



KOHINOOR SUGAR MILLS LIMITED

61-B-1, GULBERG III, LAHORE - 54660.

INTERIM FINANCIAL STATEMENTS

31 MARCH, 2004



DIRECTORS' REVIEW

Your Directors are pleased to present the quarterly report for the period ended March 31, 2004.

OPERATING RESULTS

	Period ended 31 March	2004	2003
Crushing days	No.	123	154
Cane crushing	M. Tons	560,862	600,004
Recovery	%	9.17	7.72
Production	M. Tons	50,933	45,855
	Season ended	10 April, 2004	12 April, 2003
Crushing days	No.	133	166
Cane crushing	M. Tons	583,339	630,565
Recovery	%	9.16	7.74
Production	M. Tons	53,446	48,786

By the Grace of the Almighty, the current crushing season has been highly productive for your company. Recovery of sugar has shown remarkable improvement giving record production of sugar.

However, sugar prices have crashed due to surplus of sugar in the country. The lack of a long-term government policy for export of surplus sugar will continue to create uncertainty in the local market, which continues to be a cause of concern to the management.

Lahore.
April 27, 2004.

M. USMAN SAIGOL
Chief Executive

						Six months ended March 31	
						2004	2003
						(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	(60,315)	471,918	504,861
Profit for the Period	-	-	-	-	7,751	7,751	23,106
Balance as at March 31	94,868	41,109	62,000	334,256	(52,564)	479,669	527,967



KOHINOOR SUGAR MILLS LIMITED

REVIEW REPORT TO THE MEMBERS

We have reviewed the annexed balance sheet of **Kohinoor Sugar Mills Limited** as at March 31, 2004 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "financial statements") for the half year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the International standard on Auditing applicable to review engagements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

The advance to Kohinoor Textile Mills Limited which was necessitated due to the reorganization of management in the Saigol Group of Companies, together with interest up to September 30, 1985 amounting to Rs. 9.715 million. No interest has been provided on the said advance since September 30, 1985. The balance appearing in the audited accounts of Kohinoor Textile Mills Limited is Rs. 4.794 million. The balance confirmation in this regard was not provided by the management. The Company has taken legal action for the recovery of the dues. No provision against amount recoverable has been made in the accounts.

Based on our review, except for the matter relating to advance to Kohinoor Textile Mills Limited as stated above, nothing has come to our attention that causes us to believe that the annexed financial statements are not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Lahore.
April 27, 2004.

S. Zafar Shah Naveed Imran & Co.
Chartered Accountants

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

	As at	
	31 March 2004	30 Sep. 2003
	(Rupees in thousands)	
FIXED ASSETS – Tangible		
Operating fixed assets	607,872	538,412
Operating fixed assets subject to finance lease	43,749	41,848
Capital work in progress	12,904	70,728
	664,525	650,988
LONG TERM DEPOSITS	4,443	3,616
CURRENT ASSETS		
Stores, spares and loose tools	55,583	60,437
Stock in trade	479,322	96,517
Trade debts	–	3,367
Advances, deposits and prepayments	41,350	41,032
Taxation	21,533	21,839
Cash and bank balances	7,010	2,622
	604,798	225,814
CURRENT LIABILITIES		
Short term borrowings	440,420	152,272
Current maturity of long term loans	28,667	28,667
Current maturity of liabilities against assets subject to finance lease	9,142	15,743
Creditors, provisions and accrued expenses	147,493	43,459
Dividend: Un-claimed	472	506
	626,194	240,647
CURRENT ASSETS LESS CURRENT LIABILITIES	(21,396)	(14,833)
TOTAL ASSETS LESS CURRENT LIABILITIES	647,572	639,771
LONG TERM LIABILITIES		
Long term loans	86,393	95,726
Liabilities against assets subject to finance lease	26,110	22,170
Other loan	40,756	35,313
	153,259	153,209
OTHER LIABILITIES	14,644	14,644
NET ASSETS	479,669	471,918
REPRESENTED BY :		
Share capital	94,868	94,868
Capital reserve – premium on right shares	41,109	41,109
Revenue reserve		
General reserve	62,000	62,000
Balance transferred from profit & loss account	(52,564)	(60,315)
	9,436	1,685
TOTAL CAPITAL AND RESERVES	145,413	137,662
SURPLUS ON REVALUATION OF LAND	334,256	334,256
	479,669	471,918

Lahore,
April 27, 2004.**M. FAROQUE SAIGOL**
Director**M. USMAN SAIGOL**
Chief Executive



KOHINOOR SUGAR MILLS LIMITED

PROFIT AND LOSS ACCOUNT

(UN-AUDITED)

	(Rupees in thousands)			
	Quarter ended March 31		Six months ended March 31	
	2004	2003	2004	2003
SALES	164,447	225,858	302,402	438,767
COST OF SALES	125,398	177,628	261,858	383,731
GROSS PROFIT	39,049	48,230	40,544	55,036
OPERATING EXPENSES				
Administrative	9,400	8,131	17,927	16,819
Selling	961	980	1,904	1,825
	10,361	9,111	19,831	18,644
OPERATING PROFIT	28,688	39,119	20,713	36,392
FINANCIAL AND OTHER CHARGES	6,818	7,908	13,149	14,134
OTHER INCOME	800	478	1,707	3,042
PROFIT BEFORE TAXATION	22,670	31,689	9,271	25,300
TAXATION	(826)	(1,129)	(1,520)	(2,194)
PROFIT AFTER TAXATION	21,844	30,560	7,751	23,106
BALANCE BROUGHT FORWARD	(74,408)	(34,826)	(60,315)	(27,372)
	(52,564)	(4,266)	(52,564)	(4,266)
EARNING PER SHARE (Rs.)	0.23	0.32	0.08	0.24

	(Rupees in thousands)			
	Quarter ended March 31		Six months ended March 31	
	2004	2003	2004	2003
Note – 1 COST OF SALES				
Raw Material				
Cane purchased (Net)	429,572	386,177	575,381	628,454
Salaries, wages and staff welfare	10,737	9,854	17,361	18,552
Chemicals, fuel, lubes & packing material	13,337	13,556	18,371	20,437
Manufacturing expenses	6,522	4,529	17,326	16,520
Depreciation	7,183	5,917	13,790	11,079
Amortization	1,217	1,030	2,435	2,060
	468,568	421,063	644,664	697,102
Work in process (Net)	(5,947)	1,466	(5,947)	(6,964)
Cost of Goods Produced	462,621	422,529	638,717	690,138
Finished goods (Net)	(337,223)	(244,901)	(376,859)	(306,407)
	125,398	177,628	261,858	383,731
Note – 2 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.				
Note – 3 Accounting policies adopted for quarterly accounts are the same as adopted for annual accounts.				

M. FAROOQUE SAIGOL
Director

M. USMAN SAIGOL
Chief Executive

**KOHINOOR SUGAR MILLS LIMITED****STATEMENT OF CHANGES IN FINANCIAL POSITION
(CASH FLOW STATEMENT)**

	Six months ended March 31	
	2004	2003
	(Rupees in thousands)	
Cash flow from operating activities		
Profit before taxation	9,271	25,300
Adjustments for :		
Depreciation	14,546	11,671
Amortization	2,556	2,104
Financial and other charges	13,149	12,326
Profit on sale of fixed assets	-	(9)
Profit on short term investment	-	(308)
Operating profit before working capital changes	<u>39,522</u>	<u>51,084</u>
(Increase)/Decrease in current assets		
Stores, spares and loose tools	4,854	(2,290)
Stock in trade	(382,804)	(313,370)
Trade debts	3,367	-
Advances, deposits & prepayments	<u>(318)</u>	<u>(316)</u>
	<u>(335,379)</u>	<u>(264,892)</u>
Increase/(Decrease) in current liabilities		
Creditors, provisions and accrued expenses	<u>102,618</u>	<u>91,535</u>
Cash (Used in)/generated from operations	<u>(232,761)</u>	<u>(173,357)</u>
Taxes paid	(1,215)	(1,659)
Dividend paid	(34)	-
Financial charges paid	<u>(12,378)</u>	<u>(13,467)</u>
Net Cash (used in)/generated from operating activities	<u>(246,388)</u>	<u>(188,483)</u>
Cash flow from investing activities		
Addition to fixed assets	(2,781)	(2,082)
Long term deposits	(828)	-
Interest received	85	-
Sale and lease back	(4,457)	-
Sale proceeds on disposal of fixed assets	-	9
Addition to capital work in progress	<u>(22,842)</u>	<u>(10,502)</u>
Net cash used in from investing activities	<u>(30,823)</u>	<u>(12,575)</u>
Cash flow from financing activities		
Increase/(Decrease) in long term loans	(9,333)	(4,936)
Increase/(Decrease) in lease liabilities	(2,659)	(12,123)
Increase/(Decrease) in short term borrowings	288,148	201,000
Increase/(Decrease) in other loan	5,443	12,456
Net cash (used in)/generated from financing activities	<u>281,599</u>	<u>196,397</u>
Net increase/(decrease) in cash & cash equivalents	4,388	(4,661)
Cash & cash equivalents at beginning of the period	2,622	8,337
Cash & cash equivalents at close of the period	<u>7,010</u>	<u>3,676</u>

M. FAROOQUE SAIGOL
Director

M. USMAN SAIGOL
Chief Executive