



KOHINOOR SUGAR MILLS LIMITED

29-G, GULBERG II, LAHORE - 54660

INTERIM FINANCIAL STATEMENTS

JUNE 30, 2009



DIRECTORS' REVIEW

Your Directors are pleased to present the Quarterly report for the period ended June 30, 2009.

SECTOR OVERVIEW

Sugar rates remain at previous quarter's levels despite alarms being raised about shortage of sugar, whereas the directors believe that with carryover stocks no shortage exists. The international sugar prices have risen to levels where import is not a viable option.

FINANCIAL PERFORMANCE

Through tight fiscal controls and cost conscious approach, the management has, so far, successfully countered inflationary impact.

FUTURE PROSPECTS

Sugar prices will improve albeit slowly. We are hopeful that government efforts to reduce interest rates will be successful, thereby reducing our financial cost.

Lahore.
July 25, 2009.

M. FAROOQUE SAIGOL
Chief Executive

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)						
FOR THE NINE MONTHS ENDED JUNE 30, 2009 (Rupees in thousands)						
	Share Capital	Share Premium	General Reserve	Revaluation Surplus	Un-appropriated Balance	Total
Balance as at Oct. 01, 2007	109,098	26,879	62,000	565,688	(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	26,879	62,000	565,688	(166,876)	596,789
Balance as at Oct. 01, 2008	109,098	26,879	62,000	565,688	(186,372)	577,293
Net profit for the nine months ended June 30, 2009	-	-	-	-	23,947	23,947
Balance as at June 30, 2009	109,098	26,879	62,000	565,688	(162,425)	601,240



KOHINOOR SUGAR MILLS LIMITED

BALANCE SHEET

	As at	
	Un-Audited June 30 2009	Audited Sep. 30 2008
	(Rupees in thousands)	
NON CURRENT ASSETS		
Property, plant and equipment (Note-5)	1,552,462	1,559,495
LONG TERM DEPOSITS	1,751	1,400
DEFERRED TAX ASSETS	10,584	10,584
CURRENT ASSETS		
Stores, spare parts and loose tools	154,940	119,652
Stock in trade	289,124	358,440
Loans and advances	28,116	40,279
Short term deposits and prepayments	411	1,459
Other receivables	14,533	14,595
Taxation	30,828	27,576
Cash and bank balances	7,463	8,772
	525,415	570,773
CURRENT LIABILITIES		
Trade and other payables	396,517	561,601
Accrued mark-up	43,899	37,588
Short term borrowings – Secured	307,047	239,176
Current portion of long term liabilities	32,189	11,290
	779,652	849,655
CURRENT ASSETS LESS CURRENT LIABILITIES	<u>(254,237)</u>	<u>(278,882)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	1,310,560	1,292,597
CONTINGENCIES AND COMMITMENTS (Note-6)	–	–
NON CURRENT LIABILITIES		
Long term finances – Secured	473,666	516,916
Liabilities against assets subject to finance lease	4,208	3,219
Sponsors' loan – Unsecured	230,137	193,860
	708,011	713,995
LONG TERM PROVISION	1,309	1,309
NET ASSETS	<u>601,240</u>	<u>577,293</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	(162,425)	(186,372)
	(100,425)	(124,372)
TOTAL CAPITAL AND RESERVES	35,552	11,605
SURPLUS ON REVALUATION OF LAND	565,688	565,688
	<u>601,240</u>	<u>577,293</u>

Lahore
July 25, 2009

M. SALEEM SAIGOL
Director

M. FAROOQUE 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	
	2009	2008	2009	2008
SALES	345,539	230,123	1,125,809	689,800
COST OF SALES (Note-7)	<u>304,556</u>	<u>159,610</u>	<u>966,007</u>	<u>613,564</u>
GROSS PROFIT	40,983	70,513	159,802	76,236
OPERATING EXPENSES				
Distribution cost	<u>311</u>	<u>541</u>	<u>2,293</u>	<u>5,202</u>
Administrative expenses	<u>15,973</u>	<u>13,680</u>	<u>51,476</u>	<u>39,933</u>
	<u>16,284</u>	<u>14,221</u>	<u>53,769</u>	<u>45,135</u>
PROFIT FROM OPERATIONS	24,699	56,292	106,033	31,101
FINANCE COST	31,008	26,960	83,720	64,325
OTHER INCOME / (EXPENSES)	<u>(1,375)</u>	<u>155</u>	<u>1,634</u>	<u>11,627</u>
PROFIT/(LOSS) BEFORE TAXATION	(7,684)	29,487	23,947	(21,597)
PROVISION FOR TAXATION (Note-8)	<u>-</u>	<u>(1,150)</u>	<u>-</u>	<u>(3,455)</u>
PROFIT/(LOSS) AFTER TAXATION	(7,684)	28,337	23,947	(25,052)
BALANCE BROUGHT FORWARD	<u>(154,741)</u>	<u>(195,213)</u>	<u>(186,372)</u>	<u>(141,824)</u>
	<u>(162,425)</u>	<u>(166,876)</u>	<u>(162,425)</u>	<u>(166,876)</u>
EARNING PER SHARE (Rupees)	(0.70)	2.60	2.19	(2.30)

Lahore
July 25, 2009**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	
	2009	2008
	(Rupees in thousands)	
Cash flow from operating activities		
Profit/(loss) before taxation	23,947	(21,597)
Adjustments for :		
Depreciation	46,298	46,148
Finance cost	83,720	64,325
(Gain)/loss on disposal of fixed assets	—	(10,332)
Operating profit/(loss) before working capital changes	<u>153,965</u>	<u>78,544</u>
(Increase) / Decrease in current assets		
Stores, spare parts and loose tools	(35,288)	(3,774)
Stock in trade	69,316	(451,315)
Trade debts	—	4,273
Loans and advances	12,163	10,621
Short term deposits and prepayments	1,048	(20)
Other receivables	62	287
	<u>201,266</u>	<u>(361,384)</u>
Increase / (Decrease) in current liabilities		
Trade and other payables	(165,084)	294,671
Cash (used in) / generated from operations	<u>36,182</u>	<u>(66,713)</u>
Taxes paid	(3,253)	(4,270)
Finance cost paid	(114,053)	(80,626)
Net Cash (used in)/generated from operating activities	<u>(81,124)</u>	<u>(151,609)</u>
Cash flow from investing activities		
Addition to fixed assets	(1,834)	(5,875)
Long term deposits	(351)	—
Sale proceeds on disposal of fixed assets	—	10,509
Addition to capital work in progress	(786)	(69,836)
Net cash used in investing activities	<u>(2,971)</u>	<u>(65,202)</u>
Cash flow from financing activities		
Increase / (Decrease) in long term finances	(19,250)	(34,308)
Increase / (Decrease) in lease liabilities	(2,112)	(3,155)
Increase / (Decrease) in short term borrowings	67,871	262,218
Increase / (Decrease) in sponsors' loan	36,277	(7,294)
Net cash (used in) / generated from financing activities	<u>82,786</u>	<u>217,461</u>
Net increase/(decrease) in cash & cash equivalents	(1,309)	650
Cash & cash equivalents at the beginning of the period	8,772	1,171
Cash & cash equivalents at the close of the period	<u>7,463</u>	<u>1,821</u>

M. SALEEM SAIGOL
Director

M. FAROOQUE SAIGOL
Chief Executive



KOHINOOR SUGAR MILLS LIMITED

NOTES TO THE ACCOUNTS

FOR THE NINE MONTHS ENDED JUNE 30, 2009

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.

	June 30, 2009	Sep. 30, 2008
	(Rupees in thousands)	
5. PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	1,559,495	1,507,054
Add: Additions during the period	39,265	115,956
	<u>1,598,760</u>	<u>1,623,010</u>
Less: Disposals during the period (at book value)	-	175
	<u>1,598,760</u>	<u>1,622,835</u>
Less: Depreciation charged during the period	46,298	63,340
	<u>1,552,462</u>	<u>1,559,495</u>

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There were no known quantifiable contingencies as on June 30, 2009 except performance bond of Rs. 3.855 million provided to TCP against supply of 3000 M. Tons of sugar.

6.2 Commitments

Commitments in respect of capital expenditure were Rs. 5.908 million.



KOHINOOR SUGAR MILLS LIMITED

**NOTES TO THE ACCOUNTS
FOR THE NINE MONTHS ENDED JUNE 30, 2009**

	(Rupees in thousands)			
	Quarter ended June 30		Nine months ended June 30	
	2009	2008	2009	2008
7. COST OF SALES				
Raw Material				
Cane purchased and consumed	–	31,264	761,101	926,994
Salaries, wages and staff welfare	9,432	12,508	46,559	44,849
Chemicals, fuel, lubes & packing material	343	2,268	25,294	30,874
Manufacturing expenses	2,262	4,666	18,980	17,715
Depreciation	14,913	16,476	44,757	44,448
	<u>26,950</u>	<u>67,182</u>	<u>896,691</u>	<u>1,064,880</u>
Work in process (Net)	(38)	5,379	(321)	(12)
Cost of Goods Manufactured	<u>26,912</u>	<u>72,561</u>	<u>896,370</u>	<u>1,064,868</u>
Finished goods				
Opening stock	565,507	713,164	357,500	174,811
Closing stock	<u>287,863</u>	<u>626,115</u>	<u>287,863</u>	<u>626,115</u>
	<u>277,644</u>	<u>87,049</u>	<u>69,637</u>	<u>(451,304)</u>
	<u>304,556</u>	<u>159,610</u>	<u>966,007</u>	<u>613,564</u>

8. TAXATION

No provision for taxation has been made on the basis of tax losses and after the depletion of section 113 of the Income Tax Ordinance, 2001.

**Nine Months Ended
June 30
2009 2008
(Rupees in thousands)**

9. TRANSACTIONS WITH RELATED PARTIES

Kohinoor Enterprises (Pvt) Ltd.	1,080	1,440
Provident Fund Trust	2,495	360
Sponsors	36,277	7,294

10. DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorized for issue by the Board of Directors on July 25, 2009.

11. GENERAL

Figures have been rounded off to the nearest thousand rupees. Corresponding figures have been rearranged wherever necessary for comparison purposes. However, no material reclassification has been made.

M. SALEEM SAIGOL
Director

M. FAROOQUE SAIGOL
Chief Executive

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