

AL-NOOR SUGAR MILLS LIMITED
BALANCE SHEET
AS AT SEPTEMBER 30, 2006

	<i>Note</i>	<i>Restated</i>			<i>Note</i>	<i>Restated</i>	
		<i>2006</i>	<i>2005</i>			<i>2006</i>	<i>2005</i>
		<i>Rupees in '000</i>				<i>Rupees in '000</i>	
SHARE CAPITAL AND RESERVES				NON - CURRENT ASSETS			
Authorised Capital 20,000,000 (2005 : 20,000,000) ordinary shares of Rs.10 each		<u>200,000</u>	<u>200,000</u>	Property, plant and equipment	13	1,472,955	1,456,103
Issued, subscribed and paid-up capital	3	185,703	185,703	Long-term investments	14	8,607	3,671
General revenue reserve		190,000	100,000				
Unappropriated profits		<u>178,040</u>	<u>97,805</u>				
		553,743	383,508				
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT				Long-term deposits	15	10,742	11,047
	4	369,288	399,472				
NON-CURRENT LIABILITIES				CURRENT ASSETS			
Long term financing	5	67,470	129,982	Stores, spares and loose tools	16	131,668	132,316
Liabilities against assets subject to finance lease	6	77,568	95,305	Stock-in-trade	17	230,809	207,485
Long term deposits		5,035	4,239	Trade debts	18	43,166	99,352
Deferred liabilities	7	277,540	279,750	Loans and advances	19	109,388	169,603
CURRENT LIABILITIES				Trade deposits and short-term prepayments	20	3,638	3,523
Trade and other payables	8	187,470	194,092	Other receivables	21	13,993	17,583
Interest/mark-up accrued	9	25,138	26,226	Cash and bank balances	22	48,694	65,088
Short term borrowings	10	397,809	501,657			581,356	694,950
Current portion of non-current liabilities	11	105,139	149,057				
Provision for income tax		7,460	2,483				
		723,016	873,515				
CONTINGENCIES AND COMMITMENTS							
	12						
		<u>2,073,660</u>	<u>2,165,771</u>			<u>2,073,660</u>	<u>2,165,771</u>

The annexed notes form an integral part of these financial statements

ISMAIL H. ZAKARIA
Chief Executive officer

SULEMAN AYOOB
Director

AL-NOOR SUGAR MILLS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	<i>Note</i>	<i>2006</i>	<i>Restated 2005</i>
		<i>Rupees in '000</i>	
Sales	23	2,698,535	1,703,015
Cost of sales	24	<u>(2,283,228)</u>	<u>(1,405,311)</u>
Gross profit		415,307	297,704
Profit from trading activities	25	3,122	1,740
Other operating income	26	<u>6,841</u>	<u>1,478</u>
		425,270	300,922
Distribution cost	27	(7,191)	(5,539)
Administration expenses	28	(93,221)	(79,891)
Other operating expenses	29	(19,188)	(7,403)
Finance cost	30	(125,693)	(108,062)
Share of profit / (loss) of associated undertakings	14	<u>2,177</u>	<u>(5,072)</u>
Profit before taxation		182,154	94,955
Provision for taxation	31	(26,293)	8,933
Net profit for the year		<u><u>155,861</u></u>	<u><u>103,888</u></u>
Earnings per share - Basic and Diluted	32	8.39	5.59

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ISMAIL H. ZAKARIA
Chief Executive Officer

SULEMAN AYOOB
Director

AL-NOOR SUGAR MILLS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	2006	<i>Restated</i> 2005
	<i>Rupees in '000</i>	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	182,154	94,955
Adjustments for:		
Depreciation of property, plant and equipment	109,311	108,439
Gain on disposal of property, plant and equipment	(25)	(779)
Provision for doubtful recoveries	5,406	10,552
Provision for staff gratuity	1,738	1,430
Provision for employees compensated absences	-	463
Finance cost	125,693	108,062
Share of profit / (loss) of associated undertakings	(2,177)	5,072
Reversal of interest liability	-	(8,528)
	239,946	224,711
Operating cash flows before movement in working capital	422,100	319,666
(Increase) / decrease in current assets		
Stores, spares and loose tools	648	(25,033)
Stock in trade	(23,324)	(42,095)
Trade debts	56,186	(95,590)
Loans and advances	54,809	51,291
Trade deposits and short term prepayments	(115)	(1,814)
Other receivables	3,590	1,763
	91,794	(111,478)
Increase / (decrease) in current liabilities		
Short term borrowings	(103,848)	128,764
Trade and other payables	(27,138)	(114,482)
	(130,986)	14,282
Cash generated from operations	382,908	222,470
Income taxes paid	(8,906)	(11,773)
Gratuity paid	(3,114)	(311)
Repayment of deferred liability - surcharge on road cess	(12,728)	-
Long term deposits received	796	2,522
Finance cost paid	(126,781)	(104,125)
	(150,733)	(113,687)
Net cash flows from operating activities	232,175	108,783
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(102,618)	(74,530)
Long term deposits	305	(1,056)
Proceeds from disposal of property, plant and equipment	25	1,106
Net cash flows used in investing activities	(102,288)	(74,480)

2006 **2005**
Rupees in '000

C. CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long term financing	(75,419)	(3,941)
Repayment of finance lease	(52,406)	(46,840)
Dividend paid	(18,456)	(5)
Net cash flows used in financing activities	(146,281)	(50,786)
Net decrease in cash and cash equivalents (A+B+C)	(16,394)	(16,483)
Cash and cash equivalents at the beginning of the year	65,088	81,571
Cash and cash equivalents at the end of the year	48,694	65,088

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ISMAIL H. ZAKARIA
Chief Executive Officer

SULEMAN AYOOB
Director

AL-NOOR SUGAR MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	-----Reserves-----				<i>Total</i>
	<i>Issued, Subscribed & paid up capital</i>	<i>General Revenue reserve</i>	<i>Unrealised gain on revaluation of investment</i>	<i>Unappropriated profits / (Accumulated losses)</i>	
Rupees in '000.....				
Balance at September 30, 2004 as previously reported	185,703	100,000	13,221	(22,443)	276,481
Effect of change in accounting policy from available for sale method to equity method - net of deferred tax: Note (2.8)			(13,221)	(19,931)	(33,152)
Balance at September 30, 2004 as restated	185,703	100,000	-	(42,374)	243,329
Changes in equity for the year 2005					
Incremental depreciation arising due to surplus on revaluation of fixed assets - net of deferred tax	-	-	-	33,199	33,199
Share of associate's transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	3,071	3,071
Share of associate's unrealised gain on remeasurement of investment		-	-	21	21
Net income recognised directly in equity				36,291	36,291
Profit for the year ended September 30, 2005	-	-	-	103,888	103,888
Total recognised income and expense for the year				140,179	140,179
Balance at September 30, 2005 as restated	185,703	100,000	-	97,805	383,508
Changes in equity for the year 2006					
Incremental depreciation arising due to surplus on revaluation of fixed assets - net of deferred tax	-	-	-	30,184	30,184
Share of associate's transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax and disposal	-	-	-	2,850	2,850
Share of associate's unrealised loss on remeasurement of investment	-	-	-	(90)	(90)
Net income recognised directly in equity				32,944	32,944
Profit for the year ended September 30, 2006	-	-	-	155,861	155,861
Total recognised income and expense for the year				188,805	188,805
Transfer to general reserve	-	90,000	-	(90,000)	-
Final dividend for the year ended September 30, 2005 @ Rs.1 per share	-	-	-	(18,570)	(18,570)
Balance at September 30, 2006	185,703	190,000	-	178,040	553,743

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ISMAIL H. ZAKARIA
Chief Executive Officer

SULEMAN AYOOB
Director