# BABA FARID

## SUGAR MILLS LIMITED




**CONDENSED INTERIM**
**FINANCIAL STATEMENTS**
**(UN-AUDITED)**
**FOR THE HALF YEAR ENDED**
**MARCH 31, 2017**

# BABA FARID SUGAR MILLS LIMITED

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

| | |
|---|---|
| Mrs. Naheed Roohi | Chairperson |
| Muhammad Sarwar | Chief Executive |
| Mr. Shahid Mahmood Quershi | Non-Executive |
| Syed Qaissar Abbas Naqvi | Non-Executive |
| Ms. Rafia Aslam | Non-Executive |
| Mr. Mirza Maqsood-ul-Hassan | Executive |
| Muhammad Ashraf | Independent Director |

### AUDIT COMMITTEE

| | |
|---|---|
| Muhammad Ashraf | Chairman |
| Ms. Rafia Aslam | Member |
| Syed Qaissar Abbas Naqvi | Member |
| Mr. Shahid Mahmood Quershi | Member |

### HR & R COMMITTEE

| | |
|---|---|
| Mrs. Naheed Roohi | Member |
| Ms. Rafia Aslam | Member |
| Mr. Shahid Mahmood Quershi | Member |

### COMPANY SECRETARY

Muhammad Ibrahim Raza

### CHIEF FINANCIAL OFFICER

Muhammad Khalid Ali

### HEAD OF INTERNAL AUDIT

Mr. Shahid Iqbal Mirza

### AUDITORS

M/s Hasnain Ali & Co
Chartered Accountants
Room # 103, 1st Floor, Regency Plaza
Near Mini Market, Gulberg III, Lahore.
Tel; 042-35755212, Fax; 042-35755213
Email ; info@hac.com.pk

### SHARE REGISTRAR

M/s. Corplink (Pvt.) Ltd.
Share Registrar & Corporate Consultants
Wing Arcade, 1-K, Commercial
Model Town, Lahore
Tel; 042-35916714, Fax; 042-35869037
Email ; corplink786@gmail.com

### MILLS

5. K.M. Faisalabad Road, Okara
Tel; 0442-522878, 511878,
Fax; 0442-522978

### REGISTERED OFFICE

Suite - T 09, 3rd Floor, Hafeez Centre
75 - E/1, Main Boulevard, Gulberg III,
Lahore
Tel; 042-35884180-5, Fax; 042-35884138-39
Email ; info@bfsml.com

### BANKERS

Habib Bank Limited
Bank Al-Habib Limited
United Bank Limited
MCB Bank Limited

### LEGAL ADVISOR

MOHSIN TAYEBALY & CO.
Corporate Legal Consultants
Barristers & Advocates
High Courts & Supreme Courts

Lahore Office: 102-C/1, St. John's Park
(opp Fortress Stadium). Lahore Cantt,
Lahore
Tel: (92-42) 36672102
Email: arshad.mirza@mtclaw.com.pk

# BABA FARID SUGAR MILLS LIMITED

## DIRECTOR'S REPORT

The Members,
Baba Farid Sugar Mills Limited

Asslam –o – Alaikum

On behalf of the Board of Directors having pleasure in presenting the Un-audited Financial Statements of the Company for the half year ended on 31st March, 2017, along with the review report by the Auditors of the Company.

### OPERATIONAL PERFORMANCE

Operating result for the year under review is summarized below:

| | | 2016-17 | 2015-16 |
|---|---|---|---|
| Crushing Season Started | | November 19,2016 | November 27,2015 |
| Duration Of Season | Days | 128 | 100 |
| Sugarcane Crushed | M.Ton | 393,034.57 | 261,930.97 |
| Sugar Produced | M.Ton | 35,496.50 | 23,943.25 |
| Sugar Recovery | % age | 9.109 | 9.165 |
| Molasses produced | M.Ton | 18,495.00 | 12,154.70 |
| Molasses recovery | % age | 4.739 | 4.65 |

During the half year the company has witnessed high growth in terms of sugarcane crushed, duration of crushing season, sales revenue and profitability for the respective half year. The crushing season commenced on November 19, 2016 and Mill crushed 393,034.57 M.T of sugarcane as compared to 261,930.97 M.Ton of corresponding of last year. The increase in sugarcane crushing is 50.05 %.The sugar recovery has been decreased from 9.165% to 9.109%. You will observe that there is a minor decline in sugar recovery i.e 0.61%.

### FINANCIAL RESULTS

The comparative summarized financial results of the company are given below:

| | 2016-17 (Million) | 2015 – 16 (Million) |
|---|---|---|
| Sales | 1,425.26 | 337.58 |
| Gross Profit | 212.53 | 73.86 |
| Operating Profit | 180.37 | 50.99 |
| Profit After Taxation | 124.50 | 5.34 |
| Earnings per share | 13.17 | 0.57 |

### FUTURE OUTLOOK

In the current year, we are expecting that prices of sugar will remain stabilize in the coming month.

### ACKNOWLEDGEMENT

The Directors express their deep concern on the attitude of the sugarcane growers and the menace of middleman and appreciate the bank and the Government department of their continued support, which give strength to pursue our corporate objective with vigor. The Board also acknowledges the valuable teamwork, devotion and dedication by the executives, employees and workers of the Company.

For and on behalf of the Board

May 29, 2017

(Muhammad Sarwar)
Chief Executive

# AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

## Introduction

We have reviewed the accompanying condensed interim balance sheet of **BABA FARID SUGAR MILLS LIMITED** ("the company") as at March 31, 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (herein after referred to as "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

## Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended March 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

## Other matters

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended March 31, 2017, have not been reviewed as we are required to review only the cumulative figures for the half year ended March 31, 2017.

We draw attention to note 1.2 to the annexed condensed interim financial information. During the current period, the Company has earned profit before tax of Rs. 121,884,723 (March 31, 2016: Loss of Rs. 9,355,160) and at balance sheet date its accumulated losses have stood up to Rs. 1,072,523,331 (September 30, 2016: Rs.1,217,959,120). Furthermore, the Company's equity is in negative and its current liabilities exceeds its current assets by Rs. 894,961,882 (September 30, 2016: Rs. 972,420,688). The Company may be unable to realize its assets and discharge its liabilities in the normal course of business. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

Our conclusion is not qualified in respect of this matter.

**HASNAIN ALI & CO**
**Chartered Accountants**
Engagement Partner
Hasnain Adam Ali

Place: Lahore
Date: May 29, 2017

# BABA FARID SUGAR MILLS LIMITED

## CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
## AS AT MARCH 31, 2017

| | Note | March 31, 2017 Rupees (Un-Audited) | September 30, 2016 Rupees (Audited) |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **SHARE CAPITAL AND RESERVES** | | | |
| Authorized capital | | | |
| 70,000,000 ordinary shares of Rs. 10/- each | | 700,000,000 | 700,000,000 |
| Issued, subscribed and paid up capital | | 94,500,000 | 94,500,000 |
| Accumulated loss | | (1,072,523,331) | (1,217,959,120) |
| | | (978,023,331) | (1,123,459,120) |
| Surplus on revaluation of property, plant & equipment | | 1,763,950,078 | 1,779,773,872 |
| **NON-CURRENT LIABILITIES** | | | |
| Loan from holding company | 6 | 500,000,000 | 500,000,000 |
| Deferred liabilities | 7 | 324,820,422 | 347,835,618 |
| | | 824,820,422 | 847,835,618 |
| **CURRENT LIABILITIES** | | | |
| Current portion of long term liabilities | 8 | 25,000,000 | 54,408,109 |
| Trade and other payables | | 1,300,226,440 | 480,373,054 |
| Short term finances | 9 | 27,254,782 | 101,799,132 |
| Due to related party | 10 | 1,047,232,111 | 1,111,646,078 |
| Mark-up accrued | | 31,870,957 | 20,715,647 |
| Provision for taxation | | 15,287,924 | 11,831,378 |
| | | 2,446,872,214 | 1,780,773,398 |
| **TOTAL EQUITY & LIABILITIES** | | 4,057,619,383 | 3,284,923,768 |
| Contingencies & commitments | 11 | | |
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 12 | 2,505,121,476 | 2,475,983,483 |
| Long term deposits | | 587,575 | 587,575 |
| | | 2,505,709,051 | 2,476,571,058 |
| **CURRENT ASSETS** | | | |
| Stores, spares and loose tools | | 33,127,648 | 45,609,787 |
| Stock-in-trade | | 1,035,310,072 | 381,077,616 |
| Trade debts | | 102,942,916 | 108,890,582 |
| Loans and advances | | 264,215,014 | 144,705,252 |
| Trade deposits and prepayments | | 45,000 | 20,632,000 |
| Other receivables | | 105,742,500 | 105,742,500 |
| Cash and bank balances | | 10,527,182 | 1,694,973 |
| | | 1,551,910,332 | 808,352,710 |
| **TOTAL ASSETS** | | 4,057,619,383 | 3,284,923,768 |

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

**CHIEF EXECUTIVE** **DIRECTOR**

# BABA FARID SUGAR MILLS LIMITED

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
## FOR THE HALF YEAR ENDED MARCH 31, 2017

| | Note | Half Year Ended | | Quarter Ended | |
|---|---|---|---|---|---|
| | | March 31, 2017 Rupees | March 31, 2016 Rupees | March 31, 2017 Rupees | March 31, 2016 Rupees |
| Sales - net | | 1,425,259,871 | 337,583,126 | 962,828,111 | 316,063,220 |
| Cost of sales | 13 | (1,212,725,007) | (263,727,330) | (809,999,164) | (253,761,793) |
| Gross profit | | 212,534,864 | 73,855,796 | 152,828,947 | 62,301,427 |
| Distribution costs | | (3,147,715) | (2,265,188) | (2,464,978) | (1,428,149) |
| Administrative expenses | | (29,019,840) | (20,598,292) | (20,091,535) | (10,624,501) |
| | | (32,167,555) | (22,863,480) | (22,556,513) | (12,052,650) |
| Operating profit | | 180,367,309 | 50,992,316 | 130,272,434 | 50,248,778 |
| Finance costs | | (58,482,586) | (60,347,476) | (28,525,400) | (36,104,185) |
| Profit / (Loss) before taxation | | 121,884,723 | (9,355,160) | 101,747,034 | 14,144,593 |
| Taxation | | (2,615,221) | 14,696,333 | 4,892,164 | 21,065,909 |
| Profit after taxation | | 124,499,944 | 5,341,173 | 96,854,870 | 35,210,502 |
| Earnings per share - basic and diluted | | 13.17 | 0.57 | 10.25 | 3.73 |

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

**CHIEF EXECUTIVE** **DIRECTOR**

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
## FOR THE HALF YEAR ENDED MARCH 31, 2017

| | Half Year Ended | | Quarter Ended | |
|---|---|---|---|---|
| | March 31, 2017 Rupees | March 31, 2016 Rupees | March 31, 2017 Rupees | March 31, 2016 Rupees |
| Profit after taxation | 124,499,944 | 5,341,173 | 96,854,870 | 35,210,502 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | 124,499,944 | 5,341,173 | 96,854,870 | 35,210,502 |

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

**CHIEF EXECUTIVE** **DIRECTOR**

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
## FOR THE HALF YEAR ENDED MARCH 31, 2017

| | Note | Half Year Ended March 31, 2017 Rupees | Half Year Ended March 31, 2016 Rupees |
|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Cash generated from operations | 14 | 284,725,269 | 365,484,181 |
| Finance costs paid | | (47,327,276) | (19,194,460) |
| Taxes paid | | (20,933,299) | (7,307,898) |
| Net cash generated from operating activities | | 216,464,694 | 338,981,823 |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Fixed capital expenditure | | (68,674,168) | (5,158,708) |
| Net cash (used) in investing activities | | (68,674,168) | (5,158,708) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Long term loan | | - | (19,444,444) |
| Due to related party | | (64,413,967) | (63,966,327) |
| Net cash (used) in financing activities | | (64,413,967) | (83,410,771) |
| Net increase in cash and cash equivalents | | 83,376,559 | 250,412,344 |
| Cash and cash equivalents at the beginning of the period | | (100,104,159) | (245,208,931) |
| Cash and cash equivalents at the end of the period | 15 | (16,727,600) | 5,203,413 |

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

**CHIEF EXECUTIVE** **DIRECTOR**

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2017

| | Share Capital | Accumulated (Loss) | Total |
|---|---|---|---|
| | Rupees | Rupees | Rupees |
| Balance as at October 01, 2015 (Audited) | 94,500,000 | (1,266,087,217) | (1,171,587,217) |
| Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax | - | 17,099,025 | 17,099,025 |
| Comprehensive income for the half year ended March 31, 2016 | - | 5,341,173 | 5,341,173 |
| Balance as at March 31, 2016 - (Un-audited) | 94,500,000 | (1,243,647,019) | (1,149,147,019) |
| Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax | - | 18,575,348 | 18,575,348 |
| Comprehensive income for the half year ended September 30, 2016 | - | 7,112,551 | 7,112,551 |
| Balance as at September 30, 2016 - (Audited) | 94,500,000 | (1,217,959,120) | (1,123,459,120) |
| Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax | - | 20,935,845 | 20,935,845 |
| Comprehensive income for the half year ended March 31, 2017 | - | 124,499,944 | 124,499,944 |
| Balance as at March 31, 2017 - (Un-Audited) | 94,500,000 | (1,072,523,331) | (978,023,331) |

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2017

**1 THE COMPANY AND ITS OPERATIONS**

**1.1** Baba Farid Sugar Mills Limited ("the Company") was incorporated in 1978 under the Companies Act 1913 (now Companies Ordinance, 1984) as a Public Limited Company and its shares are quoted at Pakistan Stock Exchange. It is principally engaged in the manufacturing and sale of sugar including its by-products i.e. molasses and V.Filter cake. The registered office of the Company is situated at Suite-T-09, 3rd floor, 75-E/1, Main Boulevard, Gulberg III, Lahore and its manufacturing facilities are located in the district Okara, Punjab.

**1.2 Going Concern Assumption**

During the current financial period, the Company has earned profit before tax amounting to Rs. 121,884,723/- (March 31, 2016: Loss of Rs. 9,355,160) and at balance sheet date its accumulated losses have stood up to Rs. 1,072,523,331 (September 30, 2016: Rs. 1,217,959,120). Furthermore, the Company's equity is in negative and its current liabilities exceeds its current assets by Rs. 894,961,882 (September 30, 2016: Rs. 972,420,688). These conditions cast significant doubt on Company's ability to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the management has taken various measures to improve the financial position of the Company which include the sponsors' continued assurance for arrangement of funds as and when required, prompt discharging of its liabilities including financial obligations, securing growers' commitments for availability of quality sugarcane and hiring of competent management personnel for managing Company's affairs.

The management has firm belief that the above stated measures shall mitigate the doubt about the Company's ability to continue as a going concern and also justifies the preparation of this condensed interim financial information on going concern basis.

**2 BASIS OF PREPARATION**

This condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This condensed interim financial information of the Company for the half year ended 31 March 2017 has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the year ended September 30, 2016.

**3 ACCOUNTING POLICIES**

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended September 30, 2016.

**3.1** IFRS 13 Fair value measurement establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required and permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants on the measurement date. It replaces and expands the disclosure requirements about fair value measurement in other IFRSs, including IFRS 7 Financial Instruments: Disclosures. As a result the Company has added additional disclosures in this regard in note 18 to the condensed interim unconsolidated financial information. In accordance with the transitional provisions of IFRS 13, the

Company has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impacts on the measurements of the Company's financial assets and liabilities.

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that effect and application of accounting policies and the reported amount of assets, liabilities, income and expenses. However, actual results may differ from these estimates.

In preparing this condensed interim financial information the significant estimates made by management in applying the Company's accounting policies and the key sources of estimation uncertainties are the same as those was that applied to the financial information as at and for the year ended September 30, 2016.

## 5 CYCLICALITY OF OPERATIONS

The sugarcane crushing season starts from November and lasts till March each year.

| | NOTE | Half Year Ended March 31, 2017 Rupees (Un-Audited) | Year Ended September 30, 2016 Rupees (Audited) |
|---|---|---|---|
| **6 LOAN FROM HOLDING COMPANY** | | | |
| Pattoki Sugar Mills Limited (PSML) | **6.1** | 525,000,000 | 525,000,000 |
| Less: current portion | | (25,000,000) | (25,000,000) |
| | | 500,000,000 | 500,000,000 |

**6.1** The Company obtained unsecured loan from M/s Pattoki Sugar Mills Limited (PSML) - the holding company that carries mark-up at the rate of 3 month's KIBOR plus 2% per annum. This loan is subordinate to the loan from Bank AL Habib Limited.

| | | | |
|---|---|---|---|
| **7 DEFERRED LIABILITIES** | | | |
| Deferred taxation | | 322,769,433 | 345,784,629 |
| Staff retirement benefits - gratuity | | 2,050,989 | 2,050,989 |
| | | 324,820,422 | 347,835,618 |
| **8 CURRENT PORTION OF LONG TERM LIABILITIES** | | | |
| Long term loans | | - | 8,776,109 |
| Loan from holding company | | 25,000,000 | 25,000,000 |
| Liability against assets subject to finance lease | **8.1** | - | 20,632,000 |
| | | 25,000,000 | 54,408,109 |

**8.1** The company had a dispute with BRR Guardian Modarba "the leasing company" regarding the settlement of securities provided for the subject facility. This liability has been settled down during the period. The charge over current assets of the company by BRR has also been vacated.

| | | | |
|---|---|---|---|
| **9 SHORT TERM FINANCES** | | | |
| Temporary bank overdraft - unsecured | **9.1** | 27,254,782 | 101,799,132 |

**9.1** This represents temporary overdraft due to cheques issued by the Company in excess of balance with banks.

| | | Half Year Ended March 31, 2017 Rupees | Year Ended September 30, 2016 Rupees |
|---|---|---|---|
| **10 DUE TO RELATED PARTY** | | | |
| Pattoki Sugar Mills Limited | | 1,047,232,111 | 1,111,646,078 |

The Company has obtained unsecured short term loan from M/s Pattoki Sugar Mills Limited (PSML) - the holding company that carries mark-up at the rate of 3 month's KIBOR plus 2% per annum.

**11 CONTINGENCIES & COMMITMENTS**

There are no material change in the status of contingencies and commitments since the year ended September 30, 2016 except for the matter stated in Note 8.1.

| | | | | |
|---|---|---|---|---|
| **12** | **PROPERTY, PLANT & EQUIPMENT** | | | |
| | Operating fixed assets | **12.1** | 2,458,263,389 | 2,437,806,352 |
| | Capital work-in-progress | **12.2** | 46,858,087 | 38,177,131 |
| | | | 2,505,121,476 | 2,475,983,483 |
| **12.1** | Opening book value | | 2,437,806,352 | 2,009,259,345 |
| | Disposal at NBV | | - | (3,593,880) |
| | Surplus on revaluation | | - | 479,795,019 |
| | Adjustment | | - | 3,363,360 |
| | Additions during the period | **12.1.1** | 59,993,212 | 19,412,423 |
| | | | 2,497,799,564 | 2,508,236,267 |
| | Depreciation during the period / year | | (39,536,175) | (70,429,915) |
| | Closing book value | | 2,458,263,389 | 2,437,806,352 |
| **12.1.1** | **Additions during the period** | | | |
| | Plant and machinery | | 59,767,984 | 19,183,359 |
| | Furniture & fixtures | | 7,178 | 9,803 |
| | Office equipment | | 116,100 | 219,260 |
| | Electric Installation | | 6,700 | - |
| | Vehicles | | 95,250 | - |
| | | | 59,993,212 | 19,412,422 |
| **12.2** | **Capital work-in-progress** | | | |
| | Building on freehold land | | 46,858,087 | 38,177,131 |

## 13 COST OF SALES

| | Half Year Ended | | Quarter Ended | |
|---|---|---|---|---|
| | March 31, 2017 Rupees | March 31, 2016 Rupees | March 31, 2017 Rupees | March 31, 2016 Rupees |
| Raw materials and expenses thereon | 1,829,525,659 | 1,232,996,401 | 1,192,840,460 | 754,597,889 |
| Manufacturing expenses | 140,964,350 | 125,095,281 | 78,594,357 | 77,659,037 |
| | 1,970,490,009 | 1,358,091,682 | 1,271,434,817 | 832,256,926 |
| Work in process | | | | |
| Opening | 13,322,874 | 12,671,829 | 69,995,070 | 75,141,379 |
| Closing | (30,001,682) | (13,335,963) | (30,001,682) | (13,335,963) |
| | (16,678,808) | (664,134) | 39,993,388 | 61,805,416 |
| | 1,953,811,201 | 1,357,427,548 | 1,311,428,205 | 894,062,342 |
| Sale of by-products | | | | |
| Molasses | (103,532,546) | (66,000,033) | (103,532,546) | (66,000,033) |
| V.F. Cakes | - | - | - | - |
| | (103,532,546) | (66,000,033) | (103,532,546) | (66,000,033) |
| Cost of goods manufactured | 1,850,278,655 | 1,291,427,515 | 1,207,895,659 | 828,062,309 |
| Finished goods | | | | |
| Opening | 367,754,742 | 240,326,014 | 607,411,895 | 768,839,924 |
| Closing | (1,005,308,391) | (1,268,026,198) | (1,005,308,391) | (1,268,026,198) |
| | (637,553,649) | (1,027,700,185) | (397,896,496) | (499,186,274) |
| | 1,212,725,007 | 263,727,330 | 809,999,164 | 328,876,035 |

| | | Half Year Ended March 31, 2017 Rupees | Half Year Ended March 31, 2016 Rupees |
|---|---|---|---|
| **14 CASH (USED IN) OPERATIONS** | | | |
| Profit / (Loss) before taxation | | 121,884,723 | (9,355,160) |
| Adjustment for non cash charges and other items: | | | |
| Depreciation | | 39,536,175 | 33,058,495 |
| Finance costs | | 58,482,586 | 60,347,476 |
| Working capital changes | **14.1** | 64,821,784 | 281,433,371 |
| | | 162,840,546 | 374,839,342 |
| | | 284,725,269 | 365,484,182 |
| **14.1 Working capital changes** | | | |
| **(Increase) / decrease in current assets** | | | |
| Stores, spares and loose tools | | 12,482,139 | (5,199,565) |
| Stock-in-trade | | (654,232,457) | (1,028,364,318) |
| Trade debts | | 5,947,666 | (25,395,806) |
| Loans and advances | | (110,407,841) | (6,104,188) |
| Trade deposits and prepayments | | 20,587,000 | 1,663,600 |
| **Increase in current liabilities** | | | |
| Trade and other payables | | 790,445,277 | 1,344,833,648 |
| | | 64,821,784 | 281,433,371 |
| **15 CASH AND CASH EQUIVALENTS** | | | |
| Cash and bank balances | | 10,527,182 | 9,297,979 |
| Short term finances | | (27,254,782) | (4,094,566) |
| | | (16,727,600) | 5,203,413 |

**16 TRANSACTION WITH RELATED PARTIES**

The related parties comprise subsidiary companies, associated undertakings, other related companies, key management personnel and provident fund trust. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties are as follows:

| Name of related party | Nature of relationship | Nature of transaction | Amount (Rupees) |
|---|---|---|---|
| Imporient Chemicals (Private) Limited | Associate | Purchase of chemicals | 13,567,839 |
| Pattoki Sugar Mills Limited | Holding | Mark-up | 58,250,634 |
| Pattoki Sugar Mills Limited | Holding | Decrease in amount payable | (64,413,967) |

**17 FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 September 2016.

**18 FINANCIAL INSTRUMENTS-FAIR VALUES**

The additional disclosures due to the adoption of IFRS 13 Fair value measurement are as follows :

| | | Carrying Amount | | | Fair Value | | |
|---|---|---|---|---|---|---|---|
| | | Loans and receivables | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 |
| | | Rupees | | | | | |
| **On - balance sheet financial instruments** | | | | | | | |
| Financial assets measured at fair value | | - | - | - | - | - | - |
| | | - | - | - | - | - | - |
| Financial assets not measured at fair value | | | | | | | |
| Cash and bank balances | 18.1 | 10,527,182 | - | 10,527,182 | - | - | - |
| Trade deposits and short term prepayments | 18.1 | 45,000 | - | 45,000 | - | - | - |
| Trade debts - unsecured, considered good | 18.1 | 102,942,916 | - | 102,942,916 | - | - | - |
| Loans and advances | 18.1 | 264,215,014 | - | 264,215,014 | | - | - |
| Long term deposits | 18.1 | 587,575 | - | 587,575 | - | - | - |
| Other receivables | 18.1 | 105,742,500 | - | 105,742,500 | - | - | - |
| | | 484,060,187 | - | 484,060,187 | - | - | - |
| Financial liabilities measured at fair value | | | | | | | |
| | | - | - | - | - | - | - |
| **Financial liabilities not measured at fair value** | | - | - | - | - | - | - |
| Long term finances | | | | | | | |
| Trade and other payables | | 525,000,000 | - | 525,000,000 | - | 525,000,000 | - |
| Short term borrowing | 18.1 | 1,300,226,440 | - | 1,300,226,440 | - | - | - |
| Due to related party | | 27,254,782 | - | 27,254,782 | - | 27,254,782 | - |
| Other current liabilities | | 1,047,232,111 | - | 1,047,232,111 | - | - | - |
| Accrued finance cost | | - | - | - | - | - | |
| | 18.1 | 31,870,957 | - | 31,870,957 | - | - | - |
| | | 2,931,584,290 | - | 2,931,584,290 | - | 552,254,782 | - |

**18.1** The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or re-price over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

**19 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorized for issue on May 29, 2017 by the Board of Directors' of the Company.

**20 CORRESPONDING FIGURES**

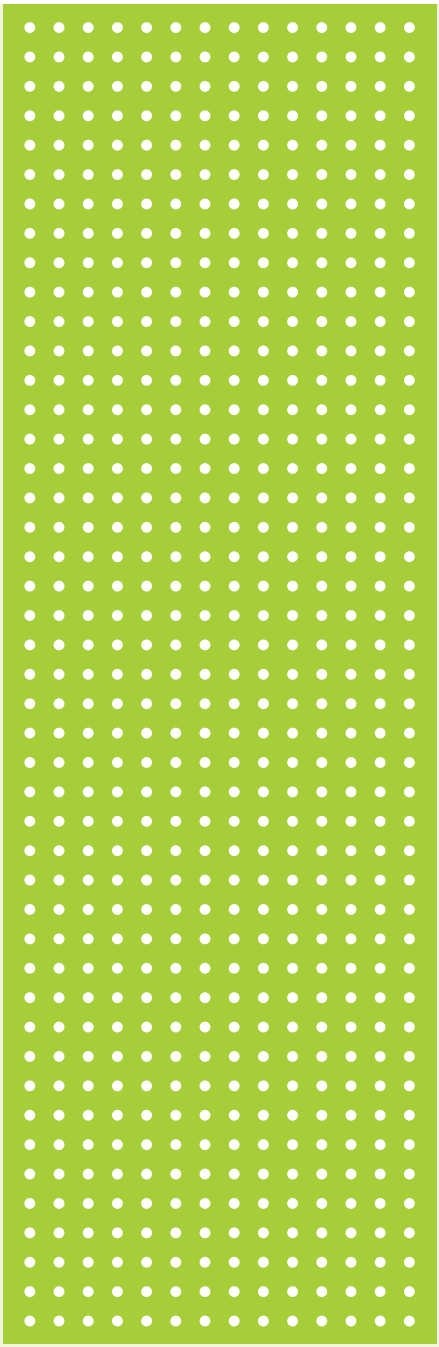
In order to comply with the requirements of International Accounting Standard (IAS) 34 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.

**21 GENERAL**

Figures have been rounded off to the nearest of Rupees unless otherwise stated.

**CHIEF EXECUTIVE** **DIRECTOR**



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