



KOHINOOR SUGAR MILLS LIMITED

DIRECTORS' REVIEW

Your Directors are pleased to present the Quarterly report for the period ended December 31, 2009.

Sugarcane cultivation in central Punjab has reduced by over 20% from last year and sugarcane availability is sharply lower. Consequently, sugarcane price has increased to unprecedented levels as mills compete for the crop. Sugar production from the available crop is lower due to winter drought, fog and colder temperatures. Sugar prices are also higher at present, however, future trend will be determined by government policy in this regard.

Lahore:
January 25, 2010.

M. FAROOQUE SAIGOL
Chief Executive

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)						
FOR THE QUARTER ENDED DECEMBER 31, 2009 (Rupees in thousands)						
	Share Capital	Share Premium	General Reserve	Revaluation Surplus	Un-appropriated Balance	Total
Balance as at Oct. 01, 2008	109,098	26,879	62,000	565,688	(186,372)	577,293
Profit for the period	-	-	-	-	5,331	5,331
Balance as at Dec. 31, 2008	<u>109,098</u>	<u>26,879</u>	<u>62,000</u>	<u>565,688</u>	<u>(181,041)</u>	<u>582,624</u>
Balance as at Oct. 01, 2009	109,098	26,879	62,000	648,341	(173,921)	672,397
Loss for the period	-	-	-	-	(28,666)	(28,666)
Balance as at Dec. 31, 2009	<u>109,098</u>	<u>26,879</u>	<u>62,000</u>	<u>648,341</u>	<u>(202,587)</u>	<u>643,731</u>



KOHINOOR SUGAR MILLS LIMITED

BALANCE SHEET

	As at	
	Dec 31 2009	Sep. 30 2009
	Un-Audited	Audited
	(Rupees in thousands)	
NON CURRENT ASSETS		
Property, plant and equipment	1,626,114	1,629,705
LONG TERM DEPOSITS	479	479
DEFERRED TAX ASSET	18,512	18,512
CURRENT ASSETS		
Stores, spare parts and loose tools	162,971	161,204
Stock in trade	211,798	92,362
Loans and advances	14,862	29,490
Trade deposits and short term prepayments	1,365	1,587
Other receivables	14,536	14,461
Taxation	28,628	28,759
Cash and bank balances	2,620	13,350
	436,780	341,213
CURRENT LIABILITIES		
Trade and other payables	489,088	343,406
Accrued mark-up	33,018	24,580
Short term borrowings	69,797	99,547
Current portion of long term liabilities	36,455	31,224
Provision for taxation	1,167	1,267
	629,525	500,024
CURRENT ASSETS LESS CURRENT LIABILITIES	(192,745)	(158,811)
TOTAL ASSETS LESS CURRENT LIABILITIES	1,452,360	1,489,885
CONTINGENCIES AND COMMITMENTS	-	-
NON CURRENT LIABILITIES		
Long term finances – Secured	387,083	397,874
Liabilities against assets subject to finance lease	1,436	1,436
Sponsors' loan		
Subordinated	180,000	180,000
Other	238,801	236,869
	418,801	416,869
	807,320	816,179
LONG TERM PROVISION	1,309	1,309
NET ASSETS	<u>643,731</u>	<u>672,397</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	(202,587)	(173,921)
	(140,587)	(111,921)
TOTAL CAPITAL AND RESERVES	(4,610)	24,056
SURPLUS ON REVALUATION OF LAND	648,341	648,341
	<u>643,731</u>	<u>672,397</u>

Lahore:
January 25, 2010.


M. SALEEM SAIGOL
Director


M. FAROOQUE SAIGOL
Chief Executive



KOHINOOR SUGAR MILLS LIMITED

PROFIT AND LOSS ACCOUNT

(UN-AUDITED)

	Quarter ended December 31	
	2009	2008
	(Rupees in thousands)	
SALES	231,273	370,612
COST OF SALES (Note – 7)	221,928	326,948
GROSS PROFIT	9,345	43,664
OPERATING EXPENSES		
Distribution cost	283	586
Administrative expenses	14,410	15,127
Other operating expenses	400	416
	15,093	16,129
PROFIT / (LOSS) FROM OPERATIONS	(5,748)	27,535
FINANCE COST	24,235	23,401
OTHER INCOME / (EXPENSES)	2,484	1,197
PROFIT / (LOSS) BEFORE TAXATION	(27,499)	5,331
PROVISION FOR TAXATION	(1,167)	–
PROFIT / (LOSS) AFTER TAXATION	(28,666)	5,331
EARNING PER SHARE (RS.)	(2.63)	0.49

Lahore:
January 25, 2010.


M. SALEEM SAIGOL
Director


M. FAROOQUE SAIGOL
Chief Executive



KOHINOOR SUGAR MILLS LIMITED

**STATEMENT OF CHANGES IN FINANCIAL POSITION
CASH FLOW STATEMENT**

	Quarter ended December 31	
	2009	2008
	(Rupees in thousands)	
Cash flow from operating activities		
Profit / (loss) before taxation	(27,499)	5,331
Adjustments for :		
Depreciation	13,919	15,442
Finance cost	24,235	23,401
(Gain) / loss on disposal of fixed assets	(61)	-
Workers' profit participation fund	-	266
Operating profit before working capital changes	<u>10,594</u>	<u>44,440</u>
(Increase) / Decrease in current assets		
Stores, spare parts and loose tools	(1,767)	(17,184)
Stock in trade	(119,436)	30,751
Loans and advances	14,628	25,143
Trade deposits and short term prepayments	222	(810)
Other receivables	<u>(75)</u>	<u>518</u>
	(95,834)	82,858
Increase / (Decrease) in current liabilities		
Trade and other payables	<u>145,682</u>	<u>43,084</u>
Cash (used in) / generated from operations	49,848	125,942
Taxes paid	(1,136)	(322)
Finance cost paid	<u>(26,119)</u>	<u>(32,068)</u>
Net Cash (used in) / generated from operating activities	22,593	93,552
Cash flow from investing activities		
Addition to property, plant and equipment	(24)	(11)
Sale proceeds on disposal of fixed assets	80	-
Net cash used in investing activities	56	(11)
Cash flow from financing activities		
Increase / (Decrease) in long term finances	(4,667)	(1,667)
Increase / (Decrease) in lease liabilities	(894)	(475)
Increase / (Decrease) in short term borrowings	(29,750)	(97,208)
Increase / (Decrease) in sponsors' loan	1,932	2,093
Net cash (used in) / generated from financing activities	<u>(33,379)</u>	<u>(97,257)</u>
Net increase / (decrease) in cash & cash equivalents	(10,730)	(3,716)
Cash & cash equivalents at the beginning of the period	13,350	8,772
Cash & cash equivalents at the close of the period	2,620	5,056

Lahore:
January 25, 2010.


M. SALEEM SAIGOL
Director


M. FAROOQUE SAIGOL
Chief Executive



KOHINOOR SUGAR MILLS LIMITED

**NOTES TO THE ACCOUNTS
FOR THE QUARTER ENDED DECEMBER 31, 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 THREE 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

Provision for taxation has been made on the basis of section 113 of the Income Tax Ordinance, 2001.

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There were no known quantifiable contingencies as on December 31, 2009 except performance bond of Rs. 3.855 million provided to TCP against supply of 3,000 M. Tons of sugar.

6.2 Commitments

Commitments in respect of capital expenditure were Rs. 6.517 million.



KOHINOOR SUGAR MILLS LIMITED

**NOTES TO THE ACCOUNTS
FOR THE QUARTER ENDED DECEMBER 31, 2009**

	2009	2008
7 COST OF SALES	(Rupees in thousand)	
Raw Material :		
Cane purchased and consumed	294,330	244,939
Salaries, wages and staff welfare	12,461	16,013
Chemicals, fuel, lubes & packing material	7,247	9,890
Manufacturing expenses	13,907	10,415
Depreciation	13,419	14,940
	<u>341,364</u>	<u>296,197</u>
Work in process (Net)	<u>(24,669)</u>	<u>(9,021)</u>
Cost of Goods Manufactured	316,695	287,176
Finished goods		
Opening stock	91,051	357,500
Closing stock	(185,818)	(317,728)
	<u>(94,767)</u>	<u>39,772</u>
	<u>221,928</u>	<u>326,948</u>

8 TRANSACTIONS WITH RELATED PARTIES

Kohinoor Enterprises (Pvt.) Ltd.	720	360
Provident Fund Trust	763	794
Sponsors - Directors	1,932	2,093

9 DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorized for issue by the Board of Directors on January 25, 2010.

10 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.

Lahore:
January 25, 2010.


M. SALEEM SAIGOL
Director


M. FAROOQUE SAIGOL
Chief Executive