 2014-15 commenced on 29 November 2014 and upto December 20, 2014 your mills crushed 129,247 metric tons of sugarcane and produced 10,630 metric tons sugar, with average sucrose recovery of 9.15% in 22 days' operation as compared to 168,363 metric tons of sugarcane crushing and 14,892 metric tons of sugar production with 9.54% recovery in 26 days' operation in the corresponding period of 2013-14. The Government of Punjab has again increased the minimum support price of sugarcane to Rs. 180 per 40 kg. This detrimental increase will further widen the cost-price gap which, if the sugar prices do not improve to a reasonable level, will not only impact the financial results of the Company but will also affect its ability to meet the working capital requirements for cane payment and other liabilities.

The outlook of distillery division is also uncertain at the moment due to high expectation of mills attached to the selling prices of molasses based on last year average price and also due to advance booking of significant quantities by some distilleries at high prices. The international price of ethanol on the other hands, influenced by a persistent fall in crude oil prices and devaluation of Brazilian currency, has already fallen sharply by more than 15% in fourth quarter.

Let us hope that the raw material suppliers will logically accept corresponding fall in product price to provide a reasonable value addition to the distilleries.

Power Project

The original scheme of installing a 4.5 MW Power plant at the distillery premises had to be rationalized owing to the restricted seasonal operation of all mills in the area to around 100 days, seriously limiting the availability of surplus bagasse, thereby increasing the dependence on external supply of low density materials with high transportation costs.

An internationally recognized consultant has now finalized the design to optimize the power generation within available resources. The revised quotations and feasibility are being prepared. Hopefully, it will make room for a part of allocated funds to be utilized for installing the Falling Film Evaporators (FFEs) and ancillary equipment for effecting the steam economy, which will substantially increase the availability of surplus bagasse during the next crushing season before the power plant comes into operations.

Corporate Social Responsibility

Quality education:

The Company took over, in 2005, two Primary Schools established by the Company in 1968 but nationalized in 1972, and has upgraded these schools to Boys and Girls High Schools of excellent academic standards in the mills premises for employees' children. Talented students from the adjoining area of the mills are also allowed admission in these schools.

The project has been successful through efficient Management of both schools, the involvement of expert staff in monitoring performance of school administration has resulted in increase in student enrolment, reduction in dropout, and a marked rise in pass percentage of school to the Board level.

Compliance with the Code of Corporate Governance

The requirement of the Code of Corporate Governance (CCG) set out by Karachi, Lahore and Islamabad stock exchanges in their listing regulations, relevant for the year ended 30 September, 2014 have been adopted by the Company and have been fully complied with. A statement to the effect is annexed to the report.

Meetings of Board of Directors

During the year under consideration, five Board meetings were held and number of meetings attended by each director is given in the annexed table.

Audit Committee

An Audit Committee of the Board has been in existence since the CCG, which now comprises of one independent and two non-executive directors. During the year, four meetings of the Audit Committee were held. The Audit Committee has its terms of reference which were determined by the Board of Directors in accordance with the guidelines provided by the listing regulations.

Corporate and Financial Reporting Framework

The financial statements together with the notes thereon have been drawn up by the management of the Company in conformity with the Companies Ordinance, 1984 and applicable International Financial Reporting Standards (IFRS). These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.

The Board of Directors hereby declares that:

- Any departure from the application of IFRS has been adequately disclosed in “Notes to the Accounts” of financial statements;
- proper books of accounts of the Company have been maintained by the Company;
- appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- the system of internal controls is sound in design and has been effectively implemented and monitored;
- there are no doubts upon the Company’s ability to continue as a going concern;
- there has been no material departure from the Best Practices of Corporate Governance, as detailed in the listing regulations of stock exchanges;
- The key operating and financial data of last six years is annexed to this report.
- there are no statutory payments on account of taxes, duties, levies and charges which are outstanding as at 30 September, 2014 except for those disclosed in the financial statements;
- the Directors, CEO, CFO, Company Secretary and their spouses and minor children have made no transactions in the Company’s shares during the year ended 30 September, 2014; and
- Cost of the investments of employees retirement funds are as follows:

Provident Fund

As at 30 September, 2014 (audited)	Rs. 77.894 million
As at 30 September, 2013 (audited)	Rs. 71.347 million

Gratuity scheme is currently un-funded and annual provision is made on the basis of actuarial valuation to cover obligation under the scheme for all eligible employees and the details are contained in Note 10 to the audited financial statements for the year ended 30 September, 2014.

Pattern of Shareholding/ Categories as at 30 September, 2014 Provided Separately.

Shares held by:

I. Associated Companies, undertakings and related parties:

	Number of shares held
Noon Industries (Pvt.) Limited	765,403

II. Mutual Funds:

	Number of shares held
CDC – Trustee AKD Opportunity Fund	414,370
CDC – Golden Arrow Selected Stock Fund Ltd.	1,215,091

III. The Directors and their spouse and minor children:

	Number of shares held		
Names Of Directors	Ownself	Spouse	Minor Children
Malik Adnan Hayat Noon	4,355,181	Nil	Nil
Mr. Salman Hayat Noon	81,655	Nil	Nil
Mr. K. Iqbal Talib	26,360	7,260	Nil
Mr. Zaheer Ahmad Khan	159	Nil	Nil
Mr. Asif Hussain Bukhari	2,091	Nil	Nil
Lt Col (R) Abdul Khaliq Khan	1	Nil	Nil
Mr. Muhammad Iqbal	500,921	1,597	Nil

IV.	Executives:	Nil	Nil	Nil

V. Public Sector Companies and Corporations, Joint Stock Companies and others:

Shares held	Percentage
1,035,330	6.27 %

VI. Banks, Development Finance Institution, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:

Shares held	Percentage
5,314,011	32.17 %

VII. Shareholders holding five percent or more voting rights in the listed company:

	Shares held	Percentage
Malik Adnan Hayat Noon	4,355,181	26.37 %
BHF Bank (Switzerland) Ltd.	2,236,080	13.54 %
EFG Private Bank (Channel Islands) Ltd.	1,437,480	8.70 %
Golden Arrow Selected Stocks Fund Ltd.	1,215,091	7.36 %
Aqeel Karim Dhedhi	861,981	5.22 %

VIII. Trading in Shares

There is no trading in the shares of the Company, carried out by its directors, executives and their spouses and minor children during the financial year.

Attendance of Directors in Board Meetings

During the year under review, five meetings of the Board of Directors were held, attendance position was as under:

Names Of Directors	Meetings Held During Tenure	Meetings Attended
Malik Adnan Hayat Noon	5	4
Mr. Salman Hayat Noon	5	5
Mr. K. Iqbal Talib	5	5
Mr. Zaheer Ahmad Khan	5	5
Mr. Asif Hussain Bukhari	5	5
Lt Col (R) Abdul Khaliq Khan	2	2
Mr. Muhammad Iqbal	2	2
Mr. Amjad Mahmood Agha	3	1
Mr. Safdar M. Hayat Qureshi	3	0

Leave of absence was granted to the directors who could not attend the Board Meetings.

Attendance of Members in Audit Committee Meetings

During the year under review, four Audit Committee Meetings were held, attendance position was as under:

Names Of Members	Meetings Held During Tenure	Meetings Attended
Mr. Asif Hussain Bukhari	4	4
Mr. Salman Hayat Noon	4	3
Mr. Zaheer Ahmad Khan	4	4
Mr. Muhammad Iqbal	0	0

Number of Meetings of Shareholders

During the year under review, annual general meeting was held on 31 January, 2014 and an extraordinary general meeting was held on 31 March, 2014 to elect seven directors.

Outstanding statutory Payments

All outstanding payments are of normal and routine nature.

Role of Shareholders

The Board aims to ensure that the Company's shareholders are timely informed about the major developments affecting the Company's state of affairs. To achieve this objective, information is communicated to the shareholders through quarterly, half -yearly and annual reports, now being promptly placed on Company's website. The Board encourages the shareholders' participation at the General Meetings to ensure the desired level of accountability.

Safety and Environments

The Company strictly complies with the standards of the safety rules and regulations. It also follows environment friendly policies.

Auditors

M/s Hameed Chaudhri & Co., Chartered Accountants, the retiring auditors have offered their services for another term. The Board proposes their appointment as recommended by the Audit Committee.

Board of Directors

The tenure of the Board was completed and fresh election of directors was held in the extraordinary general meeting on 31 March 2014. All seven candidates were elected unopposed. The Board wishes to place on record their appreciation and gratitude to the retiring directors Mr. Amjad Mahmood Agha and Mr. Safdar M. Hayat Qureshi, for their valuable contributions to the Company during their tenure.

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

MALIK ADNAN HAYAT NOON
Chief Executive

Lahore: 30 December, 2014

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

Name of company : Noon Sugar Mills Limited
Year ending : 30 September, 2014

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No.35 of listing regulations of Karachi, Lahore and Islamabad Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Independent Director	Mr. Muhammad Iqbal
Executive Directors	Malik Adnan Hayat Noon Mr. K. Iqbal Talib
Non-Executive Directors	Mr. Salman Hayat Noon Mr. Zaheer Ahmad Khan Mr. Asif Hussain Bukhari Lt Col (R) Abdul Khaliq Khan

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the Board during the year.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board/shareholders.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the Board meetings were appropriately recorded and circulated.
9. All the directors on the Board are fully conversant with their duties and responsibilities as directors. Till 30 September, 2014 , three Directors have acquired the compulsory training, one from the Institute of Cost and Management Accountants of Pakistan (ICMA) and other two from Executive Development Centre, Lahore whereas one Director was exempt from obtaining the requisite training.
10. There was no new appointment of CFO, Company Secretary and Head of Internal Audit during the year.

11. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the CCG.

15. The Board has formed an Audit Committee. It comprises 3 members, of whom one is independent director and two are non-executive directors.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed an HR and Remuneration Committee. It comprises 3 members, of whom two are non-executive directors.

18. The Board has set up an effective internal audit function.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchanges.

22. Material/ price sensitive information has been disseminated among all market participants at once through stock exchanges.

23. All related parties transactions have been placed before the Audit Committee and Board of Directors and have been duly approved by the Board of Directors to comply with the requirements of listing regulations of Karachi, Lahore and Islamabad Stock Exchanges.

24. We confirm that all other material principles enshrined in the CCG have been complied with.
    It is hereby declared that the annual financial statements, duly adopted by members of the Company, reports and other information relating to the Company shall remain available for at least next three years on the Company's website www.noonsugar.com

For and on behalf of the Board

MALIK ADNAN HAYAT NOON
Chief Executive
Lahore: 30 December, 2014

K. IQBAL TALIB
Director

AUDITORS' REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Noon Sugar Mills Limited (the Company) for the year ended September 30, 2014 to comply with the requirements of Listing Regulation No. 35 of the Karachi, Lahore and Islamabad Stock Exchanges, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended September 30, 2014.

Hameed Chaudhri & Co

HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS
Engagement Partner: Osman Hameed Chaudhri

Lahore: 30 December,2014

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Noon Sugar Mills Limited (the Company) as at September 30, 2014 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion:

(i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied, except for the change as stated in note 5 with which we concur;

(ii) the expenditure incurred during the year was for the purpose of the Company's business; and

(iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2014 and of the loss, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Hameed Chaudhri & Co

HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS
Engagement Partner: Osman Hameed Chaudhri

Lahore: 30 December,2014

NOON SUGAR MILLS LTD.

BALANCE SHEET

	Note	2014	2013 (Re-stated)	2012 (Re-stated)
		---------- Rupees in '000 ----------		
Equity and Liabilities				
Share Capital and Reserves				
Authorised capital				
20,000,000 ordinary shares of Rs.10 each		200,000	200,000	200,000
Issued, subscribed and paid-up capital	6	165,175	165,175	165,175
Reserves	7	549,217	549,217	549,217
(Accumulated loss) / Un-appropriated profit		(193,907)	(81,450)	111,308
		520,485	632,942	825,700
Non-current Liabilities				
Long term finances	8	90,000	151,231	72,873
Long term deposits	9	1,534	1,349	459
Staff retirement benefits - gratuity	10	52,308	50,946	48,816
		143,842	203,526	122,148
Current Liabilities				
Trade and other payables	11	236,851	215,060	196,013
Accrued mark-up	12	37,910	28,018	25,709
Short term finances	13	761,909	581,969	599,368
Current portion of long term finances	8	61,231	71,642	41,642
Provision for taxation		28,577	23,270	16,213
		1,126,478	919,959	878,945
		1,270,320	1,123,485	1,001,093
Contingencies and Commitments	14			
		1,790,805	1,756,427	1,826,793

The annexed notes form an integral part of these financial statements.

MALIK ADNAN HAYAT NOON
Chief Executive

AS AT SEPTEMBER 30, 2014

	Note	2014	2013 (Re-stated)	2012 (Re-stated)
		---------- Rupees in '000 ----------		
Assets				
Non-current Assets				
Property, plant and equipment	15	1,001,871	1,068,362	1,128,085
Investment property	16	8,134	18,036	18,114
Investments	17	15,842	27,991	48,200
Loans and advances	18	653	873	888
Deposits		1,524	1,369	1,366
		1,028,024	1,116,631	1,196,653
Current Assets				
Stores, spares and loose tools	19	79,108	97,289	89,273
Stock-in-trade	20	512,852	388,215	346,294
Trade debts	21	31,202	6,137	76,010
Loans and advances	22	29,073	53,323	46,627
Short term prepayments		1,287	1,339	1,092
Other receivables	23	4,272	4,438	4,549
Income tax refundable, advance income tax and tax deducted at source		80,901	60,874	51,198
Bank balances	24	24,086	28,181	15,097
		762,781	639,796	630,140
		1,790,805	1,756,427	1,826,793

The annexed notes form an integral part of these financial statements.

K. IQBAL TALIB
Director

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Note	2014	2013
		--- Rupees in '000 ---	
Sales - Net	25	3,252,536	3,834,732
Cost of sales	26	(3,101,236)	(3,618,215)
Gross profit		151,300	216,517
Distribution and marketing expenses	27	(70,535)	(88,275)
Administrative expenses	28	(105,237)	(99,791)
Other income	29	104,625	8,331
Other expenses	30	(2,196)	(428)
Profit from operations		77,957	36,354
Finance cost	31	(157,105)	(152,340)
Loss for the year before share of loss of an Associated Company and taxation		(79,148)	(115,986)
Share of loss of an Associated Company - net of taxation	17	(21,660)	(20,401)
Loss before taxation		(100,808)	(136,387)
Taxation	32	(10,185)	(23,528)
Loss after taxation		(110,993)	(159,915)
Other comprehensive income			
Items that will not be reclassified subsequent to profit and loss:			
- loss on remeasurement of staff retirement benefit obligation		(10,975)	-
Total comprehensive loss		(121,968)	(159,915)
		------- Rupees -------	
Loss per share - basic and diluted	33	(6.72)	(9.68)

The annexed notes form an integral part of these financial statements.

MALIK ADNAN HAYAT NOON	K. IQBAL TALIB
Chief Executive	Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	2014	2013
	--- Rupees in '000 ---	
Cash flow from operating activities		
Loss for the year before share of loss of an Associated Company and taxation	(79,148)	(115,986)
Adjustments for non-cash charges and other items:		
Depreciation on property, plant & equipment and investment property	110,629	117,750
Gain on disposal of operating fixed assets - net	-	(235)
Gain on disposal of investment property	(99,747)	-
Unclaimed and other payable balances written-back	(883)	(309)
Provision for staff retirement benefits - gratuity	8,682	9,088
Irrecoverable balances written-off	361	22
Provision made / (reversed) for slow moving stores and spares inventory	1,604	(1,011)
Finance cost	154,736	149,046
Profit before working capital changes	96,234	158,365
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	16,577	(7,005)
Stock-in-trade	(124,637)	(41,921)
Trade debts	(25,065)	69,873
Loans and advances	23,800	(6,728)
Short term prepayments	52	(247)
Other receivables	166	111
Increase in trade and other payables	22,772	18,400
	(86,335)	32,483
Cash generated from operations	9,899	190,848
Income tax paid	(24,905)	(26,147)
Staff retirement benefits (gratuity) - paid	(18,295)	(6,958)
Net cash (used in) / generated from operating activities	(33,301)	157,743
Cash flow from investing activities		
Additions to property, plant and equipment	(44,064)	(58,021)
Sale proceeds of operating fixed assets	-	307
Sale proceeds of investment property	109,575	-
Long term deposits - net	30	887
Loans and advances - net	309	25
Net cash generated from / (used in) investing activities	65,850	(56,802)
Cash flow from financing activities		
Long term finances - obtained	-	150,000
- repaid	(71,642)	(41,642)
Short term finances - net	179,940	(17,399)
Finance cost paid	(144,844)	(146,737)
Dividend paid	(98)	(32,079)
Net cash used in financing activities	(36,644)	(87,857)
Net (decrease) / increase in cash and cash equivalents	(4,095)	13,084
Cash and cash equivalents - at beginning of the year	28,181	15,097
Cash and cash equivalents - at end of the year	24,086	28,181

The annexed notes form an integral part of these financial statements.

MALIK ADNAN HAYAT NOON
Chief Executive

K. IQBAL TALIB
Director

NOON SUGAR MILLS LTD.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Share capital	Reserve: Share premium	Reserve: Revenue	Reserve: Sub-total	Unappropriated profit / (accumulated loss)	Total
	------------------ Rupees in '000 ------------------					
Balance as at October 01, 2012 - as previously reported	165,175	119,217	430,000	549,217	106,984	821,376
Effect of change in accounting policy due to application of IAS-19 (Revised) - net of tax [note 5]	-	-	-	-	4,324	4,324
Balance as at October 01, 2012 (re-stated)	165,175	119,217	430,000	549,217	111,308	825,700
Transaction with owners:						
Final cash dividend for the year ended September 30, 2012 at the rate of Rs.2 per share	-	-	-	-	(33,035)	(33,035)
Total comprehensive loss for the year	-	-	-	-	(159,915)	(159,915)
Effect of items directly credited in equity by an Associated Company	-	-	-	-	192	192
Balance as at September 30, 2013 (re-stated)	165,175	119,217	430,000	549,217	(81,450)	632,942
Total comprehensive loss for the year ended September 30, 2014						
Loss for the year	-	-	-	-	(110,993)	(110,993)
Other comprehensive loss	-	-	-	-	(10,975)	(10,975)
	-	-	-	-	(121,968)	(121,968)
Effect of items directly credited in equity by an Associated Company	-	-	-	-	1,155	1,155
Adjustment as a result of reduction in shareholding in an Associated Company	-	-	-	-	8,356	8,356
Balance as at September 30, 2014	165,175	119,217	430,000	549,217	(193,907)	520,485

The annexed notes form an integral part of these financial statements.

MALIK ADNAN HAYAT NOON
Chief Executive

K. IQBAL TALIB
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

1. LEGAL STATUS AND NATURE OF BUSINESS

Noon Sugar Mills Limited (the Company) was incorporated in the year 1964 as a Public Company and its shares are quoted on all the Stock Exchanges in Pakistan. 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.

The principal activity of the Company is manufacturing and sale of white sugar and spirit.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for staff retirement benefits (gratuity) which is stated at their present value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional currency of the Company. All financial information presented in Pak Rupees has been rounded-off to the nearest thousand, unless otherwise stated.

2.4 Initial application of standards, amendments or an interpretation to existing standards

2.4.1 Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

The amendments to following standards have been adopted by the Company for the first time for financial year beginning on October 01, 2013:

(a) Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from this amendment is a requirement for entities to group items presented in 'other comprehensive income' on the basis of whether they are potentially reclassifiable to profit and loss subsequently (reclassification adjustments). The Company has applied the amendments by incorporating the effects in these financial statements.

(b) Amendment to IAS 1, 'Financial statement presentation' regarding disclosure requirements for comparative information. The amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet as at the beginning of the preceding period if it applies an accounting policy retrospectively, and the retrospective application has a material effect on the information in the balance sheet at the beginning of the preceding period. However, the entity need not present the related notes in the opening balance sheet as at the beginning of the preceding period.

(c) IAS 19 (revised) ‘Employee benefits’ was revised in June 2011. Revised standard eliminates the corridor approach and calculates finance costs on a net funding basis. IAS 19 (revised) amends the accounting for the Company's staff retirement benefit obligation. The impact of this change on the Company's financial statements has been explained in note 5.

2.4.2 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the accounting periods beginning on October 1, 2013 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

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

The following new standards and amendments to published standards are only effective for annual periods beginning from the date specified below. These new standards and amendments to published standards have not been early adopted by the Company:

(a) IFRS 9, ‘Financial instruments’ (effective for periods beginning on or after January 01, 2018). IFRS 9 replaces the parts of IAS 39, ‘Financial instruments: recognition and measurement’ that relate to classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories; those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. For financial liabilities, the standard retains most of the requirements of IAS 39. The Company is yet to assess the full impact of IFRS 9; however, initial indications are that it may not significantly affect the Company's financial assets.

(b) IAS 28 (Revised), ‘Associates and Joint Ventures’ (effective for periods beginning on or after January 01, 2013). This standard includes the requirements for associates and joint ventures that have to be equity accounted following the issue of IFRS 11. The Company is yet to assess the full impact of IAS 28 (Revised).

(c) IAS 32 (Amendment), ‘Financial instruments: Presentation’ (effective for periods beginning on or after January 01, 2014). This amendment updates the application guidance in IAS 32, ‘Financial instruments: Presentation’, to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The amendment does not have any significant impact on the Company’s financial statements.

(d) IAS 36 (Amendment) 'Impairment of Assets', is applicable on accounting periods beginning on or after January 01, 2014. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The Company shall apply this amendment from October 01, 2014 and this will only affect the disclosures in the Company's financial statements in the event of impairment.

There are number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and therefore have not been presented here.

3. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. However, such differences are estimated to be insignificant and hence will not affect the true and fair presentation of the financial statements. The assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Judgements made by management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy note. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgements were exercised in application of accounting policies are as follows:

(a) Staff retirement benefits - gratuity (note 4.3)

The present value of this obligation depends on a number of factors that is determined on actuarial basis using a number of assumptions. Any change in these assumptions will impact carrying amount of this obligation. The present value of the obligation and underlying assumptions are stated in note 10.

(b) Provision for taxation (note 4.5)

In making the estimate for income taxes payable by the Company, the management looks at the applicable law and decisions of appellate authorities on certain issues in the past.

(c) Property, plant and equipment (note 4.6)

The Company reviews appropriateness of the rates of depreciation, useful lives and residual values for calculation of depreciation on an on-going basis. Further, where applicable, an estimate of recoverable amount of asset is made if indicators of impairment are identified.

(d) Stores & spares and stock-in-trade (note 4.10 and 4.11)

The Company estimates the net realisable value of stores & spares and stock-in-trade to assess any diminution in the respective carrying values. Net realisable value is determined with reference to estimated selling price less estimated expenditure to make sale.

(e) Provision for impairment of trade debts (note 4.12)

The Company assesses the recoverability of its trade debts if there is objective evidence that the Company will not be able to collect all the amount due according to the original terms. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy and default or delinquency in payments are considered indications that the trade debt is impaired.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set-out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Equity instruments

These are recorded at their face value.

4.2 Borrowings and borrowing costs

Borrowings are recognised initially at fair value.

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset.

4.3 Staff retirement benefits

(a) Defined contribution plan

The Company is operating a provident fund scheme for all its permanent employees; equal monthly contribution to the fund is made at the rate of 10% of the basic salaries both by the employees and the Company. The assets of the Fund are held separately under the control of the Trustees.

(b) Defined benefit plan

The Company operates an un-funded retirement gratuity scheme for its eligible employees. Provision for gratuity is made annually to cover obligation under the scheme in accordance with the actuarial recommendations. Latest actuarial valuation was conducted on September 30, 2014 on the basis of the projected unit credit method by an independent Actuary.

The liability recognised in the balance sheet in respect of retirement gratuity scheme is the present value of defined benefit obligation at the end of reporting period. The amount arising as a result of remeasurements are recognised in the balance sheet immediately, with a charge or credit to other comprehensive income in the periods in which they occur.

4.4 Trade and other payables

Creditors relating to trade and other payables are carried at cost which is the fair value of consideration to be paid in the future for goods and services received, whether or not billed to the Company.

4.5 Taxation

(a) Current and prior year

Provision for current year's taxation is determined in accordance with the prevailing law of taxation on income enacted or substantially enacted by the balance sheet date and is based on current rates of taxation being applied on the taxable income for the year, after taking into account, tax credits and rebates available, if any. The tax charge also includes adjustments, where necessary, relating to prior years which arise from assessments finalised during the year.

(b) Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes.

Deferred tax asset is recognised for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax liabilities are recognised for all the taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statement, except in the case of items credited or charged to other comprehensive income / equity in which case it is included in other comprehensive income / equity.

4.6 Property, plant and equipment

(a) Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and any identified impairment loss except freehold land, which is stated at cost. Cost of some items of plant & machinery consists of historical cost and exchange fluctuation effects on foreign currency loans capitalised during prior years.

Depreciation is taken to profit and loss account applying reducing balance method so as to write-off the depreciable amount of an asset over its remaining useful life at the rates stated in note 15.1. The assets' residual values and useful lives are reviewed at each financial year-end and adjusted if impact on depreciation is significant. Depreciation on additions to operating fixed assets is charged from the month in which an asset is acquired or capitalised while no depreciation is charged for the month in which the asset is disposed-off.

Normal repairs and replacements are taken to profit and loss account. Major improvements and modifications are capitalised and assets replaced, if any, other than those kept as stand-by, are retired.

Gain / loss on disposal of property, plant and equipment, if any, is taken to profit and loss account.

(b) Capital work-in-progress

This is stated at cost. All expenditure connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when assets are available for use.

4.7 Investment property

Property not held for own use or for sale in the ordinary course of business is classified as investment property. The Company uses cost model for valuation of its investment property; freehold land has been carried at cost whereas buildings on freehold land have been carried at cost less accumulated depreciation and any identified impairment loss.

Depreciation on buildings is taken to profit and loss account on reducing balance method at the rate stated in note 16. Depreciation on additions to investment property is charged from the month in which an asset is acquired while no depreciation is charged for the month in which the asset is disposed-off.

4.8 Investment in an Associated Company

Investment in an Associated Company is accounted for using equity basis of accounting under which the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the Company's share of the profit or loss of the Associated Company after the date of acquisition. The Company's share of the profit or loss of the Associated Company is recognised in the Company's profit or loss. Distributions received from the Associated Company reduce the carrying amount of the investment.

Adjustments to the carrying amount are also made for changes in the Company's proportionate interest in the Associated Company arising from changes in the Associated Company's equity that have not been recognised in the Associated Company's profit or loss. The Company's share of those changes is recognised directly in equity of the Company.

The carrying amount of the investment is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less cost to sell) with its carrying amount and loss, if any, is recognised in profit or loss.

4.9 Loans and advances

These are stated at cost.

4.10 Stores, spares and loose tools

Stores, spares and loose tools are stated at the lower of cost and net realisable value. The cost of inventory is based on moving average cost. Items in transit are stated at cost accumulated to the balance sheet date. Adequate provision is made against slow moving / obsolete items after taking into account a reasonable estimate of salvage value.

4.11 Stock-in-trade

Basis of valuation are as follows:

Particulars	Mode of valuation
Raw materials - molasses:	
- purchased	- At lower of weighted average cost and net realisable value.
- own produced	- At net realisable value
Finished goods	- At lower of cost and net realisable value.
Work-in-process	- At cost.

- Cost in relation to finished goods and work-in-process represents the annual average manufacturing cost, which consists of prime cost and appropriate production overheads.
- Net realisable value signifies the selling price in the ordinary course of business less cost necessary to be incurred to effect such sale.

4.12 Trade debts and other receivables

Trade debts are recognised initially at original invoice amount, which is the fair value of consideration to be received in future and subsequently measured at cost less provision for doubtful debts, if any. An estimate is made for doubtful receivables when collection of the amount is no longer probable. Debts considered irrecoverable are written-off.

4.13 Cash and cash equivalents

Cash at banks and short term deposits, which are held to maturity are carried at cost. For the purposes of cash flow statement, cash equivalents are short term highly liquid instruments which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in values.

4.14 Impairment loss

The carrying amounts of the Company's assets are reviewed at each balance sheet date to identify circumstances indicating occurrence of impairment loss or reversal of provisions for impairment losses. If any indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversals of impairment losses are recognised in the profit and loss account. Reversal of impairment loss is restricted to the original cost of the asset.

4.15 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable on the following basis:

(a) Local sales are accounted for when goods are dispatched to customers.

(b) Export sales are accounted for on shipment basis. Expenses on account of export of spirit are charged on consignment basis. If any consignment is not dispatched within the same year, the expenses relating to such consignment are carried forward as prepaid expenses.

(c) Dividend income is accounted for when the right of receipt is established.

(d) Interest / profit on bank deposits is accounted for on 'accrual basis'.

4.16 Foreign currency transactions

Transactions in foreign currencies are accounted for in Pak Rupees at the exchange rates prevailing at the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at rates of exchange prevailing at the balance sheet date. Foreign exchange differences are recognised in the profit and loss account.

4.17 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.18 Financial assets and liabilities

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and derecognised when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the profit and loss account for the year.

Financial instruments carried on the balance sheet include deposits, trade debts, loans & advances, other receivables, bank balances, trade & other payables, accrued mark-up, long term and short term finances. All financial assets and liabilities are initially measured at cost, which is the fair value of consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value or cost as the case may be. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.19 Off-setting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

4.20 Segment reporting

A segment is a distinguishable component within the Company that is engaged in providing products which are subject to risks and returns that are different from those of other business segments.

4.21 Dividend and appropriation to reserves

Dividend distribution to the Company's shareholders and appropriation to reserves are recognised in the period in which these are approved.

5. CHANGE IN ACCOUNTING POLICY

IAS 19 (revised) - 'Employee Benefits' effective for annual periods beginning on or after January 01, 2013 amends the accounting for employee benefits. The revised standard requires immediate recognition of past service cost and also replaces the interest cost on the defined benefit obligation. Further, a new term 'remeasurements' has been introduced, which is made up of actuarial gains and losses. The revised standard requires 'remeasurements' to be recognised in the balance sheet immediately, with a charge or credit to other comprehensive income in the periods in which they occur.

Following the application of IAS 19 (revised), the Company's policy for 'staff retirement benefits - gratuity' in respect of 'remeasurements' stands amended as follows:

- The amount arising as a result of 'remeasurements' are recognised in the balance sheet immediately, with a charge or credit to Other Comprehensive Income in the periods in which they occur.
- The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated.

The Company's financial statements are affected by the 'remeasurements' relating to prior years. The effects have been summarised below:

Effect on balance sheet	Balance as at September 30, 2012 - as previously reported	Restatement adjustments Recognition of remeasurement gain	Balance as at September 30, 2012 - as re-stated
	Rupees in '000		
Staff retirement benefit - gratuity	53,140	(4,324)	48,816
Unappropraited profit	106,984	4,324	111,308

	Balance as at September 30, 2013 - as previously reported	Restatement adjustments Recognition of remeasurement gain	Balance as at September 30, 2013 - as re-stated
	Rupees in '000		
Staff retirement benefit - gratuity	55,270	(4,324)	50,946
Accumulated loss	(85,774)	4,324	(81,450)

The effects of change in accounting policy, due to application of IAS 19 (revised), on 'earnings per share' and 'cash flows' are immaterial in the overall context of these financial statements.

6. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2014	2013		Note	2014	2013
(No. of shares)				--- Rupees in '000 ---	
7,187,829	7,187,829	ordinary shares of Rs.10 each fully paid in cash		71,879	71,879
500,000	500,000	ordinary shares of Rs.10 each issued to NIB Bank Ltd. by conversion of loan		5,000	5,000
8,829,624	8,829,624	ordinary shares of Rs.10 each issued as fully paid bonus shares		88,296	88,296
16,517,453	16,517,453			165,175	165,175

7. RESERVES

	Note	2014	2013
Capital reserve - share premium	7.1	119,217	119,217
Revenue reserve - general		430,000	430,000
		549,217	549,217

7.1 This represents share premium received on 5,687,829 right ordinary shares issued during the financial year ended September 30, 2006 at the rate of Rs.30 per share adjusted by bonus shares issued.

8. LONG TERM FINANCES

Demand finances	Note	2014	2013
		--- Rupees in '000 ---	
Allied Bank Limited (ABL)	8.1	31,231	72,873
United Bank Limited (UBL)	8.2	120,000	150,000
		151,231	222,873
Less: Current portion grouped under current liabilities			
- ABL		31,231	41,642
- UBL		30,000	30,000
		61,231	71,642
		90,000	151,231

8.1 ABL, during the financial year ended September, 2012, had transferred a balance of Rs.125 million from the utilised short term running finance facility to a long term demand finance facility. This finance facility originally carried mark-up at the rate of 1 month KIBOR+150bps, however; ABL, during September, 2013, revised it to 3 month KIBOR+150bps. This finance facility is repayable in 12 equal quarterly instalments of Rs.10.410 million commenced from July 01, 2012. Effective mark-up rate charged by ABL, during the current financial year, ranged from 10.87% to 11.68% (2013: 10.55% to 11.31%) per annum. This finance facility is secured against first pari passu charge of Rs.167 million on fixed assets (plant and machinery) and current assets of the Company.

8.2 The Company, during the preceding financial year, has arranged a demand finance facility of Rs.150 million from UBL. This finance facility carries mark-up at the rate of 3 month KIBOR+200bps and is repayable in 20 equal quarterly instalments of Rs.7.500 million commenced from November 15, 2013. Effective mark-up rate charged by UBL, during the current financial year, ranged from 11.44% to 12.17% (2013: 11.01%) per annum. This finance facility is secured against first pari passu hypothecation charge of Rs.400 million on plant, machinery and equipments the Company.

9. LONG TERM DEPOSITS -Unsecured

These interest free deposits have been received in accordance with the Company's Car Incentive Scheme and against these deposits vehicles have been provided to the employees. These are adjustable after specified periods by transfer of title of vehicles to the respective employees.

10. STAFF RETIREMENT BENEFITS -Gratuity

10.1 Projected unit credit method, as allowed under IAS 19 (Employee Benefits), has been used for actuarial valuation based on the following significant assumptions:

	2014	2013
- discount rate	13.25%	11.50%
- expected rate of increase in salary	12.25%	10.50%

10.2 The amount recognised in the balance sheet is present value of defined benefit obligation at reporting date.

The movement in the present value of defined benefit obligation is as follows:	2014	2013 (Re-stated)
	--- Rupees in '000 ---	
Balance at beginning of the year	50,946	48,816
Current service cost	3,875	3,475
Interest cost	4,807	5,614
Benefits paid	(18,295)	(6,959)
Remeasurement of obligation	10,975	-
Balance at end of the year	52,308	50,946

10.3 Charge to profit and loss account:

	2014	2013
	--- Rupees in '000 ---	
Current service cost	3,875	3,475
Interest cost	4,807	5,613
	8,682	9,088

10.4 Comparison of present value of defined benefit obligation and experience adjustment on obligation for five years is as follows:

	2014	2013	2012	2011	2010
		-------------- Rupees in '000 --------------			
Present value of defined benefit obligation	52,308	50,946	48,816	46,007	46,822
Experience adjustment on obligation	10,975	-	(648)	-	2,978

10.5 Sensitivity analysis for actuarial assumptions:

The calculation of defined benefit obligation is sensitive to assumptions set-out above. The following table summarizes how defined benefit obligation would have increased / (decreased) as a result of change in respective assumption by 1 percent.

	Increase in assumptions	Decrease in assumptions
	------ Rupees in '000 ------	
Discount rate	(49,724)	55,241
Increase in salaries	55,272	(49,653)

Expected maturity analysis of undiscounted obligation is as follows:

Time in years	Rupees in '000'
1	14,500
2	6,754
3	7,514
4	5,221
5	3,436
6 - 10	227,832
11 and onwards	340,167

10.6 The Company's contribution to scheme in 2015 is expected to be Rs.10.853 million.

11. TRADE AND OTHER PAYABLES

	Note	2014	2013
		--- Rupees in '000 ---	
Creditors		93,570	108,832
Bills payable		6,786	2,424
Advance payments		75,830	42,517
Retention money		419	555
Sales tax payable		16,624	26,301
Accrued expenses		32,300	25,692
Income tax deducted at source		538	466
Workers' (profit) participation fund	11.1	425	400
Unclaimed dividends		4,919	5,017
Others		5,440	2,856
		236,851	215,060

11.1 Workers' (profit) participation fund - the Fund

	Note	2014	2013
		--- Rupees in '000 ---	
Balance at beginning of the year		400	6,680
Add:			
- profit earned on the Fund's balances maintained in a PLS bank account		25	18
- interest on funds utilised in the Company's business		-	426
		25	444
		425	7,124
Less: amounts paid to the workers during the year on behalf of the Fund		-	6,724
Balance at end of the year		425	400

12. ACCRUED MARK-UP

		2014	2013
Mark-up accrued on:			
- long term finances		2,595	3,585
- short term finances		35,315	24,433
		37,910	28,018

13. SHORT TERM FINANCES

	Note	2014	2013
Running / cash finances - secured	13.1	749,522	581,969
Temporary bank overdraft - unsecured	13.2	12,387	-
		761,909	581,969

13.1 Short term finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs.2.028 billion (2013: Rs.2.208 billion). These finance facilities, during the current financial year, carried mark-up at the rates ranging from 9.40% to 12.44% (2013: 9.2% to 12.45%) per annum. Facilities available for opening letters of credit and guarantee aggregate to Rs.41.500 million (2013: Rs.41.500 million) of which the amount aggregating Rs.18.622 million (2013: Rs.22.203 million) remained unutilised at the balance sheet date. The aggregate finance facility are secured against charge over plant & machinery, pledge of refined sugar in bags, charge over current assets, equitable mortgage over land & building of the Company and lien over import & export documents. These facilities are expiring on various dates by March, 2015.

13.2 These have arisen due to issuance of cheques in excess of balance at bank accounts at year-end.

14. CONTINGENCIES AND COMMITMENTS

14.1 Commitments in respect of capital expenditure at the year-end aggregate to Rs.0.701 million (2013: Rs.3.360 million).

14.2 Commitments for irrevocable letters of credit outstanding at the year-end aggregate to Rs.2.300 million (2013: Rs.3.082 million).

14.3 Guarantee given to Sui Northern Gas Pipelines Ltd. by a commercial bank on behalf of the Company outstanding as at September 30, 2014 was for Rs.10.392 million (2013: Rs.10.392 million).

14.4 On an interim order of the High Court of Sindh, Karachi, sale certificate has been issued to the Company in respect of factory / plant known as Northern Chemicals and the Company has paid stamp duty on land it purchased. It was held that in case the Court comes to a conclusion that the Company is liable to pay stamp duty on plant and machinery as well, the Company shall pay the same within fifteen days from decision of appeal. In this regard, the Company has provided a bank guarantee in favour of Nazir of High Court of Sindh for an amount of Rs.2.400 million.

14.5 An appeal is pending before the Lahore High Court (LHC) against the order of the Customs, Central Excise & Sales Tax Appellate Tribunal (the Tribunal) in the matter of permit fee amounting Rs.5.994 million.

14.6 A reference application under section 47(1) of the Sales Tax Act, 1990 (the Act) is pending before the LHC against confirmation of original order by the Tribunal whereby the Company was ordered to pay sales tax demands aggregating Rs.3.083 million.

14.7 An appeal under section 47 of the Act is also pending before the LHC against judgment of the Tribunal whereby the Company was ordered to pay dues aggregating Rs.4.991 million.

14.8 An appeal before the LHC, against judgment of the Tribunal, is pending; the Tribunal has upheld the judgment of the Additional Collector whereby the Company was ordered to pay demands aggregating Rs.1.400 million.

14.9 Provisions for cane quality premium payable to growers aggregating Rs.79.335 million, related to different yearly notifications issued by Government of the Punjab (GoP) for fixation of cane support price and quality premium above 'bench mark average recovery', made during the financial years 1981-82 to 1994-95 were written-back during the financial year ended September 30, 2006. The management is of the view that no outflow of resources will be required as a result of judgment by the LHC for the cases pending adjudication before it. In parallel cases in prior years, the LHC has judged this levy as unconstitutional.

Presently, the intra-court appeals of the GoP are pending for a fresh decision by the LHC. Earlier, the Supreme Court of Pakistan had set aside the LHC's judgment of dismissal of review application filed by the GoP.

14.10 A writ petition is pending before the LHC against decision of the Board of Trustees of Employees Old-age Benefits Institution; the Institution has raised demand amounting Rs.3.394 million. The Company, as per order of the LHC, has deposited Rs.381 thousand during May, 2011.

14.11 The Company, during June, 2002, had filed an appeal before the Tribunal against the order of the Additional Collector (Central Excise), Faisalabad rejecting the refund claim of the Company amounting Rs.15.117 million. The Company had paid this amount under protest as customs duty on the sale of sugar. The appeal is pending adjudication.

14.12 GoP, during the financial year 2012, imposed a duty @ Rs.2 per litre on manufacturing of spirit. The Company has filed an appeal before LHC against the imposition of duty which is pending adjudication. However, on an interim order of the LHC the Company has provided a bank guarantee in favour of Excise and taxation department for an amount of Rs.1.00 million.

15. PROPERTY, PLANT AND EQUIPMENT

	Note	2014	2013
		--- Rupees in '000 ---	
Operating fixed assets	15.1	983,901	1,039,715
Capital work-in-progress	15.3	17,970	28,647
		1,001,871	1,068,362

15.1 Operating fixed assets - tangible

	Free hold land	Buildings on freehold land — Colony	Buildings on freehold land — Factory	Plant and machinery	Workshop equipment	Scales & weighbridges	Laboratory equipment	Other equipment	Electric installations & fittings	Tube-well	Office equipment	Furniture and fixtures	Vehicles	Farm tractors	Farm equipment	Total
	----------	----------	----------	----------	----------	----------	----------	Rupees in '000	----------	----------	----------	----------	----------	----------	----------	
COST																
Balance as at October 01, 2012	6,306	22,706	243,697	1,839,144	471	20,361	840	12,429	106,756	7,579	7,661	8,726	51,214	4,954	1,520	2,334,364
Additions during the year	-	895	1,788	62,895	-	-	-	45	1,326	-	759	84	3,069	-	127	70,988
Disposals during the year	-	-	-	-	-	-	-	-	-	-	(91)	-	(1,674)	-	-	(1,765)
Balance as at September 30, 2013	6,306	23,601	245,485	1,902,039	471	20,361	840	12,474	108,082	7,579	8,329	8,810	52,609	4,954	1,647	2,403,587
Balance as at October 01, 2013	6,306	23,601	245,485	1,902,039	471	20,361	840	12,474	108,082	7,579	8,329	8,810	52,609	4,954	1,647	2,403,587
Additions during the year	-	436	5,747	39,736	-	1,157	-	2,251	4,667	-	632	13	-	-	102	54,741
Balance as at September 30, 2014	6,306	24,037	251,232	1,941,775	471	21,518	840	14,725	112,749	7,579	8,961	8,823	52,609	4,954	1,749	2,458,328
DEPRECIATION																
Balance as at October 01, 2012	-	8,698	127,376	960,895	426	5,792	642	4,683	82,916	6,148	4,823	5,948	36,041	2,768	737	1,247,893
Charge for the year	-	727	11,730	93,018	5	1,748	20	779	3,734	143	483	283	4,364	547	91	117,672
On disposals during the year	-	-	-	-	-	-	-	-	-	-	(46)	-	(1,647)	-	-	(1,693)
Balance as at September 30, 2013	-	9,425	139,106	1,053,913	431	7,540	662	5,462	86,650	6,291	5,260	6,231	38,758	3,315	828	1,363,872
Balance as at October 01, 2013	-	9,425	139,106	1,053,913	431	7,540	662	5,462	86,650	6,291	5,260	6,231	38,758	3,315	828	1,363,872
Charge for the year	-	719	10,982	87,866	5	1,662	18	830	3,614	129	508	259	3,463	410	90	110,555
Balance as at September 30, 2014	-	10,144	150,088	1,141,779	436	9,202	680	6,292	90,264	6,420	5,768	6,490	42,221	3,725	918	1,474,427
BOOK VALUE AS AT SEPTEMBER 30, 2013	6,306	14,176	106,379	848,126	40	12,821	178	7,012	21,432	1,288	3,069	2,579	13,851	1,639	819	1,039,715
BOOK VALUE AS AT SEPTEMBER 30, 2014	6,306	13,893	101,144	799,996	35	12,316	160	8,433	22,485	1,159	3,193	2,333	10,388	1,229	831	983,901
Depreciation rate (%)		5	10	10	12	12	10	10	15	10	15	10	25	25	10	

15.2 Depreciation for the year has been apportioned as under:

	2014	2013
	--- Rupees in '000 ---	
Cost of sales	104,855	111,107
Distribution and marketing expenses	376	354
Administrative expenses	5,324	6,211
	110,555	117,672

15.3 Capital work-in-progress

Buildings on freehold land - factory		
- advance payments	-	1,240
Plant and machinery		
- cost and expenses	5,101	25,303
- advance payments	369	2,104
Electric installations		
- advance payments	12,500	-
	17,970	28,647

16. INVESTMENT PROPERTY

	Freehold land	Leasehold land	Buildings on freehold land	Total
	------------------ Rupees in '000			--------------------
At October 1, 2012				
Cost	6,730	9,828	5,609	22,167
Accumulated depreciation	-	-	4,053	4,053
Book value	6,730	9,828	1,556	18,114
Year ended September 30, 2013				
Opening book value	6,730	9,828	1,556	18,114
Depreciation charge for the year	-	-	78	78
Closing book value	6,730	9,828	1,478	18,036
At September 30, 2013				
Cost	6,730	9,828	5,609	22,167
Accumulated depreciation	-	-	4,131	4,131
Book value	6,730	9,828	1,478	18,036
Year ended September 30, 2014				
Opening book value	6,730	9,828	1,478	18,036
Disposal (note 16.3)	-	(9,828)	-	(9,828)
Depreciation charge for the year	-	-	74	74
Closing book value	6,730	-	1,404	8,134
At September 30, 2014				
Cost	6,730	-	5,609	12,339
Accumulated depreciation	-	-	4,205	4,205
Book value	6,730	-	1,404	8,134
Depreciation rate (%)			5	

16.1 Depreciation for the year has been grouped under other expenses (note 30).

16.2 Fair value of the investment property, based on the management's estimation, as at September 30, 2014 was Rs.137 million (2013: Rs.220 million).

16.3 The Company, during the current financial year, against a consideration of Rs.100 million, along with liquidation damages of Rs.10.400 million, sold its leasehold rights of a property situated at Industrial Trading Triangle, Kahuta Road, Sihala, Islamabad to Mr. Aslam Pervaiz resident of Circular Avenue, Rawalpindi. This transaction resulted in a gain amounting to Rs. 99.747 million (net of selling expenses), which has been credited to profit and loss account.

17. LONG TERM INVESTMENTS

	Note	2014	2013
Associated Company - Quoted		--- Rupees in '000 ---	
Equity method			
Noon Pakistan Ltd. (NPL)			
2,420,000 (2013:2,420,000) non-voting ordinary shares of Rs.10 each - cost			
Equity held: 7.72% (2013: 17.36%)	17.1	20,000	20,000
Post acquisition profit brought forward including effect of items directly credited in equity by NPL		9,146	28,392
Share of loss - net of taxation		(21,660)	(20,401)
Adjustment in post acquisition profit due to reduction in shareholding		8,356	-
		15,842	27,991
Others - Un-quoted			
National Industrial Cooperative Finance Corporation Ltd. 1 A' class share of Rs.100		1	1
Pasban Cooperative Finance Corporation Ltd. 1 share of Rs.100		1	1
Less: provision for diminution in value of investments	17.3	(2)	(2)
		-	-
		15,842	27,991

17.1 The Company had subscribed preference shares of NPL, during the financial year ended September 30, 2004, which were converted into non-voting ordinary shares by NPL's shareholders in their extra-ordinary general meeting held on June 16, 2009. This conversion resulted in 17.36% holding of the non-voting ordinary shares in NPL's paid-up share capital. NPL, during August , 2014, issued right shares that were not subscribed by the Company. This has resulted in reduction in the Company's percentage shareholding in NPL to 7.72%; however, the Company still enjoys significant influence by virtue of common directors on the board of directors of NPL.

17.1.1 Fair value of investments in NPL as at September 30, 2014 was Rs.36.300 million (2013: Rs.79.328 million).

17.2 (a) Summarised financial information of NPL is set-out below:

	2014	2013
	--- Rupees in '000 ---	
- total assets as at September 30,	1,482,791	1,412,774
- total liabilities as at September 30,	1,230,109	1,196,977
- turnover for the year	2,145,961	2,722,487
- net loss for the year	(137,496)	(117,513)

(b) The share in net assets of NPL has been determined on the basis of audited financial statements for the year ended June 30, 2014 and un-audited financial statements for the quarters ended September 30, 2013 and September 30, 2014.

17.3 National Industrial Cooperative Finance Corporation Ltd. and Pasban Cooperative Finance Corporation Ltd. are under liquidation; therefore, these investments have been fully provided for.

18. LOANS AND ADVANCES - Secured, considered good

	Vehicles	Others	Total 2014	Total 2013
			---------- Rupees in '000 ----------	
Loans / advances to employees	703	493	1,196	1,505
Less: current portion grouped under current assets	336	207	543	632
	367	286	653	873

18.1 These interest free loans and advances are recoverable in instalments which vary from case to case.

18.2 Vehicle loans and some of the other loans are secured against lien on provident fund / gratuity balances of employees and title of ownership of vehicles in the Company's name.

19. STORES, SPARES AND LOOSE TOOLS

	Note	2014	2013
		--- Rupees in '000 ---	
Stores - including in-transit valuing Rs.10.187 million (2013: Rs.16.422 million)		34,180	53,704
Spares		56,095	53,289
Loose tools		897	756
		91,172	107,749
Less: provision for slow moving items	19.1	12,064	10,460
		79,108	97,289

		2014	2013
19.1	The movement in balance of provision for obsolescence is as follows:	--- Rupees in '000 ---	
	Opening balance	10,460	11,471
	Provision made / (reversed) during the year	1,604	(1,011)
	Closing balance	12,064	10,460

19.1.1 Stores and spares inventory includes slow moving items valuing Rs.24.129 million (2013: Rs.20.922 million). The management estimates that slow moving items carry salvage value approximating to 50% of the book value. Provision against slow moving items to the extent of 50% of their carrying values exists in the books of account.

		2014	2013
20.	STOCK-IN-TRADE	--- Rupees in '000 ---	
	Raw materials - molasses	26,424	60,639
	Work-in-process:		
	- Sugar	4,662	5,012
	- Molasses	984	815
		5,646	5,827
	Finished goods:		
	- Sugar	460,272	313,766
	- Spirit	20,276	7,660
		480,548	321,426
	Other stocks- Fair Price Shop and Depot	234	323
		512,852	388,215

21. TRADE DEBTS - unsecured, considered good

21.1 These include an amount of Rs.2.084 million (2013: Rs.2.165) due from Noon Pakistan Limited (an associated Company).

21.2 Trade debts at the balance sheet date were all current and did not include any amounts past due.

		2014	2013
22.	LOANS AND ADVANCES - Considered good	--- Rupees in '000 ---	
	Advances to:		
	- employees	1,198	2,824
	- suppliers	8,100	9,875
	Recoverable from growers	19,076	39,952
	Current portion of long term loans and advances	543	632
	Letters of credit	156	40
		29,073	53,323
23.	OTHER RECEIVABLES		
	Claims receivable - considered good	3,915	3,915
	Others	357	523
		4,272	4,438

24. BANK BALANCES

	Note	2014	2013
Cash at commercial banks on:		--- Rupees in '000 ---	
- current accounts		17,561	14,163
- PLS saving accounts	24.1	2,283	9,689
- margin accounts	24.2	3,400	3,400
- dividend accounts		842	929
		24,086	28,181
Cash at Cooperative Societies on current accounts		745	745
Less: provision for doubtful balances	24.3	745	745
		-	-
		24,086	28,181

24.1 PLS saving accounts, during the current financial year, carried profit / mark-up at the rates of 7% (2013: 6% and 6.5%) per annum.

24.2 These represent 100% cash margin deducted by banks against guarantees issued on behalf of the Company.

24.3 As the recoverability of balances with Cooperative Societies is doubtful due to their closure by the Government of Pakistan; therefore, provision was made to meet the potential eventuality.

25. SALES - Net	Sugar		Distillery		Total	
	2014	2013	2014	2013	2014	2013
	------------------------ Rupees in '000 -----------------------					
Local	2,349,775	2,790,171	322,176	244,370	2,671,951	3,034,541
Inter-segment (note 26.3)	197,367	239,919	-	-	-	-
Export	-	-	807,576	1,045,561	807,576	1,045,561
	2,547,142	3,030,090	1,129,752	1,289,931	3,479,527	4,080,102
Less:						
- sales tax	173,991	206,746	53,000	38,624	226,991	245,370
	2,373,151	2,823,344	1,076,752	1,251,307	3,252,536	3,834,732

26. COST OF SALES

	Sugar 2014	Sugar 2013	Distillery 2014	Distillery 2013	Total 2014	Total 2013
Raw materials consumed (note 26.1)	2,194,664	2,675,568	508,571	378,532	2,703,235	3,054,100
Inter-segment transfers (note 26.3)	-	-	197,367	239,919	-	-
	2,194,664	2,675,568	705,938	618,451	2,703,235	3,054,100
Salaries, wages and benefits (note 26.2)	99,564	98,658	31,068	28,103	130,632	126,761
Fuel and power	37,103	12,032	82,321	85,389	119,424	97,421
Chemicals and stores consumed	48,074	51,070	24,401	21,861	72,475	72,931
Repair and maintenance	100,457	118,260	16,046	13,896	116,503	132,156
Depreciation	87,686	93,290	17,169	17,817	104,855	111,107
Insurance	4,731	6,517	1,850	919	6,581	7,436
Rates and taxes	358	327	32	28	390	355
Others	4,654	6,151	1,428	1,094	6,082	7,245
	2,577,291	3,061,873	880,253	787,558	3,260,177	3,609,512

	Sugar		Distillery		Total	
	2014	2013	2014	2013	2014	2013
	------------------------ Rupees in '000 ------------------------					
Adjustment of work-in-process						
Opening	5,012	5,038	815	3,835	5,827	8,873
Closing	(4,662)	(5,012)	(984)	(815)	(5,646)	(5,827)
	350	26	(169)	3,020	181	3,046
Cost of goods manufactured	2,577,641	3,061,899	880,084	790,578	3,260,358	3,612,558
Adjustment of finished goods						
Opening stock	313,766	184,834	7,660	142,249	321,426	327,083
Closing stock	(460,272)	(313,766)	(20,276)	(7,660)	(480,548)	(321,426)
	(146,506)	(128,932)	(12,616)	134,589	(159,122)	5,657
	2,431,135	2,932,967	867,468	925,167	3,101,236	3,618,215

26.1 Sugar cane purchases include Rs.667 thousand (2013: Rs.852 thousand) in respect of purchases from Associated persons of directors.

26.2 These include Rs.978 thousand (2013: Rs.990 thousand) and Rs.6,254 thousand (2013: Rs.6,630 thousand) in respect of provident fund contributions and staff retirement benefits - gratuity respectively.

26.3 Inter-segment sales and purchases have been eliminated from the total figures.

27. DISTRIBUTION AND MARKETING EXPENSES

	Sugar		Distillery		Total	
	2014	2013	2014	2013	2014	2013
	------------------------ Rupees in '000 ------------------------					
Salaries and benefits (note 27.1)	1,638	1,604	619	951	2,257	2,555
Loading, unloading, freight and export expenses	985	1,284	55,760	71,833	56,745	73,117
Rent of storage tanks	-	-	9,000	9,000	9,000	9,000
Depreciation	376	354	-	-	376	354
Commission	732	1,541	-	-	732	1,541
Others	916	1,614	509	94	1,425	1,708
	4,647	6,397	65,888	81,878	70,535	88,275

27.1 These include Rs.12 thousand (2013: Rs.17 thousand) and Rs.46 thousand (2013: Rs.161 thousand) in respect of provident fund contributions and staff retirement benefits - gratuity respectively.

28. ADMINISTRATIVE EXPENSES

	Sugar		Distillery		Total	
	2014	2013	2014	2013	2014	2013
	------------------------ Rupees in '000 -----------------------					
Salaries and benefits (note 28.1)	48,069	45,877	16,023	15,292	64,092	61,169
Travelling and conveyance including directors' travelling amounting Rs.1,949 thousand (2013: Rs.1,597 thousand)	1,888	1,516	630	506	2,518	2,022
Vehicles' running and maintenance	6,624	5,228	2,208	1,743	8,832	6,971
Communication	1,090	1,041	492	420	1,582	1,461
Printing and stationery	1,130	998	377	333	1,507	1,331
Rent, rates and taxes	2,069	1,835	985	937	3,054	2,772
Insurance	570	573	190	191	760	764
Repair and maintenance	3,010	3,388	1,208	1,151	4,218	4,539
Subscription	817	689	434	627	1,251	1,316
Advertisement	214	146	71	49	285	195
Depreciation	3,993	6,167	1,331	44	5,324	6,211
Entertainment / guest house expenses	1,693	2,266	767	878	2,460	3,144
Auditors' remuneration (note 28.2)	610	601	203	200	813	801
Legal and professional charges (other than Auditors')	902	718	313	312	1,215	1,030
Utilities	4,958	4,205	1,653	1,401	6,611	5,606
Others	536	344	179	115	715	459
	78,173	75,592	27,064	24,199	105,237	99,791

28.1 These include Rs.370 thousand (2013: Rs.321 thousand) and Rs.2,381 thousand (2013: Rs.2,297 thousand) in respect of provident fund contributions and staff retirement benefits-gratuity respectively.

28.2 Auditors' remuneration

	2014	2013
	--- Rupees in '000 ---	
Hameed Chaudhri & Co.		
- statutory audit fee	500	500
- half yearly review	140	140
- certification charges	56	30
- short provision	-	5
- out-of-pocket expenses	35	35
	731	710
Javed Iqbal & Co. - cost audit fee	65	56
Javaid Jalal Amjad & Co. - provident fund's		
- current	17	17
- prior year	-	18
	813	801

28.3 Administrative expenses, which are not separately identifiable, have been allocated on the basis of management's estimation.

29. OTHER INCOME	Note	2014	2013
		--- Rupees in '000 ---	
Income from financial assets			
Unclaimed and other payable balances written-back		883	309
Interest / mark-up on PLS saving accounts		595	681
Income from other than financial assets			
Scrap sales - net		2,561	4,542
Gain on disposal of operating fixed assets - net		-	235
Gain on disposal of investment property	16.3	99,747	-
Provision reversed for slow moving stores and spares inventory	19.1	-	1,011
Rent		8	6
Others		831	972
Exchange gain		-	575
		104,625	8,331

30. OTHER EXPENSES	Note	2014	2013
Irrecoverable balances written-off		361	22
Donations (without directors' interest)		157	328
Depreciation on investment property	16	74	78
Provision made for slow moving stores and spares inventory	19.1	1,604	-
		2,196	428

31. FINANCE COST	Note	2014	2013
Mark-up on:			
- long term finances		22,138	13,456
- short term finances		132,598	135,164
Interest on workers' (profit) participation fund	11.1	-	426
Bank and other charges		2,369	3,294
		157,105	152,340

32. TAXATION - Net	Note	2014	2013
Current year		28,577	23,270
Adjustment of prior years		(18,392)	258
		10,185	23,528

32.1 Income tax assessments of the Company have been finalised upto Assessment Year 2002-03 under section 62 of the repealed Income Tax Ordinance, 1979 whereas Tax Years 2003 to 2014 have been assessed under the self assessment scheme envisaged in section 120 of the Income Tax Ordinance, 2001 (the Ordinance).

32.2 No numeric tax rate reconciliation has been given in these financial statements as provisions made during the current and preceding financial years mainly represent minimum tax payable under section 113 and final tax deducted at source on realisation of foreign exchange proceeds under section 154, after adjusting tax credit available under section 65B of the Ordinance.

32.3 Deferred tax asset arising on unused tax losses has not been recognised in these financial statements due to uncertainty about the availability of taxable profits in the foreseeable future.

33. EARNINGS PER SHARE - Basic and Diluted

	2014	2013
	--- Rupees in '000 ---	
Loss after taxation attributable to ordinary shareholders	(110,993)	(159,915)
	---- No. of shares ----	
Weighted average number of ordinary shares outstanding during the year	16,517,453	16,517,453
	------- Rupees -------	
Loss per share	(6.72)	(9.68)

33.1 There is no dilutive effect on the basic loss per share of the Company.

34. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Particulars	Chief Executive		Directors		Executives	
	2014	2013	2014	2013	2014	2013
	-----------------------------Rupees in '000 -----------------------------					
Managerial remuneration including bonus	5,120	4,800	4,981	5,029	12,869	9,893
Perquisites and benefits:						
House rent	-	-	600	600	-	-
Utilities	2,131	1,482	583	576	-	-
Medical	232	-	186	288	87	134
Servant salary	-	-	-	-	192	180
Entertainment / club bills	81	690	118	119	112	88
	2,444	2,172	1,487	1,583	391	402
	7,564	6,972	6,468	6,612	13,260	10,295
No. of persons	1	1	2	2	9	7

34.1 The working directors and executives have been provided with free use of the Company maintained cars and telephones at their residences. Furnished residences have also been provided to the executives in the Mills' Colony.

34.2 The above payments do not include amounts paid or provided for by the Associated Companies, if any.

34.3 A sum of Rs.980 thousand (2013: Rs.629 thousand) was incurred on the renovation of chief executive's residence during the current financial year.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

35.1 Financial Risk Factors

The Company has exposure to the following risks from its use of financial instruments:

- market risk
- credit risk; and
- liquidity risk

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by a treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as currency risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of excess liquidity.

35.2 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market risk comprises of three types of risks: currency risk, interest rate risk and price risk.

(a) Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company is exposed to currency risk on import of stores & spares and export of goods mainly denominated in US Dollars. The Company's exposure to foreign currency risk is as follows:

	Rupees	U.S.$
	----- in '000 -----	
2014		
Bills payable	6,786	66
Gross exposure	6,786	66
Outstanding letters of credit	2,301	22
Net exposure	9,087	88

2013	Rupees	U.S.$
	----- in '000 -----	
Bills payable	2,424	23
Gross exposure	2,424	23
Outstanding letters of credit	3,082	29
Net exposure	5,506	52

The following significant exchange rates have been applied:

	Average rate		Balance sheet date rate	
	2014	2013	2014	2013
US Dollar to Rupee	103.36	102.20	102.7	105.50

Sensitivity Analysis

At September 30, 2014, if Rupee had strengthened by 1% against U.S$ with all other variables held constant, loss after taxation for the year would have been decreased by the amount shown below mainly as a result of net foreign exchange gains on translation of foreign currency financial liabilities.

	2014	2013
Effect on loss for the year	--- Rupees in '000 ---	
U.S Dollar to Rupee	68	24

The weakening of Rupee against US Dollar would have an equal but opposite impact on loss after taxation.

The sensitivity analysis prepared is not necessarily indicative of the effects on loss for the year and liabilities of the Company.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. At the reporting date, the interest rate profile of the Company's interest bearing financial instruments is as follows:

	2014	2013	2014	2013
	Effective rate		Carrying amount	
	%	%	--- Rupees in '000 ---	
Fixed rate instruments				
Financial assets				
Bank balances	7	6 & 6.5	2,283	9,689
Variable rate instruments				
Financial liabilities				
Long term finances	10.87 - 12.17	10.55 - 11.31	151,231	222,873
Short term borrowings	9.40 - 12.44	9.2 - 12.45	761,909	581,969

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

At September 30, 2014, if interest rate on variable rate financial liabilities had been 1% higher / lower with all other variables held constant, loss after taxation for the year would have been Rs.9,131 thousand higher / lower mainly as a result of higher / lower interest expense on variable rate financial liabilities (2013: loss would have been higher / lower by Rs.8,048 thousand).

(c) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instruments or its issuer or factors affecting all similar financial instruments traded in the market. The Company is not exposed to any significant price risk.

35.3 Credit risk exposure and concentration of credit risk

Credit risk represents the risk of a loss if the counter party fails to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the credit worthiness of counterparties.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk primarily arises from deposits, trade debts, loans & advances, other receivables, balances with banks and investments. To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from certain parties. Export sales made to major customers are secured through letters of credit. Credit risk on bank balances is limited as the counter parties are banks with reasonably high credit ratings.

In respect of other counter parties, due to the Company's long standing business relationship with them, management does not expect non-performance by these counter parties on their obligations to the Company.

Exposure to credit risk

The maximum exposure to credit risk as at September 30, 2014 along with comparative is tabulated below:

	2014	2013
	--- Rupees in '000 ---	
Deposits	1,524	1,369
Trade debts	31,202	6,137
Loans and advances	21,470	44,281
Other receivables	4,272	4,438
Bank balances	24,086	28,181
	82,554	84,406

All the trade debts at the balance sheet date represent domestic parties.

The aging of trade debts at the balance sheet date was as follows:

	2014	2013
	--- Rupees in '000 ---	
Not yet due	29,928	5,901
Past due - more than 30 days	1,275	236
	31,203	6,137

Based on past experience, the Company's management believes that no impairment loss allowance is necessary in respect of trade debts as debts aggregating Rs.2.084 million have been realised subsequent to the year-end and for other trade debts there are reasonable grounds to believe that the amounts will be realised in short course of time.

35.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach for managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years
	------------------- Rupees in '000 -------------------			
2014				
Long term finances	151,231	181,242	74,831	106,411
Trade and other payables	143,434	143,434	143,434	-
Accrued mark-up	37,910	37,910	37,910	-
Short term finances	749,522	786,883	786,883	-
	1,082,097	1,149,469	1,043,058	106,411

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years
	------------------- Rupees in '000 -------------------			
2013				
Long term finances	222,873	270,298	91,872	178,426
Trade and other payables	145,376	145,376	145,376	-
Accrued mark-up	28,018	28,018	28,018	-
Short term finances	581,969	608,233	608,233	-
	978,236	1,051,925	873,499	178,426

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest / mark-up rates effective at the respective year-ends. The rates of interest / mark-up have been disclosed in the respective notes to these financial statements.

35.5 Fair values of financial assets and liabilities

At September 30, 2014, the carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values except for loans toemployees, which have been valued at their original costs less repayments.

35.6 Financial instruments by category

Financial assets as per balance sheet	Loans and receivables 2014	Loans and receivables 2013	Financial liabilities as per balance sheet	Financial liabilities measured at amortised cost 2014	Financial liabilities measured at amortised cost 2013
	--- Rupees in '000 ---			--- Rupees in '000 ---	
Loans and advances	653	873	Long term finances	151,231	222,873
Deposits	1,524	1,369	Long term deposits	1,534	1,349
Trade debts	31,202	6,137	Trade and other payables	143,434	145,376
Loans and advances	20,817	43,408	Accrued mark-up	37,910	28,018
Other receivables	4,272	4,438	Short term finances	761,909	581,969
Bank balances	24,086	28,181			
	82,554	84,406		1,096,018	979,585

36. CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and / or issue new shares.

There was no change to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements except for the maintenance of debt to equity ratio under the financing agreements.

37. CAPACITY AND PRODUCTION

		2014	2013
Sugar Plant			
Rated crushing capacity (based on 160 working days)	M. Tons	1,440,000	1,440,000
Cane crushed	M. Tons	498,954	603,528
Sugar produced	M. Tons	49,054	57,766
Days worked	Nos.	99	107
Sugar recovery	%	9.83	9.57
Distillery Plant			
Rated capacity per day	Litres	80,000	80,000
Actual production	Litres	17,227,878	17,292,389
Days worked	Nos.	261	234

38. SEGMENT INFORMATION

The Company's reportable segments are as follows:

- Sugar
- Distillery

38.1 Segment revenues and results

	Sugar	Distillery	Elimination of inter segment transactions	Total
	---------------------------- Rupees in '000	----------------------------		
For the year ended September 30, 2014				
Sales	2,373,151	1,076,752	(197,367)	3,252,536
Cost of sales	(2,431,135)	(867,468)	(197,367)	(3,101,236)
Gross (loss) / profit	(57,984)	209,284	-	151,300
Selling and distribution expenses	(4,647)	(65,888)	-	(70,535)
Administrative expenses	(78,173)	(27,064)	-	(105,237)
	(82,820)	(92,952)	-	(175,772)
(Loss) / profit before taxation and unallocated income and expenses	(140,804)	116,332	-	(24,472)
Unallocatable income and expenses				
Other income				104,625
Other expenses				(2,196)
Finance cost				(157,105)
Share of loss of an Associated Company				(21,660)
Taxation				(10,185)
Loss for the year				(110,993)

	Sugar	Distillery	Elimination of inter segment transactions	Total
For the year ended September 30, 2013	-----------------------------Rupees in '000	----------------------------		
Sales	2,823,344	1,251,307	(239,919)	3,834,732
Cost of sales	(2,932,967)	(925,167)	(239,919)	(3,618,215)
Gross (loss) / profit	(109,623)	326,140	-	216,517
Selling and distribution expenses	(6,397)	(81,878)	-	(88,275)
Administrative expenses	(75,592)	(24,199)	-	(99,791)
	(81,989)	(106,077)	-	(188,066)
(Loss) / profit before taxation and unallocated income and expenses	(191,612)	220,063	-	28,451
Unallocatable income and expenses				
Other income				8,331
Other expenses				(428)
Finance cost				(152,340)
Share of loss of an Associated Company				(20,401)
Taxation				(23,528)
Loss for the year				(159,915)

38.2 Segment assets and liabilities

	Sugar	Distillery	Total
	------------Rupees in '000 ------------		
As at September 30, 2014			
Segment assets	1,433,836	240,003	1,673,839
Unallocatable assets			116,966
Total assets as per balance sheet			1,790,805
Segment liabilities	216,744	55,301	272,045
Unallocatable liabilities			998,275
Total liabilities as per balance sheet			1,270,320
As at September 30, 2013			
Segment assets	1,380,424	259,733	1,640,157
Unallocatable assets			116,270
Total assets as per balance sheet			1,756,427
Segment liabilities	183,044	73,411	256,455
Unallocatable liabilities			867,030
Total liabilities as per balance sheet			1,123,485

Sales to domestic customers in Pakistan are 76.79% (2013: 74.37%) and to customers outside Pakistan are 23.21% (2013: 25.63%) of the revenues during the current financial year.

The Company sells its manufactured products to local and foreign companies, commission agents, organisations and institutions. One (2013:One) of the Company's customer contributed towards 61.79% (2013: 40.30%) of the local sales during the current financial year aggregating Rs.1.510 billion (2013: Rs.1.124 billion) which exceeds 10% of the local sales of the Company.

Geographical information

All segments of the Company are managed on nation-wide basis and operate manufacturing facilities and sale offices in Pakistan.

39. RELATED PARTY TRANSACTIONS

The Company has related party relationship with its Associated Companies, employee benefit plans, its directors and key management personnel. Transactions with related parties are carried-out on arm's length basis. Except as disclosed in notes 26.1, 34 and for the following, no transactions were executed with related parties:

	2014	2013
	--- Rupees in '000 ---	
Associated Company		
- sale of sugar	24,807	35,972

40. DISCLOSURE RELATING TO PROVIDENT FUND

		2014	2013
		--- Rupees in '000 ---	
(i)	Size of the Fund	96,591	91,536
(ii)	Cost of investments made	77,894	71,347
(iii)	Percentage of investments made	80.64%	77.94%
(iv)	Fair value of investments made	78,787	72,861

40.1 Break-up of the investment is as follows:

	2014	2013	2014	2013
	--- Percentage ---		--- Rupees in '000 ---	
Special account in a scheduled bank	7.18	9.07	5,657	6,608
Listed Securities	6.07	6.56	4,780	4,780
Mutual Fund	66.58	54.84	52,458	39,959
Other deposits with a scheduled bank	20.17	29.53	15,892	21,514
	100.00	100.00	78,787	72,861

The figures are based on the audited financial statements of the Provident Fund (the Fund) as at September 30, 2014 and 2013. Investments out of Fund were made in compliance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose. However, the Fund's investment in a Mutual Fund exceeded the limit of twenty percent of the size of the Fund due to appreciation in net assets value and receipt of Bonus units of Mutual Fund.

41. NUMBER OF EMPLOYEES

	2014	2013
Number of employees as at September 30,		
- Permanent	469	498
- Contractual	45	39
Average number of employees during the year		
- Permanent	495	515
- Contractual	47	131

42. GENERAL

These financial statements were authorised for issue on December 30, 2014 by the board of directors of the Company.

Figures of prior years have been restated consequent to the retrospective application of IAS 19 (revised) as detailed in note 5. Other corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

MALIK ADNAN HAYAT NOON
Chief Executive

K. IQBAL TALIB
Director

FORM 34

PATTERN OF SHAREHOLDING
AS AT 30 SEPTEMBER, 2014

1 Incorporation No. : 0001858

2 Name of the Company : NOON SUGAR MILLS LIMITED

3 Pattern of holding of the shares held by the shareholders as at 30.09.2014.

4

No. of Shareholders	Shareholdings From	Shareholdings To	Total Shares Held	Percentage
796	1	100	26,163	0.16
509	101	500	127,467	0.77
182	501	1,000	134,011	0.81
294	1,001	5,000	658,453	3.99
50	5,001	10,000	358,135	2.17
14	10,001	15,000	184,235	1.12
11	15,001	20,000	190,063	1.15
13	20,001	25,000	292,060	1.77
3	25,001	30,000	86,669	0.52
2	35,001	40,000	78,863	0.48
2	45,001	50,000	94,416	0.57
3	55,001	60,000	171,365	1.04
2	60,001	65,000	123,307	0.75
1	75,001	80,000	79,500	0.48
2	80,001	85,000	162,857	0.99
1	100,001	105,000	102,346	0.62
1	125,001	130,000	126,383	0.77
1	145,001	150,000	146,815	0.89
1	185,001	190,000	187,388	1.13
1	370,001	375,000	374,538	2.27
1	410,001	415,000	414,370	2.51
1	450,001	455,000	452,537	2.74
1	510,001	515,000	514,341	3.11
1	620,001	625,000	622,370	3.77
1	765,001	770,000	765,403	4.63
1	860,001	865,000	861,981	5.22
1	1,215,001	1,220,000	1,215,091	7.36
1	1,435,001	1,440,000	1,437,480	8.70
1	2,235,001	2,240,000	2,236,080	13.54
1	4,290,001	4,295,000	4,292,766	25.99
1,899			16,517,453	100.00

5	Categories of shareholders	Shares held	Percentage
5.1	Directors, Chief Executive Officer and their spouse and minor children.	4,975,225	30.12
5.2	Associated Companies, Undertakings and related parties.	765,403	4.63
5.3	NIT & ICP	29,702	0.18
5.4	Banks, Development Finance Institutions, Non Banking Financial Institutions.	3,674,818	22.25
5.5	Insurance Companies	9,732	0.06
5.6	Modarabas and Mutual Funds	1,629,461	9.87
5.7	Shareholders holding 5% (or more)		
	Malik Adnan Hayat Noon	4,355,181	26.37
	BHF Bank (Switzerland) Ltd.	2,236,080	13.54
	EFG Private Bank (Channel Islands) Ltd.	1,437,480	8.70
	GOLDEN ARROW SELECTED STOCKS FUND LIMITED	1,215,091	7.36
	Aqeel Karim Dhedhi	861,981	5.22
5.8	General Public		
	a. Local	4,397,782	26.63
	b. Foreign	0	0.00
5.9	Others (to be specified)		
	Deputy Administrator Abandoned Properties	1,454	0.01
	Charitable Trusts	3,941	0.02
	Joint Stock Companies	1,024,679	6.20
	Investment Companies	873	0.01
	Cooperative Societies	818	0.00
	Others	3,565	0.02

6	Signature of Secretary	
7	Name of Signatory	SYED ANWAR ALI
8	Designation	COMPANY SECRETARY
9	CNIC Number	35200-2711479-3
10	Date	30.09.2014

NOON SUGAR MILLS LIMITED

FORM OF PROXY

Registered Folio No. /
CDC Account No. ________________

I/We ____
Name

of ____
Address

being a member of NOON SUGAR MILLS LIMITED hereby appoint

____
Name

of ____
Address

or failing him / her ____
Name

of ____
Address

(also being a member of the Company) as my/ our proxy to attend, act and vote for me/ us and on my/ our behalf, at the 52nd Annual General Meeting of the Company to be held on Saturday, 31 January, 2015 at 66 Garden Block, New Garden Town, Lahore at 11:30 a.m. and at any adjournment thereof.

As witness my hand this ______________________ day of ______________________ 2015.

WITNESSES

1. Name ____________________
Address ___________________
CNIC # ___________________

____
Signature of the Shareholder/ Appointer

2. Name ____________________
Address ___________________
CNIC # ___________________

Revenue Stamp (Rs. 5/-)

NOTE: Proxies in order to be effective must reach the Company's Registered Office not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed. Proxies of the Members through CDC shall be accompanied with attested copies of their CNIC.

NOON SUGAR MILLS LIMITED

(Shares Department)
66 – Garden Block, New Garden Town, Lahore.
Tel: 042-35831462-63 Fax: 042-35831462
Website: www.noonsugar.com, Email : noonshr@brain.net.pk

CIRCULAR OF FINANCIAL STATEMENTS THROUGH E -MAIL

Dear Shareholder,

As notified by the Securities and Exchange Commission of Pakistan (SECP) vide SRO No. 787(1)2014 dated September 8, 2014, all listed companies are allowed to circulate audited financial statements alongwith notice of Annual General Meeting to shareholders through their e-mail addresses subject to the written consent of the shareholders.

Shareholders of Noon Sugar Mills Limited who wish to receive annual audited financial statements, notice of annual general meeting and other financial reports through e -mail are requested to fill the required information in the below form and send to the Company's Shares Department at 66 Garden Block, New Garden Town, Lahore.

Name of Shareholder	
Folio / CDC A/C No.	
E-mail Address*	
Contact No.	
CNIC No. (Attached copy)	
Signature of the Shareholder	

* The shareholders are also requested to notify immediately any change in their e-mail address to the Shares Department of the Company.

Yours truly,
for NOON SUGAR MILLS LIMITED

SYED ANWAR ALI
Company Secretary

NOON SUGAR MILLS LIMITED

(Shares Department)
66 – Garden Block, New Garden Town, Lahore.
Tel: 042-35831462-63 Fax: 042-35831462
Website: www.noonsugar.com
Email : noonshr@brain.net.pk

DEDUCTION OF WITHHOLDING TAX ON THE AMOUNT OF CASH DIVIDEND

Dear Shareholder,

You are hereby notified that under the Finance Act, 2014 effective 1st July, 2014 rates of deduction of withholding tax under section 150 of the Income Tax Ordinance, 2001 from dividend income will be as under:

(a) For filers of income tax returns: 10%
(b) For non-filers of income tax returns: 15%

In order to avoid deduction at increased tax rate for filers, you are requested to submit a copy of your National Tax Number (NTN) certificate and valid Computerized National Identity Card (CNIC) to the Company if you have physical shares. In case of CDC account holder, please submit the said information to your Participant/ investor account services.

The rate of tax applicable for dividend payable to you will be subject to your name appearing in the Active Tax-payers List (ATL) of the Federal Board of Revenue (FBR) at the time of generating dividend.

For any further information you are requested to contact the Company at the above phone numbers, e-mail address.

Yours truly,
for NOON SUGAR MILLS LIMITED

SYED ANWAR ALI
Company Secretary