



CONTENTS

Corporate Information	2
Directors' Review	3
Condensed Interim Balance Sheet	4
Condensed Interim Profit and Loss Account	6
Condensed Interim Cash Flow Statement	7
Condensed Interim Statement of Changes in Equity	8
Notes to the Condensed Interim Financial Information	9

CORPORATE INFORMATION

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

DIRECTORS' REVIEW

DEAR MEMBERS

Your directors are pleased to present the condensed un-audited interim financial information of the Company for the first quarter ended on 31 December 2013.

FINANCIAL RESULTS

The sales revenue of the Company, during the period under review, increased by 36% and reached to Rupees 566 million as compared to Rupees 417 million, for the same period of last year. Gross profit is however, Rupees 16 million as compared to Rupees 93 million of last year. Loss after taxation, for the period, is Rupees 37 million (December 2012: After tax profit Rupees 38 million), resulting in a loss of Rupees 2.28 per share, as compared with EPS of Rupees 2.30, earned in the corresponding period of last year.

As compared to same period of last year, a substantial increase in molasses price, decline in ethanol yield from a mixed feed with carryover molasses and nil export of ethanol (December 2012: 2,500 m. tons) together with depressed sugar sale price, are the main reasons for the reduced gross profit.

OPERATIONAL RESULTS

Sugar Division

The current crushing season commenced on 25 November 2013. Your mills crushed 240,267 m. tons of sugarcane and produced 22,403 m. tons sugar, with an average sucrose recovery of 9.63% in 37 days operation as compared to 211,079 m. tons of sugarcane crushing and 18,425 m. tons of sugar production with 9.15% recovery in 32 days' operation in the corresponding period.

Members will be pleased to observe that their mills sucrose recovery has improved further and combined with consistent measures to improve overall efficiency of the plant, represents the highest average recovery for the first quarter in the northern region, so far. However, only the right market support will yield the desired result.

Distillery Division

Distillery plants processed 13,830 m. tons of molasses and produced 3,205,214 liters of ethanol with an average yield of 232 liters of ethanol per m. tons of molasses in 48 days operation, as compared with 8,070 m. tons of molasses and 2,117,912 liters production of ethanol at an average yield of 262 liters of ethanol per ton of molasses, in 27 days operation during the corresponding period of last year.

FUTURE OUTLOOK

Let us only hope that two weeks incidence of frost does not result in a sharp fall in recovery with rising ambient temperatures. The sugar market outlook continues to be depressed and uncertain and unless concrete steps to subsidise the export of surplus production are taken by the government, the situation is likely remain unchanged.

The future will however, depend on actual national production of sugar, after a marked effect of frost preceded by a disease in certain part of the country and in case the total production is restricted 6-6.5 million tons and a reasonable quantity of surplus sugar, from Sindh and southern Punjab, particularly, is exported, the sugar market is likely to stabilize in the last two quarters of current financial year.

Meanwhile, your company is trying to maximize the ethanol production and other byproducts like Co2 and surplus power, to improve the returns of the Company, Inshallah.

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
Chairman & Chief Executive

Lahore: 28 January 2014

CONDENSED INTERIM BALANCE SHEET

	Note	Un-audited 31 Dec., 2013 (Rupees in thousand)	Audited 30 Sep., 2013
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital		<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up capital		165,175	165,175
Reserves		549,217	549,217
Accumulated loss		(123,365)	(85,774)
		<u>591,027</u>	<u>628,618</u>
NON-CURRENT LIABILITIES			
Long term finance	7	133,321	151,231
Long term deposits		1,349	1,349
Staff retirement benefits - gratuity		52,624	55,270
		<u>187,294</u>	<u>207,850</u>
CURRENT LIABILITIES			
Trade and other payables	8	567,097	215,060
Accrued mark-up		32,292	28,018
Short term finances	9	1,042,722	581,969
Current portion of long term finances	7	71,642	71,642
Taxation	10	28,928	23,270
		<u>1,742,681</u>	<u>919,959</u>
CONTINGENCIES AND COMMITMENTS			
	11		
		<u>2,521,002</u>	<u>1,756,427</u>

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



Malik Adnan Hayat Noon
Chairman & Chief Executive

AS AT 31 DECEMBER, 2013

	Note	Un-audited 31 Dec., 2013 (Rupees in thousand)	Audited 30 Sep., 2013
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	1,058,375	1,068,362
Investment property		18,019	18,036
Investments		27,991	27,991
Loans and advances		1,060	873
Deposits		1,369	1,369
		1,106,814	1,116,631
CURRENT ASSETS			
Stores, spares and loose tools		74,978	97,289
Stock-in-trade	13	1,074,496	388,215
Trade debts - unsecured, considered good		8,112	6,137
Loans and advances		156,858	53,323
Deposits and prepayments		2,236	1,339
Other receivables		3,955	4,438
Income tax refundable, advance income tax and tax deducted at source		64,093	60,874
Cash and bank balances		29,460	28,181
		1,414,188	639,796
		2,521,002	1,756,427



K. Iqbal Talib
Managing Director

**CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2013**

	Note	For the First Quarter Ended	
		December 2013 (Rupees in thousand)	December 2012
SALES - Net	14	565,815	417,153
COST OF SALES	15	549,526	323,747
GROSS PROFIT		16,289	93,406
DISTRIBUTION AND MARKETING COST		3,212	16,315
ADMINISTRATIVE EXPENSES		23,956	19,662
OTHER OPERATING EXPENSES		130	2,131
OTHER OPERATING INCOME		(638)	(1,248)
		26,660	36,860
(LOSS) / PROFIT FROM OPERATIONS		(10,371)	56,546
FINANCE COST		21,562	16,417
(LOSS) / PROFIT BEFORE TAXATION		(31,933)	40,129
TAXATION	10	5,658	2,086
(LOSS) / PROFIT AFTER TAXATION		(37,591)	38,043
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD		(37,591)	38,043
(LOSS) / EARNINGS PER SHARE		(2.28)	2.30

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



Malik Adnan Hayat Noon
Chairman & Chief Executive



K. Iqbal Talib
Managing Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2013

	For the first quarter ended	
	31 Dec., 2013	31 Dec., 2012
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / Profit for the period - before taxation	(31,933)	40,129
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets and investment property	26,926	28,309
Staff retirement benefits - gratuity	2,400	2,250
Finance cost	21,562	16,417
CASH FLOW FROM OPERATING ACTIVITIES - Before working capital changes	18,955	87,105
(Increase) / decrease in current assets:		
Stores, spares and loose tools	22,311	(1,455)
Stock-in-trade	(686,281)	(752,802)
Trade debts	(1,975)	74,480
Loans and advances	(103,535)	18,152
Deposits and prepayments	(897)	(6,529)
Other receivables	483	794
Increase in trade and other payables	352,037	378,854
	(417,857)	(288,506)
CASH OUTFLOW FROM OPERATING ACTIVITIES - Before taxation	(398,902)	(201,401)
Income tax paid	(3,219)	(3,209)
Staff retirement benefits (gratuity) - paid	(5,046)	(404)
Loans and advances - net	(187)	-
Deposits - net	-	33
CASH OUTFLOW FROM OPERATING ACTIVITIES - After taxation	(407,354)	(204,981)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment acquired	(16,922)	1,564
CASH FLOW FROM FINANCING ACTIVITIES		
Long term finances - net	(17,910)	(10,411)
Short term finances	460,753	355,411
Finance cost paid	(17,288)	(26,933)
NET CASH INFLOW FROM FINANCING ACTIVITIES	425,555	318,067
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,279	114,650
CASH AND CASH EQUIVALENTS - At beginning of the period	28,181	15,097
CASH AND CASH EQUIVALENTS - At end of the period	29,460	129,747

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



Malik Adnan Hayat Noon
Chairman & Chief Executive



K. Iqbal Talib
Managing Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2013**

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

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

Balance as at 01 October, 2012 165,175 119,217 430,000 549,217 106,984 821,376

**Total comprehensive income
for the quarter**

Profit after taxation for the
quarter ended 31 December, 2012 - - - - 38,043 38,043

Balance as at 31 December, 2012 **165,175 119,217 430,000 549,217 145,027 859,419**

Balance as at 01 October, 2013 165,175 119,217 430,000 549,217 (85,774) 628,618

**Total comprehensive income
for the quarter**

Loss after taxation for the
quarter ended 31 December, 2013 - - - - (37,591) (37,591)

Balance as at 31 December, 2013 **165,175 119,217 430,000 549,217 (123,365) 591,027**

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



Malik Adnan 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 FIRST QUARTER ENDED 31 DECEMBER 2013**

1. Noon Sugar Mills Ltd. (the Company) was incorporated in the year 1964 as a Public Company and its shares are quoted on the Stock Exchanges in Pakistan. It is principally engaged in production and sale of white sugar and spirit. The Company's Mills are located at Bhalwal, District Sargodha and its Head Office at 2nd Floor, Mustafa Centre, 45-F, Main Market, Gulberg, Lahore.
2. This condensed interim financial information has been presented in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to the shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984. This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company as at and for the year ended 30 September, 2013.
3. The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Company for the preceding year ended 30 September, 2013.
4. Amendments to certain existing standards and new interpretations on approved accounting standards effective during the current period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company.
5. **SEASONALITY OF OPERATIONS**

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

6. **PROVISIONS**

Provisions in respect of taxation, retirement benefit obligations, workers' welfare fund and workers' (profit) participation fund are estimated and these are subject to final adjustments in the annual audited financial statements.

7. **LONG TERM FINANCES - Secured**

	Un-audited Quarter ended 31 December, 2013	Audited Year-ended 30 Sep., 2013	
Note	(Rupees in thousand)		
Allied Bank Ltd. (ABL)	7.1	62,463	72,873
United Bank Ltd. (UBL)	7.2	142,500	150,000
		204,963	222,873
Less: current portion grouped under current liabilities:			
- ABL		41,642	41,642
- UBL		30,000	30,000
		71,642	71,642
		133,321	151,231

7.1 ABL, during the financial year ended 30 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 carried mark-up at the rate of 3 month KIBOR+150bps. This finance facility is repayable in 12 equal quarterly instalments of Rs.10.410 million commencing from July 01, 2012. Effective mark-up rate charged by ABL, during the period, is 11.03% (September 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.

7.2 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 commencing from November 15, 2013. Effective mark-up rate charged by UBL, during the period, ranged from 11.01% to 11.77% (September 2013: 11.01%) per annum. This finance facility is secured against first pari passu hypothecation charge of Rs.400 million on fixed assets of the Company.

8. TRADE AND OTHER PAYABLES

Trade and other payables include trade creditors aggregating Rs. 441.394 million (30 September, 2013: Rs. 108.832 million).

9. SHORT TERM FINANCES - Secured

Short term finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs. 2.208 billion (September 2013: Rs. 2.208 billion). These finance facilities, during the current period, carried mark-up at the rates ranging from 9.2% to 12.21% (September 2013: 9.2% to 12.45%) per annum. Facilities available for opening letters of credit and guarantee aggregate to Rs. 41.500 million (September 2013: Rs. 41.500 million) of which the amount aggregating Rs. 22.203 million (September 2013: Rs. 22.203 million) remained unutilised at the balance sheet date. The aggregate finance facilities 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, 2014.

10. TAXATION

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

11. CONTINGENCIES AND COMMITMENTS

11.1 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, 2013.

11.2 Guarantee given to Sui Northern Gas Pipelines Ltd. by a commercial bank on behalf of the Company outstanding as at 31 December, 2013 was for Rs.10.392 million(30 September 2013: Rs.10.392 million).

	Note	Un-audited Quarter ended 31 Dec., 2013	Audited Year-ended 30 Sep., 2013
(Rupees in thousand)			
12. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	12.1	1,047,425	1,039,715
Capital work-in-progress - at cost		10,950	28,647
		<u>1,058,375</u>	<u>1,068,362</u>
12.1 Operating fixed assets			
Opening book value		1,039,715	1,086,471
Additions during the period:			
Buildings on freehold land		137	2,683
Plant and machinery		31,784	62,895
Scales & weighbridges		1,157	0
Other equipment		1,363	45
Electric installations and fittings		10	1,326
Office equipment		61	759
Furniture and fixtures		5	84
Vehicles		0	3,069
Farm tractors		0	0
Farm equipment		102	127
		<u>34,619</u>	<u>70,988</u>
Book value of assets disposed-off during the period/year		0	(72)
Depreciation charge for the period/year		(26,909)	(117,672)
Closing book value		<u>1,047,425</u>	<u>1,039,715</u>
13. STOCK-IN-TRADE			
Raw materials - molasses		66,333	60,639
Work-in-process:			
- sugar		38,211	5,012
- molasses		14,709	815
		<u>52,920</u>	<u>5,827</u>
Finished goods:			
- sugar		839,478	313,766
- spirit		114,728	7,660
		<u>954,206</u>	<u>321,426</u>
Other stocks - (Fair Price Shop and Depot)		1,037	323
		<u>1,074,496</u>	<u>388,215</u>

Sugar		Distillery		Total	
Dec. 13	Dec. 12	Dec. 13	Dec. 12	Dec. 13	Dec. 12

(R u p e e s i n t h o u s a n d)

14. Sales

Gross Sales						
Local	538,953	211,138	80,092	49,545	619,045	260,683
Export	-	-	-	179,187	-	179,187
Inter-segment	93,513	63,073	-	-	-	-
	632,466	274,211	80,092	228,732	619,045	439,870
Less: Sales Tax and Special Excise Duty	39,962	15,640	13,268	6,834	53,230	22,474
Commission on Sale	-	-	-	243	-	243
	39,962	15,640	13,268	7,077	53,230	22,717
Net Sales	592,504	258,571	66,824	221,655	565,815	417,153

15. Cost of Sales

Raw Material consumed	1,048,799	930,539	129,957	59,554	1,085,243	927,020
Salaries, wages and other benefits	26,038	24,403	7,347	6,527	33,385	30,930
Fuel and power	4,320	4,096	15,983	2,283	20,303	6,379
Packing material consumed	10,603	7,253	-	-	10,603	7,253
Chemical consumed	9,257	8,105	4,853	2,032	14,110	10,137
Repair and maintenance	30,003	30,043	3,101	4,197	33,104	34,240
Insurance	1,572	975	279	400	1,851	1,375
Printing & stationery	690	441	43	35	733	476
Rent, rate and taxes	21	64	21	21	42	85
Depreciation	21,478	22,381	4,037	4,427	25,515	26,808
Vehicle running & maintenance	2,056	2,059	304	272	2,360	2,331
Miscellaneous	1,837	1,979	312	209	2,149	2,188
	1,156,674	1,032,338	166,238	79,957	1,229,399	1,049,221
Work In Process						
Add:- Opening Stock	5,012	5,038	815	3,835	5,827	8,873
Less:- Closing Stocks	(47,382)	(44,504)	(5,538)	(4,256)	(52,920)	(48,760)
	(42,370)	(39,466)	(4,723)	(421)	(47,093)	(39,887)
Cost of goods produced	1,114,303	992,872	161,515	79,536	1,182,306	1,009,334
Finished Goods						
Add:- Opening Stock	313,766	184,834	7,660	142,249	321,426	327,083
Less:- closing	(839,478)	(928,645)	(114,728)	(84,025)	(954,206)	(1,012,670)
	(525,712)	(743,811)	(107,068)	58,224	(632,780)	(685,587)
	588,592	249,061	54,447	137,760	549,526	323,747

16. SEGMENT INFORMATION

	Sugar		Distillery		Elimination of inter segment transactions		Total	
	Un-audited							
	Quarter ended 31 December,		Quarter ended 31 December,		Quarter ended 31 December,		Quarter ended 31 December,	
	2013	2012	2013	2012	2013	2012	2013	2012
Rupees in thousand								
Sales - net	592,504	258,571	66,824	221,655	(93,513)	(63,073)	565,815	417,153
Cost of sales	588,592	249,060	54,447	137,760	(93,513)	(63,073)	549,526	323,747
Gross profit	3,912	9,511	12,377	83,895	-	-	16,289	93,406
Distribution and marketing cost	747	621	2,465	15,694	-	-	3,212	16,315
Administrative expenses	20,597	17,492	3,359	2,170	-	-	23,956	19,662
	21,344	18,113	5,824	17,864	-	-	27,168	35,977
Segment results	(17,432)	(8,602)	6,553	66,031	-	-	(10,879)	57,429
Unallocatable income and expenses:								
Other operating expenses							(130)	(2,131)
Other operating income							638	1,248
(Loss) / profit from operations							(10,371)	56,546
Finance cost							(21,562)	(16,417)
Taxation							(5,658)	(2,086)
(Loss) / profit after taxation							(37,591)	38,043

17. 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.

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

	(Rupees in thousand)	Un-audited Half year ended	
		31 Dec., 2013	31 Dec., 2012
Sale of sugar		3,282	6,337

- Period-end trade debts include due from Noon Pakistan Ltd. amounting Rs. 3.048 million (30 September, 2013: Rs. 2.165 million).
- Sugarcane purchases include cane purchased from directors and associated persons of directors amounting to Rs. NIL (31 December 2012: Rs. 185 thousands)

18. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue in the Board of Directors' meeting held on 28 January, 2014.

19. GENERAL

- Corresponding figures in the condensed interim balance sheet comprise of balances as per the annual audited financial statements of the Company for the year ended 30 September, 2013 and corresponding figures in the condensed interim profit and loss account, condensed interim cashflow statement and condensed interim statement of changes in equity comprise of balances of comparable period of the immediately preceding financial year, i.e. quarter ended 31 December, 2012.
- Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison; however, no material re-arrangements / re-classifications have been made in this condensed interim financial information.



Malik Adnan Hayat Noon
Chairman & Chief Executive



K. Iqbal Talib
Managing Director