



KOHINOOR SUGAR MILLS LIMITED

## DIRECTORS' REVIEW

Your Directors are pleased to present the quarterly report for the period ended June 30, 2003.

The low profitability for the quarter under review is mainly due to surplus sugar availability followed by low sugar prices. We are now looking forward to formulation of an effective sugar export policy.

Introduction of new cane varieties and pest control measures will increase the sugarcane availability & recovery in the next season.

Investments plan for marginal improvement in capacity and efficiency are in progress.

Lahore.  
July 23, 2003.

**M. USMAN SAIGOL**  
Chief Executive

<b>STATEMENT OF CHANGES IN EQUITY</b>						(Rupees in thousands)	
	Share Capital	Share Premium	General Reserve	Revaluation Surplus	Accumulated P & L	<b>Nine months ended 30 June</b>	
						<b>2003</b>	<b>2002</b>
Balance as at 01 Oct.	94,868	41,109	62,000	334,256	(27,372)	504,861	242,029
Profit for the Period	-	-	-	-	3,540	3,540	32,056
Balance as at 30 June	<b>94,868</b>	<b>41,109</b>	<b>62,000</b>	<b>334,256</b>	<b>(23,832)</b>	<b>508,401</b>	<b>274,085</b>

**KOHINOOR SUGAR MILLS LIMITED****BALANCE SHEET**  
(UN-AUDITED)

	As at	
	30 Jun. 2003	30 Sep. 2002
	(Rupees in thousands)	
<b>FIXED ASSETS</b>		
Operating fixed assets	530,057	549,954
Operating fixed assets subject to finance lease	57,524	41,638
Capital work in progress	58,583	48,111
	646,164	639,703
<b>LONG TERM DEPOSITS</b>	6,028	2,678
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	53,531	52,693
Stock in trade	276,444	65,816
Advances, deposits and prepayments	44,990	37,530
Taxation	21,252	20,350
Short term investment	-	3,000
Cash and bank balances	20,313	5,337
	416,530	184,726
<b>CURRENT LIABILITIES</b>		
Short term borrowings	305,553	115,893
Current maturity of long term and other loans	10,000	15,600
Current maturity of liabilities against assets subject to finance lease	8,430	29,538
Creditors, provisions and accrued expenses	86,611	53,770
Dividend:		
Un-claimed	405	405
Payable	126	14,230
	411,125	229,436
<b>CURRENT ASSETS LESS CURRENT LIABILITIES</b>	5,405	(44,710)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	657,597	597,671
<b>LONG TERM LIABILITIES</b>		
Long term loans	52,948	36,834
Liabilities against assets subject to finance lease	38,974	7,614
Other loan	42,630	33,718
	134,552	78,166
<b>OTHER LIABILITIES</b>	14,644	14,644
<b>NET ASSETS</b>	508,401	504,861
<b>REPRESENTED BY :</b>		
Share capital	94,868	94,868
Premium on right shares	41,109	41,109
General reserve	62,000	62,000
Balance transferred from profit & loss account	(23,832)	(27,372)
<b>TOTAL CAPITAL AND RESERVES</b>	174,145	170,605
<b>SURPLUS ON REVALUATION OF LAND</b>	334,256	334,256
	508,401	504,861

Lahore  
July 23, 2003

**M. FAROOQUE SAIGOL**  
Director

**M. USMAN SAIGOL**  
Chief Executive



**KOHINOOR SUGAR MILLS LIMITED**

**PROFIT AND LOSS ACCOUNT**

(UN-AUDITED)

	(Rupees in thousands)			
	Quarter Ended	Nine months Ended	Quarter Ended	Nine months Ended
	30 June 2003		30 June 2002	
SALES	153,221	591,988	229,811	573,199
COST OF SALES	160,082	543,813	181,627	483,475
GROSS PROFIT / (LOSS)	(6,861)	48,175	48,184	89,724
OPERATING EXPENSES				
Administrative	8,865	25,684	8,759	25,461
Selling	548	2,373	979	2,811
	9,413	28,057	9,738	28,272
OPERATING PROFIT / (LOSS)	(16,274)	20,118	38,446	61,452
FINANCIAL AND OTHER CHARGES	7,250	20,040	19,266	45,953
OTHER INCOME / (EXPENSES)	3,380	6,422	7,602	19,423
PROFIT / (LOSS) BEFORE TAXATION	(20,144)	6,500	26,782	34,922
TAXATION	(766)	(2,960)	(1,149)	(2,866)
PROFIT / (LOSS) AFTER TAXATION	(20,910)	3,540	25,633	32,056
BALANCE BROUGHT FORWARD	-	(27,372)	-	(58,868)
	(20,910)	(23,832)	25,633	(26,812)
EARNING PER SHARE (Rs.)	(2.20)	0.37	2.70	3.38

<b>Note – 1 COST OF SALES</b>				
Raw Material				
Cane purchased (Net)	35,560	664,014	77,720	532,846
Raw sugar	-	-	-	20,093
	35,560	664,014	77,720	552,939
Salaries, wages and staff welfare	8,237	26,789	9,091	24,852
Chemicals, fuel, lubes & packing material	1,193	20,788	2,650	18,974
Manufacturing expenses	5,674	23,036	4,883	19,256
Depreciation	4,102	15,181	5,752	17,224
Amortization	2,573	4,633	1,145	3,433
	57,339	754,441	101,241	636,678
Work in process (Net)	6,903	(61)	4,529	147
Cost of Goods Produced	64,242	754,380	105,770	636,825
Finished goods (Net)	95,840	(210,567)	75,857	(153,350)
	<b>160,082</b>	<b>543,813</b>	<b>181,627</b>	<b>483,475</b>
<b>Note – 2</b>	These accounts are being submitted to shareholders as required U/S 245 of the Companies Ordinance, 1984 and have been prepared in compliance with IAS-34			
<b>Note – 3</b>	Accounting policies adopted for quarterly accounts are the same as adopted for annual accounts.			
<b>Note – 4</b>	Figures of previous year have been rearranged according to current presentation.			



## KOHINOOR SUGAR MILLS LIMITED

### CASH FLOW STATEMENT

	Nine months ended 30 June	
	2003	2002
	(Rupees in thousands)	
<b>Cash flow from operating activities</b>		
Net profit before taxation	6,500	34,922
<b>Adjustments for :</b>		
Depreciation	16,073	18,315
Amortization	4,700	3,517
Profit on sale of fixed assets	(7)	(178)
Profit on short term investment	(308)	-
Prior year adjustments	164	-
Financial and other charges	20,040	45,953
<b>Operating profit before working capital changes</b>	<b>47,162</b>	<b>102,529</b>
(Increase) / Decrease in stores, spares and loose tools	(838)	384
(Increase) / Decrease in stock in trade	(210,628)	(133,110)
(Increase) / Decrease in advances, deposits & prepayments	(7,460)	(28,348)
Increase / (Decrease) in creditors, provisions & accrued expenses	31,813	32,551
Increase / (Decrease) in unclaimed dividend	-	(2)
<b>Cash (used in) / generated from operations</b>	<b>(139,951)</b>	<b>(25,996)</b>
Taxes paid	(3,861)	(4,976)
Dividend paid	(14,104)	-
Financial charges paid	(22,859)	(46,996)
<b>Net Cash (used in) / generated from operating activities</b>	<b>(180,775)</b>	<b>(77,968)</b>
<b>Cash flow from investing activities</b>		
Addition to fixed assets	(251)	(347)
Sale proceeds on disposal of fixed assets	7	616
Security deposit	(3,350)	-
Addition to capital work in progress	(22,993)	(1,777)
<b>Net cash used in investing activities</b>	<b>(26,587)</b>	<b>(1,508)</b>
<b>Cash flow from financing activities</b>		
Increase / (Decrease) in long term loans	10,514	1,107
Increase / (Decrease) in lease liabilities	10,252	(17,346)
Increase / (Decrease) in short term borrowings	189,660	122,798
Increase / (Decrease) in other loan	8,912	(14,749)
Increase / (Decrease) in other liabilities	-	(4,433)
<b>Net cash (used in) / generated from financing activities</b>	<b>219,338</b>	<b>87,377</b>
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	<b>11,976</b>	<b>7,901</b>
<b>Cash &amp; cash equivalents at beginning of the period</b>	<b>8,337</b>	<b>1,557</b>
<b>Cash &amp; cash equivalents at close of the period</b>	<b>20,313</b>	<b>9,458</b>

M. FAROOQUE SAIGOL  
Director

M. USMAN SAIGOL  
Chief Executive