

DIRECTORS' REVIEW
FOR THE NINE MONTHS ENDED JUNE 30, 2009

The directors of your Company take this opportunity to present the interim accounts for the period of nine months ended June 30, 2009.

FINANCIAL RESULTS

The financial results of the company for the period under review are summarized as follows:

	For Nine Months ended June 30	
	2009	2008
	(R u p e e s)	
Net Sales	432,330,806	805,748,063
Gross Profit / (Loss)	31,662,511	(33,443,309)
Net Profit / (Loss) before tax	(53,067,860)	(128,998,240)
Net Profit / (Loss) after tax	(45,564,943)	(124,552,696)
(Loss) per share – basic & diluted	(1.41)	(3.84)

During the period under review, although our sales have decreased by 46% over the corresponding period of the last year yet we have achieved slightly better financial results due to effectively curtailing the cost of goods sold. By virtue of this reason, we were able to register fair amount of Gross Profit this year as compared to Gross Loss in previous year.

OPERATIONAL DATA

The crushing season started on November 27, 2008. Operating results for the period under review are as under:

		November 27, 2008 To March 05, 2009	November 23, 2007 To April 05, 2008
Crushing days	Days	98	135
Average recovery	%age	7.60	7.95
Cane crushed	M.T.	162,503	485,275
Avg. Cane crushed (per day)	M.T.	1,658	3,595
Sugar produced	M.T.	12,270	38,529

During this season, we had faced severe shortage of sugarcane due to its less cultivation in our mills. Moreover, some technical problems arose during the season. The plant, therefore, faced various shut downs due to low cane & technical problems. Due to these reasons, we were forced to close down our mills well before as compared to the corresponding crushing season of the last year. Therefore, cane crushed & sugar produced have decreased significantly by 67% and 68% respectively

over the corresponding period of the last year. Further, Average Sucrose recovery has also decreased due to cultivation of low quality crop.

During this season, in order to save the Company from double losses i.e. to purchase the low recovery oriented cane at high rate i.e. 120-130 per mannd, we tried to purchase the cane around the rates fixed by the Government due to which we received lesser quantity of cane & ultimately our crushing had decreased. Our purchase price remained below Rs. 90 per 40 kg during this season.

FUTURE OUTLOOK

Presently, price of sugar has rising trend and we expect to register better financial results for the last quarter to end up financial year 2008-09 on high note.

Management of your Company is anticipating a tough & challenging upcoming season as sugarcane growers have not cultivated adequate quantity of cane which will definitely create shortage of sugarcane in the country. However, on the other hand it will give rise to price of the sugar through which your company may earn profit by selling the closing stock.

ACKNOWLEDGEMENT

The Board of directors deeply express their appreciation and pay their gratitude to sugarcane growers, valuable customers, shareholders, banks and Government departments for their continued support, trust, persistent co-operation and patronage which gives strength to pursue our corporate objectives with renewed vigor. The Board also place on record their appreciation of the devoted services and hardwork put in by the officers and workers of the Company.

On behalf of the Board

Lahore
July 30, 2009.

(MIAN HASEEB ILYAS)
Chief Executive