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# **CORPORATE INFORMATION**

## **BOARD OF DIRECTORS**

Manzoor Hayat Noon (Chairman/Chief Executive)  
K. Iqbal Talib  
Safdar M. Hayat Qureshi  
Adnan Hayat Noon  
Salman Hayat Noon  
Zaheer Ahmad Khan  
Amjad Mahmood Agha

## **AUDIT COMMITTEE**

Adnan Hayat Noon (Chairman)  
Zaheer Ahmad Khan  
Salman Hayat Noon

## **MANAGEMENT**

K. Iqbal Talib Managing Director  
Naveed Akhtar Resident Director  
Ehsan R. Shaikh Director Finance

## **SECRETARY**

Syed Anwar Ali

## **AUDITORS**

Hameed Chaudhri & Co.,  
Chartered Accountants

## **LEGAL ADVISERS**

Hassan & Hassan (Advocates)

## **HEAD OFFICE**

2<sup>nd</sup> Floor, Mustafa Center,  
45-F, Main Market, Gulberg II, Lahore.

## **REGISTERED OFFICE**

1st Floor, Alfalah Building,  
Shahrah-e-Quaid-e-Azam, Lahore.

## **SHARES DEPARTMENT**

66 – Garden Block,  
New Garden Town, Lahore.

## **MILLS**

Bhalwal, District Sargodha.

## **WEBSITE**

[www.noonsugar.net](http://www.noonsugar.net)

# DIRECTORS' REPORT

Dear members,

Your Directors hereby present half-yearly condensed interim financial information, duly reviewed by the statutory auditors, and their report on the Company's operating results for the current financial period.

The overall financial results for the period under review showed negative trend mainly due to disproportionate increase in production cost of both sugar and ethanol. Average procurement prices of sugarcane and molasses exceeded last year's figures by 80% and 70% respectively, which was not fully absorbed by higher average sale prices of both the products. Sugar division suffered an Operating Loss of Rs.67.824 million, attributed primarily to valuation of sugar stocks at realisable value, compared to an Operating Profit of Rs.56.425 million earned during the corresponding period of last year. Net Loss for the period amounted to Rs.82.138 million with negative EPS of Rs.4.97 against a Net Profit of Rs.65.316 million with Rs.3.95 EPS, earned during the same period of the previous year.

## Operating Performance

The comparative operating results for the period under review are tabulated below:

<b>Sugar</b>		<b>2010</b>	2009
Operating period	Days	<b>98</b>	98
Cane crushed	M. Tons	<b>294,534</b>	358,130
Sugar produced	M. Tons	<b>21,444</b>	30,965
Average sucrose recovery	%age	<b>7.28</b>	8.65

## Distillery

Operating period	Days	<b>108</b>	136
Molasses processed	M. Tons	<b>21,914</b>	20,894
Ethanol produced	000's Ltrs	<b>5,375</b>	5,644
Average yield	Ltrs./M. Ton	<b>245</b>	270

## Sugar

Your Mills commenced crushing season from 20 November 2009 on the directives and insistence of the Provincial Government, but it could not take off until 02 December 2009 because of intermittent supply of sugarcane. Actual crushing period was therefore reduced to 86 days, shortest in the history of your Mills.

Despite an unprecedented increase of 67% (from Rs.60 – Rs.100/40 kg) in sugarcane purchase price in the last two years, the production of the sugarcane in the Country has been on the decline as the farmers were shifting to other cash crops because of shortage of irrigation water, substantial increase in fertiliser prices and other input costs of sugarcane. Sugarcane production consequently declined to 48.6 million tons in 2009-10 from 58.0 million tons in 2008-09 crushing season. The National sugar production however, remained at last year's level of 3.1 million tons because a higher proportion of sugarcane was diverted to sugar mills, owing to attractive sugarcane prices offered to the suppliers due to intense competition among the mills.

With a carry over sugar stock of around 0.86 million tons the total available quantity of 3.96 million tons was not considered sufficient to meet the domestic sugar requirement of around 4.2 million tons. The Federal Government therefore, decided to import 1.2 million

tons of refined sugar to cover the local demand and build strategic reserve and assigned the job to Trading Corporation of Pakistan (TCP) for importing the desired quantity. TCP has so far finalised contracts for 0.675 million tons of refined sugar and hope to meet the assigned target by the end of May 2010, with two more tenders of 0.200 million tons each.

A rising trend in sugar sale price, witnessed during January 2010, was expected to continue in line with increasing sugar prices in the international market mainly built on the market sentiment created by a projected short fall of over 4 million tons in the sub-continent alone. It touched an all time high of US\$767 per MT FOB London on 21 January 2010. This trend encouraged the millers to pay a premium ranging between 90% to 125% over the sugarcane support price of Rs.100 per 40 Kg, which was in short supply due to an expected decline in national sugarcane production. In the absence of any Indian tender for import, the international price of sugar registered a sharp fall during the following months and had a corresponding effect on local price of sugar which has come down to a level far below its production cost, resulting in gross loss to most of the sugar mills, particularly those of our region with low sucrose recovery.

### **Distillery**

The operation of distillery plant has also been affected adversely by both, the shortfall in sugarcane production resulting in a corresponding drop in molasses production and also intermittent operation of the plant due to gas load shedding. A rising trend in the export prices of molasses further pushed its procurement price to an alarming level, making it unfeasible to convert it into ethanol due to relatively lower rise in export prices of ethanol, linked with declining world oil prices and huge Ethanol surpluses in Brazil & US. The production and sales targets have therefore been revised after considering domestic and international conditions for both hydrous / anhydrous ethyl alcohol. The distillery operations have been adjusted to operate periodically with the available stock of molasses procured largely at relatively competitive prices.

### **Future Outlook**

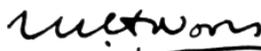
The market conditions, both for sugar and ethanol are expected to remain uncertain during the second half of the year. The Management will however continue its efforts to optimise the earnings of the Company in the given circumstances.

### **Acknowledgment**

The Board is thankful to its members and bankers for their trust and continued support to the Company.

**Lahore: 26 May 2010**

for and behalf of the Board



**MANZOOR HAYAT NOON**  
Chairman & Chief Executive

# **AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION**

We have reviewed the accompanying condensed interim balance sheet of NOON SUGAR MILLS LIMITED as at 31 March 2010 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half-year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures of the condensed interim profit and loss account for the quarters ended 31 March 2010 and 2009 have not been reviewed, as we are required to review only the cumulative figures for the half-year ended 31 March 2010.

## **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half-year ended 31 March 2010 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

**Lahore: 26 May 2010**

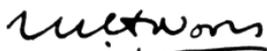
**HAMEED CHAUDHRI & CO.,  
CHARTERED ACCOUNTANTS**

**AUDIT ENGAGEMENT PARTNER: ABDUL MAJEED CHAUDHRI**

# CONDENSED INTERIM BALANCE SHEET

		Un-audited 31 Mar. 2010 (Rupees in thousand)	Audited 30 Sep. 2009
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorised capital		<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up capital	4	165,175	150,159
Reserves		739,217	754,233
(Accumulated loss)/unappropriated profit		<u>(36,159)</u>	<u>60,963</u>
		<b>868,233</b>	<b>965,355</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term finances		66,071	132,143
Liabilities against assets subject to finance lease		-	729
Long term deposits		1,440	1,362
Staff retirement benefits-gratuity		50,760	51,145
		<b>118,271</b>	<b>185,379</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		304,024	30,261
Accrued mark-up		27,195	20,519
Short term finances		826,529	253,182
Current portion of long term liabilities		133,874	134,501
Taxation		14,618	9,575
		<b>1,306,240</b>	<b>448,038</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	5	<u>2,292,744</u>	<u>1,598,772</u>

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



**MANZOOR HAYAT NOON**  
Chairman & Chief Executive

# AS AT 31 MARCH 2010

		Un-audited 31 Mar. 2010 (Rupees in thousand)	Audited 30 Sep. 2009
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	1,165,421	1,225,452
Investment property		17,100	17,145
Investments	7	42,824	37,990
Loans and advances		1,204	1,102
Deposits		1,256	740
		<u>1,227,805</u>	<u>1,282,429</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		58,516	57,974
Stock-in-trade		810,224	133,203
Trade debts – unsecured, considered good		44,876	3,112
Loans and advances		18,752	13,799
Prepayments		2,525	2,142
Other receivables		4,758	4,513
Income tax refundable, income tax and tax deducted at source		28,473	22,609
Cash and bank balances		27,590	9,766
		<u>995,714</u>	<u>247,118</u>
<b>NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE</b>	7	<b>69,225</b>	<b>69,225</b>
		<u><u>2,292,744</u></u>	<u><u>1,598,772</u></u>

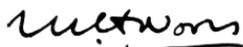


**K. IQBAL TALIB**  
Managing Director

# CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited) For the Quarter and Half Year Ended 31 March 2010

	For the 2 <sup>nd</sup> Quarter		Cumulative	
	Jan.- Mar. 2010	Jan.-Mar. 2009	Oct.- Mar. 2010	Oct.-Mar. 2009
	(Rupees in thousand)			
SALES – net	532,196	500,602	896,729	956,086
COST OF SALES	556,366	406,976	881,490	766,836
GROSS (LOSS)/PROFIT	(24,170)	93,626	15,239	189,250
ADMINISTRATIVE EXPENSES	19,220	17,400	36,000	33,585
DISTRIBUTION COST	11,094	13,127	12,510	19,638
OTHER OPERATING EXPENSES	511	4,142	1,020	7,748
	30,825	34,669	49,530	60,971
	(54,995)	58,957	(34,291)	128,279
OTHER OPERATING INCOME	530	1,568	1,238	3,536
OPERATING (LOSS)/PROFIT	(54,465)	60,525	(33,053)	131,815
FINANCE COST	29,842	34,790	48,844	63,410
(LOSS)/PROFIT BEFORE TAXATION AND SHARE OF PROFIT/(LOSS) FROM AN ASSOCIATED COMPANY	(84,307)	25,735	(81,897)	68,405
SHARE OF PROFIT/(LOSS) FROM AN ASSOCIATED COMPANY				
– Net of taxation	4,802	(1,354)	4,802	(1,354)
(LOSS)/PROFIT BEFORE TAXATION	(79,505)	24,381	(77,095)	67,051
TAXATION	3,220	1,027	5,043	1,735
(LOSS)/PROFIT AFTER TAXATION	(82,725)	23,354	(82,138)	65,316
		----- Rupees -----		
		Restated		Restated
EARNINGS / (LOSS) PER SHARE	(5.01)	1.41	(4.97)	3.95

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



**MANZOOR HAYAT NOON**  
Chairman & Chief Executive

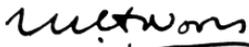


**K. IQBAL TALIB**  
Managing Director

**CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME (Un-audited)  
For the Quarter and Half Year Ended 31 March 2010**

	For the 2 <sup>nd</sup> Quarter		Cumulative	
	Jan.- Mar. 2010	Jan.- Mar. 2009	Oct.- Mar. 2010	Oct.- Mar. 2009
	(Rupees in thousand)			
(LOSS)/PROFIT AFTER				
TAXATION	(82,725)	23,354	(82,138)	65,316
OTHER COMPREHENSIVE				
INCOME	-	-	-	-
TOTAL COMPREHENSIVE				
(LOSS)/INCOME FOR THE				
PERIOD	<u>(82,725)</u>	<u>23,354</u>	<u>(82,138)</u>	<u>65,316</u>

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



**MANZOOR HAYAT NOON**  
Chairman & Chief Executive



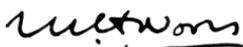
**K. IQBAL TALIB**  
Managing Director

**CONDENSED INTERIM  
CASH FLOW STATEMENT (Un-audited)  
For the Half Year Ended 31 March 2010**

	<b>Half-year ended</b>	
	<b>31 March 2010</b>	<b>31 March 2009</b>
	<b>(Rupees in thousand)</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss)/profit for the period before share of loss of an Associated Company and taxation	<b>(81,897)</b>	68,405
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets and investment property	<b>63,018</b>	69,107
Gain on sale of vehicles– net	<b>(312)</b>	–
Scrapped fixed assets written-off	–	2,543
Dividend on preference shares	–	(1,584)
Unclaimed and other payable balances written-back	–	(192)
Staff retirement benefits – gratuity	<b>4,506</b>	4,371
Receivable balances written-off	–	91
Provision for workers’ welfare fund	–	1,368
Provision for workers’ (profit) participation fund	–	3,672
Interest and mark-up income	<b>(345)</b>	(285)
Provision against slow moving stores and spares inventory	<b>853</b>	(182)
Finance cost	<b>48,844</b>	63,410
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
– <b>Before working Capital Changes</b>	<b>34,667</b>	210,724
(Increase)/decrease in current assets:		
Stores, spares and loose tools	<b>(1,395)</b>	(4,078)
Stock-in-trade	<b>(677,021)</b>	(342,697)
Trade debts	<b>(41,764)</b>	31,685
Loans and advances	<b>(4,953)</b>	9,720
Prepayments	<b>(383)</b>	(2,104)
Other receivables	<b>(245)</b>	723
Increase/(decrease) in trade and other payables	<b>273,326</b>	(6,782)
	<b>(452,435)</b>	(313,533)
<b>CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>(417,768)</b>	(102,809)

	<b>Half-year ended</b>	
	<b>31 March</b>	31 March
	<b>2010</b>	2009
	<b>(Rupees in thousand)</b>	
<b>CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>(417,768)</b>	(102,809)
Taxes paid	<b>(5,864)</b>	(4,311)
Staff retirement benefits (gratuity) – paid	<b>(4,891)</b>	(1,361)
Deposits – net	<b>(357)</b>	(20)
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES - After Taxation</b>	<b>(428,880)</b>	(108,501)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment acquired	<b>(3,306)</b>	(10,080)
Sale proceeds of vehicles	<b>676</b>	–
Long term deposits to employees – net	<b>(516)</b>	324
Loans and advances – net	<b>(102)</b>	(11,976)
Interest, profit and dividend received	<b>345</b>	3,071
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>	<b>(2,903)</b>	(18,661)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term finances – net	<b>(66,072)</b>	(68,299)
Lease finances – net	<b>(921)</b>	(777)
Short term finances – net	<b>573,347</b>	275,375
Finance cost paid	<b>(42,168)</b>	(62,407)
Dividends paid	<b>(14,579)</b>	–
<b>NET CASH INFLOW FROM FINANCING ACTIVITIES</b>	<b>449,607</b>	143,892
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>17,824</b>	16,730
<b>CASH AND CASH EQUIVALENTS</b>		
– At the beginning of the period	<b>9,766</b>	16,250
<b>CASH AND CASH EQUIVALENTS</b>		
– At the end of the period	<b>27,590</b>	32,980

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



**MANZOOR HAYAT NOON**  
Chairman & Chief Executive

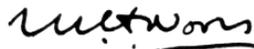


**K. IQBAL TALIB**  
Managing Director

**CONDENSED INTERIM  
STATEMENT OF CHANGES IN EQUITY  
(Un-audited)  
For the Half Year Ended 31 March 2010**

Share Capital	Capital Reserve	Revenue reserve	Sub-total	Unappropriated profit / (accumulated loss)	Total	
	Share premium account					
(Rupees in thousand)						
<b>Balance as at 30 September 2008</b>	<b>150,159</b>	<b>134,233</b>	<b>620,000</b>	<b>754,233</b>	<b>3,532</b>	<b>907,924</b>
Total comprehensive income for the half-year ended 31 March 2009	-	-	-	-	65,316	65,316
Share of item of an Associated Company directly credited to equity	-	-	-	-	465	465
<b>Balance as at 31 March 2009</b>	<b>150,159</b>	<b>134,233</b>	<b>620,000</b>	<b>754,233</b>	<b>69,313</b>	<b>973,705</b>
Total comprehensive loss for the half-year ended 30 September 2009	-	-	-	-	(8,744)	(8,744)
Share of item of an Associated Company directly credited to equity	-	-	-	-	394	394
<b>Balance as at 30 September 2009</b>	<b>150,159</b>	<b>134,233</b>	<b>620,000</b>	<b>754,233</b>	<b>60,963</b>	<b>965,355</b>
Cash dividend for the year ended 30 September 2009 @ Re. 1 per share	-	-	-	-	(15,016)	(15,016)
Nominal value of ordinary bonus shares issued	15,016	(15,016)	-	(15,016)	-	-
Total comprehensive loss for the half-year ended 31 March 2010	-	-	-	-	(82,138)	(82,138)
Share of item of an associated company directly credited to equity	-	-	-	-	32	32
<b>Balance as at 31 March 2010</b>	<b>165,175</b>	<b>119,217</b>	<b>620,000</b>	<b>739,217</b>	<b>(36,159)</b>	<b>868,233</b>

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



**MANZOOR HAYAT NOON**  
Chairman & Chief Executive



**K. IQBAL TALIB**  
Managing Director

# **NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited) For the Half Year Ended 31 March 2010**

## **1. CORPORATE INFORMATION**

Noon Sugar Mills Limited (the Company) was incorporated in the year 1964 as a Public Company and its shares are quoted on the Stock Exchanges in Pakistan. It is principally engaged in production and sale of white sugar and spirit. The Company's Mills are located at Bhalwal, District Sargodha and its Head Office at 2nd Floor, Mustafa Centre, 45-F, Main Market, Gulberg, Lahore.

## **2. BASIS OF PREPARATION**

This condensed interim financial information is un-audited; it has been prepared and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984 and International Accounting Standard (IAS) 34 (Interim Financial Reporting). The figures for the half-year ended 31 March 2010 have, however, been subjected to limited scope review by the external Auditors as required by the Code of Corporate Governance. This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the annual published financial statements of the Company for the year ended 30 September 2009.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation of balances adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the annual published financial statements of the Company for the year ended 30 September 2009 except for the changes mentioned below:

- 3.1 IAS 1 (Revised) - (Presentation of Financial Statements). The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from 'owner changes in equity'. All 'non-owner changes in equity' are required to be shown in a performance statement. Companies can choose whether to present one performance statement (the statement of comprehensive income) or two statements (profit and loss account and statement of comprehensive income).

The Company has preferred to present two statements; a profit and loss account and a statement of comprehensive income. The interim financial information has been prepared under the revised disclosure requirements.

- 3.2 IFRS 8 - (Operating Segments). This IFRS requires an entity to determine and present operating segments based on the information that is provided internally to the Chief Operating Decision maker who is responsible for allocation of resources and assessing performance of the operating segments. Adoption of this standard has not resulted in any change in the reportable segments.
- 3.3 In addition to above, following amendments to standards are mandatory for the first time for financial year beginning on 01 October 2009 and are also relevant to the Company. The adoption of these amendments does not have significant impact on the condensed interim financial information of the Company.

- IAS 23 (Amendment) - Borrowing Costs
- IAS 36 (Amendment) - Impairment of Assets
- IAS 39 (Amendment) - Financial instruments: Recognition and Measurement

3.4 There are other amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after 01 October 2009 but are considered not to be relevant or to have any significant effect on the Company's operations and are therefore not detailed in the condensed interim financial information.

#### 4. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

The Company, during the current period, has issued 1,501,586 fully paid ordinary shares of Rs.10 each as bonus shares out of Share Premium Account. These bonus shares are allotted in the ratio of 10 ordinary shares for every 100 ordinary shares to those shareholders whose names appeared in the Register of Members as on 23 January 2010.

#### 5. CONTINGENCIES AND COMMITMENTS

5.1 There has been no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Company for the year ended 30 September 2009.

5.2 Commitments for irrevocable letters of credit outstanding as at 31 March 2010 amounting to Rs.1.614 million (30 September 2009: Nil).

The significant judgment, estimates and assumptions used by the management in preparation of this condensed interim financial information are the same as those applied to the preceding published annual financial statements of the Company for the year ended 30 September, 2007.

#### 6. PROPERTY, PLANT AND EQUIPMENT

	Un-audited Half-year ended 31 Mar. 2010	Audited Year- ended 30 Sep. 2009
	<b>Note</b>	
	<b>(Rupees in thousand)</b>	
Operating fixed assets	6.1 1,165,421	1,216,649
Capital work-in-progress – cost	–	8,803
	<b>1,165,421</b>	<b>1,225,452</b>

##### 6.1 Operating fixed assets

Opening book value	<b>1,216,649</b>	1,330,968
Additions during the period/year:		

##### Owned:

Buildings on freehold land		
– colony	–	464
– factory	–	72
Plant and machinery	<b>11,635</b>	21,452
Laboratory equipment	<b>116</b>	–
Other equipment	–	13
Electric installations and fittings	<b>8</b>	3,274
Office equipment	<b>221</b>	125
Furniture and fixtures	–	87
Vehicles	<b>95</b>	1,203
Farm equipment	<b>34</b>	307
	<b>12,109</b>	26,997
Book value of vehicles disposed-off during the period/year	<b>364</b>	2
Book value of assets written-off during the period/year	–	2,513
Depreciation charge for the period/year	<b>62,973</b>	138,801
Closing book value	<b>1,165,421</b>	1,216,649

## 7. INVESTMENTS – Quoted

	Un-audited Half-year ended 31 Mar. 2010 (Rupees in thousand)	Audited Year- ended 30 Sep. 2009
Note		
<b>Associated Company</b>		
<b>Noon Pakistan Limited (NPL)</b>		
2,200,000 (30 Sep. 2009: 2,000,000)		
non-voting ordinary shares of Rs. 10 each		
Equity held 17.36%		
(30 Sep. 2009: 17.36%)		
7.1	<b>37,990</b>	20,000
Share of profits – net of tax		
	<b>4,802</b>	17,920
Effect of items directly credited in equity by the Associated company		
	<b>32</b>	70
	<b>42,824</b>	37,990
<b>Other</b>		
<b>Pioneer Cement Limited (PCL)</b>		
3,826,151 (30 Sep. 2009: 3,826,151)		
fully paid ordinary shares of Rs. 10 each		
Equity held 1.92% (30 Sep. 2009: 1.92%)		
Opening balance		
	<b>69,225</b>	68,064
Share of profit for the year – net of taxation		
	–	372
Effect of items directly credited in equity by the Associated Company (upto 30 June 2009)		
	–	789
	<b>69,225</b>	69,225
Less: non-current asset classified as held for sale		
	<b>(69,225)</b>	(69,225)
	<b>42,824</b>	37,990

7.1 Fair values of investments in NPL as at 31 March 2010 was Rs.37.422 million (30 September 2009: Rs.50.080 million).

7.2 Although the Company holds only 1.92% of the voting power in PCL but had significant influence by virtue of majority of the common Directors on the Board of Directors of PCL. Whereas, on 18 June 2009 Vision Holdings Middle East Limited (VHML), a company incorporated in British Virgin Island, has acquired 24.599% shares of PCL from the Common directors of the Company. Further, VHML has also entered into call-and-put option agreement with certain shareholders of PCL for further 28.956%, including Company's shareholding of 1.92%, of the total issued and paid-up share capital of PCL in the next 9 months at an un-adjusted price of Rs. 22 per share subject to due diligence exercise. Consequently, the Company had lost its significant influence in PCL and ceased to account for its investments in PCL as equity investments and classified it as held-for-sale as per the requirements of IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) effective from the preceding financial year ended 30 September 2009.

Fair value of investments, based on share purchase agreement, in PCL as at 31 March 2010 and as at 30 September 2009 was Rs. 84.175 million.

## 8. STOCK-IN-TRADE

Inventory for molasses and finished sugar, as at 31 March 2010, have been valued at net realisable value (30 September 2009: at cost) being lower than cost.

## 9. SEGMENT REPORTING

	For the 2 <sup>nd</sup> Quarter			Cumulative		
	January 2010 – March 2010			October 2009 – March 2010		
	Sugar	Distillery	Total	Sugar	Distillery	Total
	(Rupees in thousand)					
<b>Sales – net</b>						
<b>Local and</b>						
<b>export</b>	369,712	162,484	532,196	682,057	214,672	896,729
<b>Inter-segment</b>	104,954	–	–	131,790	–	–
	<u>474,666</u>	<u>162,484</u>	<u>532,196</u>	<u>813,847</u>	<u>214,672</u>	<u>896,729</u>
<b>Depreciation</b>	<u>26,601</u>	<u>4,943</u>	<u>31,544</u>	<u>53,106</u>	<u>9,912</u>	<u>63,018</u>
<b>Operating</b>						
<b>(loss)/profit</b>	<u>(77,284)</u>	<u>22,289</u>	<u>(54,995)</u>	<u>(67,824)</u>	<u>33,533</u>	<u>(34,291)</u>
<b>Total assets</b>				<u>1,934,979</u>	<u>357,765</u>	<u>2,292,744</u>
<b>Total liabilities</b>				<u>1,406,645</u>	<u>17,866</u>	<u>1,424,511</u>

	For the 2 <sup>nd</sup> Quarter			Cumulative		
	January 2009 – March 2009			October 2008 – March 2009		
	Sugar	Distillery	Total	Sugar	Distillery	Total
	(Rupees in thousand)					
<b>Sales – net</b>						
<b>Local and</b>						
<b>export</b>	353,559	147,043	500,602	698,566	257,520	956,086
<b>Inter-segment</b>	71,753	–	–	96,195	–	–
	<u>425,312</u>	<u>147,043</u>	<u>500,602</u>	<u>794,761</u>	<u>257,520</u>	<u>956,086</u>
<b>Depreciation</b>	<u>29,118</u>	<u>5,386</u>	<u>34,504</u>	<u>58,319</u>	<u>10,788</u>	<u>69,107</u>
<b>Operating</b>						
<b>(loss)/profit</b>	<u>33,808</u>	<u>25,149</u>	<u>58,957</u>	<u>56,425</u>	<u>71,854</u>	<u>128,279</u>
<b>Total assets</b>				<u>1,905,560</u>	<u>304,986</u>	<u>2,210,546</u>
<b>Total liabilities</b>				<u>1,223,383</u>	<u>13,458</u>	<u>1,236,841</u>

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

## 10. TRANSACTIONS WITH RELATED PARTIES

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. No transactions, except for the following, were executed with related parties during the period:

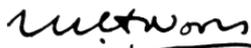
- remuneration and benefits to key management personnel under the terms of their employment;
- the Company, during the preceding period, had received preference dividend amounting Rs. 2.784 million from Noon Pakistan Ltd.;
- the Company, during the current period, has received 200,000 non-voting ordinary shares as bonus shares (31 March 2009: Nil) from Noon Pakistan Ltd.;
- the Company, during the current period, sold sugar valuing Rs.16.382 million (31 March 2009: Rs. 8.370 million) to Noon Pakistan Ltd.; and
- the Company, during the preceding period, received mark-up amounting Rs. 0.736 million from Noon Pakistan Ltd. against the advance of Rs. 12.000 million given for purchase of agriculture land.

## 11. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue in the Board of Directors' meeting held on 26 May 2010.

## 12. FIGURES

- Figures in this condensed interim financial information have been rounded-off to the nearest thousand Rupees except stated otherwise.
- Corresponding figures have neither been re-arranged nor re-classified.



**MANZOOR HAYAT NOON**  
Chairman & Chief Executive



**K. IQBAL TALIB**  
Managing Director