Condensed Interim Financial Information
For the Half Year Ended March 31, 2015
(Un-Audited)

Imperial Sugar Limited

(Formerly Colony Sugar Mills Limited)

بسم الله الرحمن الرحيم

CONTENTS

Corporate Information

Board of Directors	Mr. Naveed M. Sheikh	- Chairman
	Mr. Waqar Ibn Zahoor Bandey	- Director/CEO
	Mian Muhammad Ali	- Director
	Mr. Muhammad Asghar	- Director
	Mr. Ahmed Haji Mussa	- Director
	Mr. Asad Ali	- Director
	Mr. Abdul Sammee	- Director
Audit Committee	Mr. Muhammad Asghar	- Chairman
	Mian Muhammad Ali	- Member
	Mr. Asad Ali	- Member
HR & Remuneration Committee	Mr. Muhammad Asghar	- Chairman
	Mr. Asad Ali	- Member
	Mr. Abdul Sammee	- Member

Company Secretary
Mr. Mubashar Asif

Internal Auditors
Mr. Muhammad Ashfaq (ACMA)

Legal Advisors
Ms. Aniqua Sheikh
Advocate

Auditors
Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

Shares Registrar
Hameed Majeed Associates (Pvt.) Limited
H.M. House, 7-Bank Square, Lahore
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Fax # +92 (42) 3735-8817

Financial Institutions
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Faysal Bank Limited
KASB Bank Limited
The Bank of Punjab
Al-Baraka Bank (Pakistan) Limited
Pak Oman Investment Company Limited

Registered Office
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Shahrah-e-Jalal-ud-Din Roomi,
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Production Facilities

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Distt. Mandi Bahauddin
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Fax # +92 (0652) 660-452

DIRECTORS' REVIEW

Dear Members

The half yearly financial statements for the period ended March 31, 2015 are being presented to the shareholders in accordance with the requirements of International Accounting Standards, Companies Ordinance, 1984 and Karachi Stock Exchange Regulations. These financial statements are un-audited and have duly been reviewed by the external auditors as required.

Turnover for the period under review is Rupees 993 Million (2013: Rupees 3.38 Billion) whilst the cost of sales stood at Rupees 988 Million (2013: Rupees 3.25 Billion) and the gross profit is recorded at Rupees 5.22 Million (2013: Rupees 133.63 Million). Loss after tax for the period is Rupees 196.18 Million (2013: Rupees 102.79 Million) and loss per share is Rupees 1.98 as compared to loss per share of Rupees 1.03 during the corresponding period last year.

The above results are based on operations of the one production facility of the Company which is located at Mian Chanu. Depressed sugar and ethanol prices, domestically and internationally, and high cost of production were the major factors that compelled the management to temporarily suspend operations of its Phalia plant, comprising of sugar, distillery and CO2 recovery plants.

Company has changed its name from Colony Sugar Mills Limited to Imperial Sugar Limited upon passing of resolution by members in the meeting held on May 12, 2015. Company Registration Office (Securities & Exchange Commission of Pakistan) has issued Certificate of Incorporation on Change of Name on May 13, 2015.

The Board places on record its appreciation for the dedication and hard work of its work force, as well as for the support of its all stakeholders.

For and on behalf of the Board

Waqar Ibn Zahoor Bandey
Director/CEO

Lahore - May 29, 2015

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

Introduction

We have reviewed the accompanying condensed interim balance sheet of IMPERIAL SUGAR LIMITED [*Formerly COLONY SUGAR MILLS LIMITED* (the Company)] as at March 31, 2015 and the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six months period then ended (here-in-after referred to as the "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. The figures of the condensed interim profit and loss account for the quarters ended March 31, 2015 and March 31, 2014 have not been reviewed, as we are required to review only the cumulative figures for the six months ended March 31, 2015.

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 the 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, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Date: May 29, 2015
Place: Lahore

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

Engagement Partner:
Naveed Saeed

CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2015

	Note	Un-Audited March 31, 2015	Audited September 30, 2014
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital:			
100,000,000 (2014: 100,000,000) ordinary shares of Rupees 10/- each.		**1,000,000**	1,000,000
Issued, subscribed and paid up capital	7	**990,200**	990,200
Unappropriated profit		**623,205**	819,386
Total Equity		**1,613,405**	1,809,586
NON-CURRENT LIABILITIES			
Long term finances	8	**455,677**	285,400
Long term deposits		**80,000**	80,000
Liabilities against assets subject to diminishing musharaka finance	9	**1,621**	1,870
Staff retirement benefits		**52,517**	57,242
		589,815	424,512
CURRENT LIABILITIES			
Trade and other payables		**1,172,366**	1,255,395
Accrued finance cost		**84,090**	49,646
Short term borrowings - secured	10	**1,069,923**	885,963
Current portion of long term finances		**19,874**	58,624
		2,346,253	2,249,628
Liabilities directly associated with non current assets-held for sale		**143,750**	143,750
		2,490,003	2,393,378
		4,693,223	4,627,476
PROPERTY AND ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	**3,314,906**	3,374,303
CURRENT ASSETS			
Stores, spares and loose tools		**260,760**	269,997
Stocks in trade		**495,462**	179,045
Trade debts		**13,597**	126,598
Advances, deposits, prepayments and other receivables		**441,171**	471,007
Cash and bank balances		**15,503**	54,702
		1,226,493	1,101,349
Non-current assets - held for sale		**151,824**	151,824
		1,378,317	1,253,173
		4,693,223	4,627,476
Contingencies and commitments	12	**-**	-

The annexed selected notes form an integral part of this condensed interim financial information.

Chief Executive Officer **Director**

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-Audited)

FOR THE HALF YEAR ENDED MARCH 31, 2015

	Half Year Ended March 31,		Second Quarter Ended March 31,	
	2015	**2014**	**2015**	**2014**
	(Rupees in thousand)			
Sales-net	**993,006**	3,379,379	**402,297**	2,195,180
Cost of sales	**987,790**	3,245,754	**400,563**	2,121,344
Gross profit	**5,216**	133,625	**1,734**	73,836
Administrative expenses	**59,476**	79,615	**25,328**	44,682
Inoperative plant expenses	**86,006**	-	**45,244**	-
Distribution and marketing expenses	**5,333**	45,557	**3,165**	33,934
	150,815	125,172	**73,737**	78,616
Operating Profit / (Loss)	**(145,599)**	8,453	**(72,003)**	(4,780)
Other operating Income	**8,690**	(774)	**8,351**	(828)
	(136,909)	7,679	**(63,652)**	(5,608)
Finance Cost	**59,272**	101,903	**33,033**	64,283
Loss before taxation	**(196,181)**	(94,224)	**(96,685)**	(69,891)
Provision for taxation	**-**	(7,567)	**-**	(5,203)
Loss for the period	**(196,181)**	**(101,791)**	**(96,685)**	(75,094)
Loss per share - basic Rupees	**(1.98)**	(1.03)	**(0.98)**	(0.76)

The annexed selected notes form an integral part of this condensed interim financial information.

Chief Executive Officer **Director**

CONDENSED INTERIM CASH FLOW STATEMENT (Un-Audited)

FOR THE HALF YEAR ENDED MARCH 31, 2015

	Half Year Ended March 31, 2015	2014
	(Rupees in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(196,181)**	(94,224)
Adjustments for non-cash and other items:		
Finance cost	**59,272**	101,903
Depreciation of Property, plant and equipment	**67,175**	71,999
Provision for employees' retirement benefits - gratuity	**664**	23
	127,111	173,925
Cash generated from operating activities before working capital	**(69,070)**	79,701
Adjustments for Working Capital Changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	**9,237**	(125,425)
Stocks-in-trade	**(316,417)**	(952,089)
Trade debts	**113,001**	(769)
Advances, deposits, prepayments and other receivables	**180,734**	65,475
Increase in current liabilities;		
Trade and other payables	**(83,029)**	818,711
Net working capital changes	**(96,474)**	(194,097)
Finance cost paid	**(24,829)**	(98,050)
Employees' retirement benefits - gratuity paid	**(5,387)**	(1,399)
Income tax paid	**(150,899)**	(144,689)
	(181,115)	(244,138)
Net cash (used) / generated in operating activities	**(346,659)**	(358,534)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	**(7,778)**	(532)
Capital work in progress	**-**	(12,524)
Net cash used in investing activities	**(7,778)**	(13,056)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings	**183,960**	619,296
Long term finances	**131,278**	(183,463)
Net cash generated / (used) in financing activities	**315,238**	435,833
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(39,199)**	64,243
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**54,702**	8,300
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**15,503**	72,543

The annexed selected notes form an integral part of this condensed interim financial information.

Chief Executive Officer **Director**

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED MARCH 31, 2015

Particulars	Share capital	Unappropriated (loss)	Total equity
	(Rupees in thousand)		
Balance as on September 30, 2013 (audited)	**990,200**	**956,611**	**1,946,811**
Total comprehensive loss for the period	-	(101,791)	(101,791)
Balance as at March 31, 2014 (un-audited)	**990,200**	**854,820**	**1,845,020**
Total comprehensive loss for the period	-	(35,434)	(35,434)
Balance as on September 30, 2014 (audited)	**990,200**	**819,386**	**1,809,586**
Total comprehensive loss for the period	-	(196,181)	(196,181)
Balance as at March 31, 2015 (un-audited)	**990,200**	**623,205**	**1,613,405**

The annexed selected notes form an integral part of this condensed interim financial information.

Chief Executive Officer **Director**

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-Audited)

FOR THE HALF YEAR ENDED MARCH 31, 2015

1. THE COMPANY AND ITS OPERATION

Imperial Sugar Limited (Formerly Colony Sugar Mills Limited) ("the Company") was incorporated in Pakistan on May 09, 2007 under the Companies Ordinance, 1984. The shares of the company are quoted on Karachi Stock Exchange Limited. The Company's registered office is situated in Lahore and its manufacturing facilities are located at Tehsil Phalia, District Mandi Bahauddin and Tehsil Mian Channu, District Khanewal. The company is engaged in manufacturing and sale of white refined sugar, ethanol and by products.

1.1 The company changed its name from Colony Sugar Mills Limited to Imperial Sugar Limited on May 12, 2015. Certificate of Incorporation on change of name was issued to the Company on May 13, 2015.

2. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34,"Interim Financial Reporting", as applicable in Pakistan. This condensed interim financial information is un-audited and is being submitted to the members as required by section 245 of the Companies Ordinance, 1984 and listing regulation of Karachi Stock Exchange.

3 BASIS OF PRESENTATION, MEASUREMENT AND ESTIMATION

Estimates used in the preparation of these condensed interim financial information are reasonable under the circumstances, continually evaluated and are based on historical experience. The basis of presentation and measurement adopted for the preparation of these condensed interim financial information are the same as those adopted in the preparation of the preceding annual published audited financial statements for the year ended September 30, 2014.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and applied for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published audited financial statements of the Company for the year ended September 30, 2014.

5 SEASONALITY OF OPERATION

The Company is inter-alia, engaged in manufacturing of sugar for which these as on begins in November and ends in April. Therefore, majority of expenses are incurred and production activities are undertaken in first half of the Company's financial year.

6 PROVISIONS

The provision in respect of staff retirement benefits, workers' profit participation fund and taxation are estimated and these are subject to final adjustments in the annual audited financial statements.

	Un-Audited March 31, 2015	Audited September 30, 2014
	(Rupees in thousand)	
7 ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
64,020,000 (September 30, 2014 : 64,020,000) Ordinary shares of Rupees 10 each fully paid in cash	**640,200**	640,200
35,000,000 (September 30, 2014 : 35,000,000) Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash	**350,000**	350,000
	990,200	990,200

		Note	Un-Audited March 31, 2015	Audited September 30, 2014
			(Rupees in thousand)	
8	**LONG TERM FINANCES - Secured**			
	Outstanding balance		**618,802**	487,275
	Current portion shown under current liabilities		**(19,874)**	(58,125)
			598,928	429,150
	Liabilities directly associated with non-current assets - held for sale		**(143,750)**	(143,750)
			455,178	285,400
9	**LIABILITIES AGAINST ASSETS SUBJECT TO DIMINISHING MUSHARAKA FINANCE**			
	Future minimum diminishing musharaka finance payments		**2,299**	2,635
	Less: un-amortized diminishing musharaka finance charge		**(179)**	(266)
	Present value of future minimum diminishing musharaka finance payments	9.1	**2,120**	2,369
9.1	Less: current portion shown under current liabilities		**(499)**	(499)
	Non current portion		**1,621**	1,870
10	**SHORT TERM BORROWINGS - Secured**		**1,069,923**	885,963

These represent cash finance, running finance, export refinance, bai-salam obtained from various banking companies and are subject to mark up ranging from 6.0 % to 13.70 % per annum (2014:7.5 % to 14.18%) per annum). These are secured against pledge / hypothecation of stock-in-trade, charge on current assets, demand promissory note, Company's guarantee and personal guarantee of a sponsor director.

		Note	Un-Audited March 31, 2015	Audited September 30, 2014
11	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating fixed assets	11.1	**2,883,458**	2,952,560
	Capital work in progress		**431,448**	421,745
			3,314,906	3,374,305
11.1	Opening book value		**2,952,560**	3,100,914
	Add: Additions / (disposal) during the period	11.2	**(1,927)**	8,366
			2,950,633	3,109,280
	Less : Depreciation charged during the period		**(67,175)**	(156,720)
			2,883,458	2,952,560
11.2	**Addition / (disposals) during the period**			
	Company owned assets			
	Building on freehold land		**-**	54,369
	Plant and machinery		**-**	81,206
	Furniture, fixture and equipments		**3**	2,198
	Vehicles	11.3	**(1,930)**	18,947
			(1,927)	156,720

11.3 Vehicles

The reversal of accumulated depreciation on disposal of Vehicle (Rs: 3838 in thousands) has been included in this figure.

12 CONTINGENCIES AND COMMITMENTS

Contingencies

The Company is in dispute with Sui Northern Gas Pipelines Limited for over / incorrect billing of Rupees 29.316 million. The Company has filed complaint / suite before Oil and Gas Regulatory Authority and civil courts, respectively, and is hopeful of favorable outcome.

Commitments

Nil - (December 31, 2014: Nil)

13 BUSINESS SEGMENTS INFORMATION

	Half Year Ended March 31, 2015			Half Year Ended March 31, 2014			Quarter Ended March 31, 2015			Quarter Ended March 31, 2014		
	Sugar	Ethanol	Total	Sugar	Ethanol	Total	Sugar	Ethanol	Total	Sugar	Ethanol	Total
	(Rupees in thousand)			(Rupees in thousand)			(Rupees in thousand)			(Rupees in thousand)		
Revenue												
Local	1,056,413	7,751	1,064,164	3,194,134	30,185	2,867,887	418,444	7,659	426,103	2,075,337	21,635	1,843,612
Export	-	-	-	-	726,448	726,448	-	-	-	-	490,022	490,022
Other by - products	1,046	-	1,046	-	-	-	1,046	-	1,046	-	-	-
	1,057,459	7,751	1,065,210	3,194,134	756,633	3,594,335	419,490	7,659	427,149	2,075,337	511,657	2,333,634
Less: Sales tax, excise duty and commission	71,078	1,126	72,204	214,956	-	214,956	23,739	1,113	24,852	139,754	(1,300)	138,454
	986,381	6,625	993,006	2,979,178	756,633	3,379,379	395,751	6,546	402,297	1,935,583	512,957	2,195,180
Cost of sales	987,718	72	987,790	2,896,630	705,556	3,245,754	400,556	7	400,563	1,882,063	492,641	2,121,344
Gross profit	(1,337)	6,553	5,216	82,548	51,077	133,625	(4,805)	6,539	1,734	53,520	20,316	73,836
Administrative and general expenses	53,137	6,339	59,476	71,475	8,140	79,615	23,157	2,171	25,328	40,689	3,993	44,682
Inoperative plant expenses	86,006	-	86,006	-	-	-	45,244	-	45,244	-	-	-
Distribution and marketing expenses	2,903	2,430	5,333	8,560	36,997	45,557	1,386	1,779	3,165	5,563	28,371	33,934
	142,046	8,769	150,815	80,035	45,137	125,172	69,787	3,950	73,737	46,252	32,364	78,616
Operating profit / (Loss)	(143,383)	(2,216)	(145,599)	2,513	5,940	8,453	(74,592)	2,589	(72,003)	7,268	(12,048)	(4,780)

13.1 Inter-segment sales and purchases

Inter-segment sales and purchases have been eliminated from total figures.

13.2 Basis of inter-segment pricing

All inter-segment transfers are made at cost.

13.3 Reconciliation of reportable segment assets and liabilities

	As at March 31, 2015			As at September 30, 2014		
	Sugar	Ethanol	Total	Sugar	Ethanol	Total
	(Rupees in thousand)			(Rupees in thousand)		
Segment assets	**3,825,347**	**867,876**	**4,693,223**	3,239,233	1,388,243	4,627,476
Segment liabilities	**2,423,577**	**656,241**	**3,079,818**	1,972,523	845,367	2,817,890
Depreciation on property, plant and equipment	**46,735**	**20,441**	**67,175**	86,292	56,463	142,755

14 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on May 29, 2015 by the Board of Directors of the Company.

15 GENERAL

Corresponding figures in the balance sheet comprise of balances as per the annual audited financial statements for the year ended September 30,2014, whereas corresponding figures in the profit and loss account, cash flow statement and statement of changes In equity comprise balances of the comparable period of immediately preceding financial year.

15.2 Corresponding figures have been rearranged wherever necessary to facilitate comparison. However, no material re-arrangement has been made in these condensed interim financial statements.

15.3 Figures in this condensed interim financial information have been rounded off to the nearest thousand rupees.

Chief Executive Officer **Director**

Imperial Sugar Limited

(Formerly Colony Sugar Mills Limited)

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