



KOHINOOR SUGAR MILLS LIMITED
29-G, GULBERG II, LAHORE - 54660

INTERIM FINANCIAL STATEMENTS
JUNE 30, 2008



DIRECTORS' REVIEW

Your Directors are pleased to present the Quarterly report for the period ended June 30, 2008.

SECTOR OVERVIEW

Sugar rates are beginning to edge up albeit slowly because the stocks are being depleted and the Government is building up buffer stocks against the projected shortage in the coming season. However galloping inflation is increasing operational and distribution costs across the national economy.

FINANCIAL PERFORMANCE

The improved rates are reducing our losses. Although the net profit for the quarter has improved, the budgetary provisions particularly immense increases in mark-up rates and minimum wages are exerting substantial adverse pressure on the profitability.

FUTURE PROSPECTS

Sugar prices are expected to rise to their inflation adjusted level over the next 3 months. However, any spikes in sugar prices will be mitigated by the government from its buffer stock. We therefore project a gradual but not spectacular increase in profitability in the short term.

Lahore.
July 28, 2008.

M. FAROOQUE SAIGOL
Chief Executive

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)						
FOR THE NINE MONTHS ENDED JUNE 30, 2008 (Rupees in thousands)						
	Share Capital	Capital Reserves		Revenue Reserves	Un-appropriated Balance	Total
		Revaluation Surplus	Share Premium			
Balance as at Oct. 01, 2006	94,868	565,688	41,109	62,000	5,925	769,590
Bonus share @ 15%	14,230	-	(14,230)	-	-	-
Net loss for the nine months ended June 30, 2007	-	-	-	-	(90,901)	(90,901)
Balance as at June 30, 2007	109,098	565,688	26,879	62,000	(84,976)	678,689
Balance as at Oct. 01, 2007	109,098	565,688	26,879	62,000	(141,824)	621,841
Net loss for the nine months ended June 30, 2008	-	-	-	-	(25,052)	(25,052)
Balance as at June 30, 2008	109,098	565,688	26,879	62,000	(166,876)	596,789



KOHINOOR SUGAR MILLS LIMITED

BALANCE SHEET

	As at	
	Un-Audited June 30 2008	Audited Sep. 30 2007
	(Rupees in thousands)	
FIXED ASSETS		
Property, plant and equipment	1,574,133	1,507,054
LONG TERM DEPOSITS	2,495	2,495
CURRENT ASSETS		
Stores, spare parts and loose tools	94,242	90,468
Stock in trade	627,328	176,013
Trade debts – Considered good – unsecured	137	4,410
Loans and advances	29,394	40,015
Short term deposits and prepayments	411	391
Other receivables	14,492	14,779
Taxation	23,424	22,610
Cash and bank balances	1,821	1,171
	791,249	349,857
CURRENT LIABILITIES		
Trade and other payables	478,346	183,675
Accrued mark-up	44,499	23,108
Short term borrowings – Secured	488,958	226,740
Current portion of long term liabilities	136,938	90,926
	1,148,741	524,449
CURRENT ASSETS LESS CURRENT LIABILITIES	(357,492)	(174,592)
TOTAL ASSETS LESS CURRENT LIABILITIES	1,219,136	1,334,957
CONTINGENCIES AND COMMITMENTS (Note-6)	–	–
NON CURRENT LIABILITIES		
Long term finances – Secured	377,333	460,808
Liabilities against assets subject to finance lease	7,840	7,840
Sponsors' loan – Unsecured	186,970	194,264
	572,143	662,912
DEFERRED TAXATION	48,895	48,895
LONG TERM PROVISION	1,309	1,309
NET ASSETS	<u><u>596,789</u></u>	<u><u>621,841</u></u>
REPRESENTED BY :		
Share capital	109,098	109,098
Capital reserve - Premium on right shares	26,879	26,879
Revenue reserve		
General reserve	62,000	62,000
Un-appropriated balance	(166,876)	(141,824)
	(104,876)	(79,824)
TOTAL CAPITAL AND RESERVES	31,101	56,153
SURPLUS ON REVALUATION OF LAND	565,688	565,688
	<u><u>596,789</u></u>	<u><u>621,841</u></u>

Lahore
July 28, 2008

M. SALEEM SAIGOL
Director

M. FAROQUE SAIGOL
Chief Executive

**KOHINOOR SUGAR MILLS LIMITED****PROFIT AND LOSS ACCOUNT**

(UN-AUDITED)

(Rupees in thousands)

	Quarter ended		Nine months ended	
	June 30		June 30	
	2008	2007	2008	2007
SALES	230,123	161,132	689,800	578,950
COST OF SALES (Note-7)	159,610	199,221	613,564	593,034
GROSS PROFIT / (LOSS)	70,513	(38,089)	76,236	(14,084)
OPERATING EXPENSES				
Distribution cost	541	353	5,202	1,361
Administrative expenses	13,680	12,175	39,933	38,252
	14,221	12,528	45,135	39,613
OPERATING PROFIT/(LOSS)	56,292	(50,617)	31,101	(53,697)
FINANCE COST	26,960	19,981	64,325	48,019
OTHER INCOME / (EXPENSES)	155	5,966	11,627	14,248
PRIOR YEARS' ADJUSTMENTS	—	(467)	—	(467)
PROFIT/(LOSS) BEFORE TAXATION	29,487	(65,099)	(21,597)	(87,935)
PROVISION FOR TAXATION	(1,150)	(836)	(3,455)	(2,966)
PROFIT/(LOSS) AFTER TAXATION	28,337	(65,935)	(25,052)	(90,901)
BALANCE BROUGHT FORWARD	(195,213)	(19,041)	(141,824)	5,925
	<u>(166,876)</u>	<u>(84,976)</u>	<u>(166,876)</u>	<u>(84,976)</u>
EARNING PER SHARE				
Basic and diluted (Rupees)	2.60	(6.04)	(2.30)	(8.33)

Lahore
July 28, 2008**M. SALEEM SAIGOL**
Director**M. FAROQUE SAIGOL**
Chief Executive

**KOHINOOR SUGAR MILLS LIMITED****CASH FLOW STATEMENT
(UN-AUDITED)
FOR THE NINE MONTHS ENDED**

	June 30	
	2008	2007
	(Rupees in thousands)	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(21,597)	(87,935)
Adjustments for :		
Depreciation	46,148	26,963
(Gain)/loss on disposal of fixed assets	(10,332)	-
Finance cost	64,325	48,019
Operating profit before working capital changes	78,544	(12,953)
(Increase) / Decrease in current assets		
Stores, spare parts and loose tools	(3,774)	(6,139)
Stock in trade	(451,315)	(137,595)
Trade debts	4,273	2,076
Loans and advances	10,621	14,608
Short term deposits and prepayments	(20)	(497)
Other receivables	287	121
	(361,384)	(140,379)
Increase / (Decrease) in current liabilities		
Trade and other payables	294,671	104,015
Cash (used in) / generated from operations	(66,713)	(36,364)
Taxes paid	(4,270)	(4,623)
Dividend paid	-	(72)
WPPF paid	-	(1,736)
Finance cost paid	(80,626)	(82,433)
Net Cash (used in)/generated from operating activities	(151,609)	(125,228)
Cash flow from investing activities		
Addition to fixed assets	(5,875)	(608)
Sale proceeds on disposal of fixed assets	10,509	-
Addition to capital work in progress	(69,836)	(190,503)
Net cash used in investing activities	(65,202)	(191,111)
Cash flow from financing activities		
Increase / (Decrease) in long term finances	(34,308)	166,133
Increase / (Decrease) in lease liabilities	(3,155)	(2,782)
Increase / (Decrease) in short term borrowings	262,218	69,314
Increase / (Decrease) in sponsors' loan	(7,294)	87,549
Net cash (used in) / generated from financing activities	217,461	320,214
Net increase/(decrease) in cash & cash equivalents	650	3,875
Cash & cash equivalents at the beginning of the period	1,171	9,553
Cash & cash equivalents at the close of the period	1,821	13,428

M. SALEEM SAIGOL
Director

M. FAROOQUE SAIGOL
Chief Executive



KOHINOOR SUGAR MILLS LIMITED

**NOTES TO THE ACCOUNTS
FOR THE NINE MONTHS ENDED JUNE 30, 2008**

1. THE COMPANY AND ITS OPERATIONS

The Company is incorporated in Pakistan and listed on the Karachi and Lahore Stock Exchanges. The principal activity of the Company is manufacturing and selling of sugar and its by-products.

2. COMPLIANCE WITH STATUTORY REQUIREMENTS

These financial statements have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting" and are being submitted to the shareholders as required U/S 245 of the Companies Ordinance, 1984.

3. ACCOUNTING POLICIES

The accounting policies adopted for preparation of these financial statements are the same as adopted for the preceding annual published financial statements of the Company.

4. SEASONALITY OF NINE MONTHS OPERATIONS

Due to the seasonal availability of sugarcane, the manufacturing of sugar is carried out during the period of availability of sugarcane and costs incurred up to the reporting date have been accounted for.

5. TAXATION

Income tax expense is recognized based on management's best estimate calculated on turnover basis @ 0.5% as per section 113 of the Income Tax Ordinance, 2001.

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There were no known quantifiable contingencies as on June 30, 2008.

6.2 Commitments

Commitments in respect of capital expenditure were Rs.11.077 million.



KOHINOOR SUGAR MILLS LIMITED

**NOTES TO THE ACCOUNTS
FOR THE NINE MONTHS ENDED JUNE 30, 2008**

(Rupees in thousands)

	Quarter ended		Nine months ended	
	June 30		June 30	
	2008	2007	2008	2007
7. COST OF SALES				
Raw Material				
Cane purchased and consumed	31,264	81,805	926,994	597,711
Salaries, wages and staff welfare	12,508	12,564	44,849	39,645
Chemicals, fuel, lubes & packing material	2,268	3,274	30,874	42,895
Manufacturing expenses	4,666	5,521	17,715	25,138
Depreciation	16,476	8,578	44,448	25,240
	67,182	111,742	1,064,880	730,629
Work in process (Net)	5,379	9,281	(12)	(54)
Cost of Goods Manufactured	72,561	121,023	1,064,868	730,575
Finished goods (Net)	87,049	78,198	(451,304)	(137,541)
	159,610	199,221	613,564	593,034

**Nine Months Ended
June 30
2008 2007
(Rupees in thousands)**

8. TRANSACTIONS WITH RELATED PARTIES

Name

Kohinoor Enterprises (Pvt) Ltd.	1,440	1,080
Provident Fund Trust	360	858
Sponsors	7,294	87,548

9. DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorized for issue by the Board of Directors on July 28, 2008.

10. GENERAL

Figures have been rounded off to the nearest thousand rupees. Corresponding figures have been rearranged wherever necessary for comparison. However, no significant re-arrangement has been made.

M. SALEEM SAIGOL
Director

M. FAROOQUE SAIGOL
Chief Executive