



KOHINOOR SUGAR MILLS LIMITED

DIRECTORS' REVIEW

Your Directors are pleased to present the quarterly report for the period ended December 31, 2002.

By the Grace of Allah, the mills are operating at a higher crushing level this season. The management's timely decision to enhance the crushing capacity has been rewarded with higher production in the current season. However, the cane crop in our area has been damaged by pyrilla and recovery has dropped significantly.

Sugar sale rates are lower this season because of expectation of higher production in the country.

January 25, 2003.
Lahore.

M. USMAN SAIGOL
Chief Executive

						Quarter ended	
						December 31	
						2002	2001
						(Rupees in thousands)	
STATEMENT OF CHANGES IN EQUITY							
	Share Capital	Share Premium	General Reserve	Revalu- ation Surplus	Accumu- lated P & L A/C		
Balance as at Oct. 01	94,868	41,109	62,000	334,256	(27,372)	504,861	242,029
Loss for the Period	-	-	-	-	(7,454)	(7,454)	(37,853)
Balance as at Dec. 31	94,868	41,109	62,000	334,256	(34,826)	497,407	204,176

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

	As at	
	31 Dec. 2002	30 Sept. 2002
	(Rupees in thousands)	
FIXED ASSETS		
Operating fixed assets	544,638	549,954
Operating fixed assets subject to finance lease	40,586	41,638
Capital work in progress	57,711	48,111
	642,935	639,703
LONG TERM DEPOSITS	2,678	2,678
CURRENT ASSETS		
Stores, spares and loose tools	55,379	52,693
Stock in trade	135,752	65,816
Advances, deposits and prepayments	39,939	37,530
Taxation	20,821	20,350
Short term investment	3,000	3,000
Cash and bank balances	22,626	5,337
	277,517	184,726
CURRENT LIABILITIES		
Short term borrowings	141,222	115,893
Current maturity of long term and other loans	15,600	15,600
Current maturity of liabilities against assets subject to finance lease	23,127	29,538
Creditors, provisions and accrued expenses	142,750	53,770
Dividend:		
Un-claimed	405	405
Proposed	14,230	14,230
	337,334	229,436
CURRENT ASSETS LESS CURRENT LIABILITIES	(59,817)	(44,710)
TOTAL ASSETS LESS CURRENT LIABILITIES	585,796	597,671
LONG TERM LIABILITIES		
Long term loans	37,499	36,834
Liabilities against assets subject to finance lease	7,614	7,614
Other loan	28,632	33,718
	73,745	78,166
OTHER LIABILITIES	14,644	14,644
NET ASSETS	497,407	504,861
REPRESENTED BY :		
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	(34,826)	(27,372)
TOTAL CAPITAL AND RESERVES	163,151	170,605
SURPLUS ON REVALUATION OF LAND	334,256	334,256
	497,407	504,861

M. FAROOQUE SAIGOL
Director**M. USMAN SAIGOL**
Chief Executive

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

(UN-AUDITED)

	Quarter ended December 31	
	2002	2001
	(Rupees in thousands)	
SALES	212,909	192,671
COST OF SALES	<u>206,103</u>	<u>207,123</u>
GROSS PROFIT/ (LOSS)	6,806	(14,452)
OPERATING EXPENSES		
Administrative	<u>8,688</u>	<u>7,197</u>
Selling	<u>845</u>	<u>693</u>
	<u>9,533</u>	<u>7,890</u>
OPERATING LOSS	(2,727)	(22,342)
FINANCIAL AND OTHER CHARGES	6,226	14,850
OTHER INCOME/(EXPENSES)	<u>2,564</u>	<u>302</u>
LOSS BEFORE TAXATION	(6,389)	(36,890)
PROVISION FOR TAXATION	<u>(1,065)</u>	<u>(963)</u>
LOSS AFTER TAXATION	(7,454)	(37,853)
BALANCE BROUGHT FORWARD	<u>(27,372)</u>	<u>(58,868)</u>
	<u>(34,826)</u>	<u>(96,721)</u>
EARNING PER SHARE (Rs.)	(0.79)	(3.99)

	2002	2001
	(Rupees in thousands)	
Note – 1 COST OF SALES		
Raw Material		
Cane purchased (Net)	<u>242,277</u>	<u>80,633</u>
Raw sugar	<u>-</u>	<u>4,820</u>
	<u>242,277</u>	<u>85,453</u>
Salaries, wages and staff welfare	8,698	5,859
Manufacturing expenses	18,872	11,322
Depreciation	5,162	5,642
Amortization	<u>1,030</u>	<u>1,144</u>
	<u>276,039</u>	<u>109,420</u>
Work in process (Net)	<u>(8,430)</u>	<u>(6,048)</u>
Cost of Goods Produced	267,609	103,372
Finished goods (Net)	<u>(61,506)</u>	<u>103,751</u>
	<u>206,103</u>	<u>207,123</u>
Note – 2 These financial statements have been prepared in compliance with IAS 34.		
Note – 3 Accounting policies adopted for quarterly accounts are same as adopted for annual accounts.		
Note – 4 Figures of previous year have been rearranged according to current presentation.		



KOHINOOR SUGAR MILLS LIMITED

STATEMENT OF CHANGES IN FINANCIAL POSITION
(CASH FLOW STATEMENT)

	Quarter ended	
	December 31	
	2002	2001
	(Rupees in thousands)	
Cash flow from operating activities		
Net loss before taxation	(6,389)	(36,890)
Adjustments for :		
Depreciation	5,457	6,021
Amortization	1,052	1,172
Profit on sale of fixed assets	-	(122)
Financial charges	6,226	14,850
Profit on short term investment	132	-
Operating profit/(loss) before working capital changes	<u>6,478</u>	<u>(14,969)</u>
(Increase)/Decrease in current assets		
Stores, spares and loose tools	(2,686)	1,664
Stock in trade	(69,936)	102,524
Advances, deposits & prepayments	(2,409)	(6,524)
	<u>(68,553)</u>	<u>82,695</u>
Increase/(Decrease) in current liabilities		
Creditors, provisions & accrued expenses	88,629	97,632
Cash (used in)/generated from operations	<u>20,076</u>	<u>180,327</u>
Taxes paid	(1,535)	(2,405)
Financial charges paid	(7,672)	(13,229)
Net Cash (used in)/generated from operating activities	<u>10,869</u>	<u>164,693</u>
Cash flow from investing activities		
Addition to fixed assets	(141)	(4,656)
Sale proceeds on disposal of fixed assets	-	(525)
Addition to CWIP	(7,936)	(4,748)
Net cash used in investing activities	<u>(8,077)</u>	<u>(9,929)</u>
Cash flow from financing activities		
Increase/(Decrease) in long term loans	665	(7,378)
Increase/(Decrease) in lease liabilities	(6,412)	144
Increase/(Decrease) in short term borrowings	25,330	(113,563)
Increase/(Decrease) in other loan	(5,086)	6,119
Net cash (used in)/generated from financing activities	<u>14,497</u>	<u>(114,678)</u>
Net increase/(decrease) in cash & cash equivalents	<u>17,289</u>	<u>40,086</u>
Cash & cash equivalents at beginning of the period	<u>8,337</u>	<u>1,557</u>
Cash & cash equivalents at close of the period	<u>25,626</u>	<u>41,643</u>

M. FAROOQUE SAIGOL
Director

M. USMAN SAIGOL
Chief Executive