



## **KOHINOOR SUGAR MILLS LIMITED**

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

### **INTERIM FINANCIAL STATEMENTS**

**FOR THE QUARTER ENDED**

**DECEMBER 31, 2004**



KOHINOOR SUGAR MILLS LIMITED

## DIRECTORS' REVIEW

Your directors are pleased to present the un-audited quarterly report for the period ended December 31, 2004.

Improved sugar rates in the current season have spurred sales and improved profitability. However, sugarcane availability is lower than the previous year which will impact overall production in the country and reduce (but not eliminate) the sugar glut, which has persisted since the last 3 years.

The Directors do not see any shortage of sugar in 2004-05. In our view, recent price fluctuations are purely speculative in nature. A steadfastly consistent sugar policy remains the need of the hour.

**M. USMAN SAIGOL**

Chief Executive

Lahore: January 27, 2005.

<b>STATEMENT OF CHANGES IN EQUITY</b>						(Rupees in thousands)	
	Share Capital	Share Premium	General Reserve	Revaluation Surplus	Unappropriated Balance	<b>Quarter ended December 31</b>	
						<b>2004</b>	<b>2003</b>
Balance as at Oct. 01	94,868	41,109	62,000	334,256	(31,633)	500,600	471,918
Profit/(Loss) for the Period	—	—	—	—	50,901	50,901	(14,093)
Balance as at Dec. 31	<b>94,868</b>	<b>41,109</b>	<b>62,000</b>	<b>334,256</b>	<b>19,268</b>	<b>551,501</b>	<b>457,825</b>

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

	As at	
	31 Dec. 2004	30 Sep. 2004
	(Rupees in thousands)	
<b>FIXED ASSETS</b>		
Property, plant and equipments	634,145	610,816
Assets subject to finance lease	31,242	32,571
Capital work in progress	1,531	26,002
	666,918	669,389
<b>LONG TERM DEPOSITS</b>	4,677	4,727
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	63,012	63,264
Stock in trade	57,005	95,608
Trade debts – Unsecured, considered good	6,741	4,671
Advances, deposits and prepayments	35,546	32,836
Taxation	28,647	31,475
Cash and bank balances	46,819	1,169
	237,770	229,023
<b>CURRENT LIABILITIES</b>		
Short term borrowings–Secured	30,000	163,963
Current maturity of long term loans	82,393	87,060
Current maturity of liabilities against assets subject to finance lease	8,552	11,331
Creditors, provisions and accrued expenses	154,309	27,821
Provision for taxation	1,607	4,100
Dividend: Un-claimed	471	471
	277,332	294,746
<b>CURRENT ASSETS LESS CURRENT LIABILITIES</b>	(39,562)	(65,723)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	632,033	608,393
<b>CONTINGENCIES AND COMMITMENTS</b>	–	–
<b>NON CURRENT LIABILITIES</b>		
Long term loans – Secured	18,667	18,667
Liabilities against assets subject to finance lease	16,567	16,928
Other loan – Un secured	30,654	57,554
	65,888	93,149
<b>OTHER LIABILITIES</b>	14,644	14,644
<b>NET ASSETS</b>	551,501	500,600
<b>REPRESENTED BY :</b>		
Share capital	94,868	94,868
Capital reserve – premium on right shares	41,109	41,109
Revenue reserve		
General reserve	62,000	62,000
Unappropriated balance	19,268	(31,633)
	81,268	30,367
<b>TOTAL CAPITAL AND RESERVES</b>	217,245	166,344
<b>SURPLUS ON REVALUATION OF LAND</b>	334,256	334,256
	551,501	500,600

LAHORE :  
January 27, 2005**M. FAROQUE SAIGOL**  
Director**M. USMAN SAIGOL**  
Chief Executive

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

(UN-AUDITED)

	Quarter ended December 31	
	2004	2003
	(Rupees in thousands)	
SALES	320,014	137,955
COST OF SALES	<u>252,049</u>	<u>136,460</u>
GROSS PROFIT	67,965	1,495
OPERATING EXPENSES		
Administrative	<u>9,313</u>	<u>8,527</u>
Selling	<u>467</u>	<u>943</u>
	<u>9,780</u>	<u>9,470</u>
OPERATING PROFIT/(LOSS)	58,185	(7,975)
FINANCIAL CHARGES	4,414	6,331
OTHER INCOME	1,362	907
WORKERS' PROFIT PARTICIPATION FUND	<u>2,625</u>	<u>-</u>
PROFIT/(LOSS) BEFORE TAXATION	52,508	(13,399)
PROVISION FOR TAXATION	<u>(1,607)</u>	<u>(694)</u>
PROFIT/(LOSS) AFTER TAXATION	50,901	(14,093)
BALANCE BROUGHT FORWARD	<u>(31,633)</u>	<u>(60,315)</u>
	<u>19,268</u>	<u>(74,408)</u>
EARNING PER SHARE (Rs.)	5.37	(1.49)

	December 31	
	2004	2003
<b>Note – 1 COST OF SALES</b>	<b>(Rupees in Thousands)</b>	
Raw Material		
Cane purchased (Net)	179,098	145,809
Salaries, wages and staff welfare	8,043	6,624
Chemicals, fuel, lubes & packing material	6,321	5,034
Manufacturing expenses	11,737	10,804
Depreciation	7,444	6,607
Amortization	<u>803</u>	<u>1,218</u>
	<u>213,446</u>	<u>176,096</u>
Work in process (Net)	<u>(4,717)</u>	<u>-</u>
Cost of Goods Produced	208,729	176,096
Finished goods (Net)	<u>43,320</u>	<u>(39,636)</u>
	<u>252,049</u>	<u>136,460</u>
<b>Note – 2</b>	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.	
<b>Note – 3</b>	Accounting policies adopted for quarterly accounts are the same as adopted for annual accounts.	
<b>Note – 4</b>	Figures of previous year have been rearranged according to current presentation.	



**KOHINOOR SUGAR MILLS LIMITED**

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

	<b>Quarter ended December 31</b>	
	<b>2004</b>	<b>2003</b>
	<b>(Rupees in thousands)</b>	
<b>Cash flow from operating activities</b>		
Net profit/(loss) before taxation	52,508	(13,399)
Adjustments for :		
Depreciation	7,701	6,867
Amortization	930	1,278
Financial charges	4,414	6,331
WPPF	2,625	-
Operating profit before working capital changes	<u>68,178</u>	<u>1,077</u>
(Increase)/Decrease in current assets		
Stores, spares and loose tools	252	2,450
Stock in trade	38,603	(39,636)
Trade debts	(2,070)	517
Advances, deposits & prepayments	<u>(2,710)</u>	<u>1,258</u>
	102,253	(34,334)
Increase/(Decrease) in current liabilities		
Creditors, provisions and accrued expenses	<u>123,151</u>	<u>99,015</u>
Cash (used in)/generated from operations	225,404	64,681
Taxes paid	(1,272)	(616)
Dividend paid	-	(32)
Financial charges paid	<u>(3,702)</u>	<u>(6,501)</u>
Net Cash (used in)/generated from operating activities	220,430	57,532
<b>Cash flow from investing activities</b>		
Additions to fixed assets	(232)	(268)
Sale proceeds on disposal of fixed assets	399	-
Security deposits	50	(828)
Interest received	-	45
Sale and lease back	-	(4,457)
Additions to capital work in progress	<u>(6,327)</u>	<u>(16,672)</u>
Net cash used in investing activities	(6,110)	(22,180)
<b>Cash flow from financing activities</b>		
Increase/(Decrease) in long term loans	(4,667)	(4,667)
Increase/(Decrease) in lease liabilities	(3,140)	1,019
Increase/(Decrease) in short term borrowings	(133,963)	(34,622)
Increase/(Decrease) in other loan	<u>(26,900)</u>	<u>5,939</u>
Net cash (used in)/generated from financing activities	<u>(168,670)</u>	<u>(32,331)</u>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>45,650</b>	<b>3,021</b>
<b>Cash &amp; cash equivalents at beginning of the period</b>	<b>1,169</b>	<b>2,622</b>
<b>Cash &amp; cash equivalents at close of the period</b>	<b><u>46,819</u></b>	<b><u>5,643</u></b>

**M. FAROOQUE SAIGOL**  
Director

**M. USMAN SAIGOL**  
Chief Executive