Condensed Interim Financial Information
For the Nine Month Ended June 30, 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	
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 Ph # +92 (42) 3723-5081-2 Fax # +92 (42) 3735-8817	
Banks & Financial Institutions	National Bank of Pakistan Faysal Bank Limited Bank Islami Pakistan Limited The Bank of Punjab Al-Baraka Bank (Pakistan) Limited Pak Oman Investment Company Limited	
Registered Office	Ground Floor, Ismail Aiwan-e-Science Building, Shahrah-e-Jalal-ud-Din Roomi, Lahore-54600 Ph # +92 (42) 3575-8970 (3 Lines) Fax # +92 (42) 3576-3247	
Production Facilities	**Phalia Project** Karmanwala, Tehsil Phalia Distt. Mandi Bahauddin Ph # +92 (546) 541-151/54 Fax # +92 (546) 541-162	**Mian Chanu Project** Chak # 84/15L, 15 KM Vehari Road Kacha Khoo Tehsil Mian Chanu Distt. Khanewal Ph # +92 (0652) 553-182 Fax # +92 (0652) 660-452

DIRECTORS' REVIEW

Dear Members

Interim un-audited financial statements for the period ended June 30, 2015 are being presented to the shareholders in accordance with the requirements of International Accounting Standards, Companies Ordinance, 1984 and Rule Book of Karachi Stock Exchange.

Turnover for the period under review is Rupees 1.002 Billion (2014: Rupees 4.457 Billion) whilst the cost of sales stood at Rupees 1.000 Billion (2014: Rupees 4.241 Billion) and the gross profit is recorded at Rupees 1.725 Million (2014: Rupees 215.874 Million). Loss after tax for the period is Rupees 276.490 Million (2014: Rupees 139.595 Million) and loss per share is Rupees 2.79 as compared to loss per share of Rupees 1.41 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.

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 - July 31, 2015

CONDENSED INTERIM BALANCE SHEET

AS AT JUNE 30, 2015

	Note	Un-Audited June 30, 2015	Audited Sep. 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		**542,896**	819,386
		1,533,096	1,809,586
NON-CURRENT LIABILITIES			
Long term finances	8	**523,803**	285,400
Long term deposits		**80,000**	80,000
Liabilities against assets subject to diminishing musharaka finance	9	**1,496**	1,870
Staff retirement benefits		**49,483**	57,242
		654,782	424,512
CURRENT LIABILITIES			
Trade and other payables		**1,130,058**	1,255,395
Accrued finance cost		**100,966**	49,646
Short term borrowings-secured	10	**1,062,021**	885,963
Current portion of long term finances		**13,624**	58,624
		2,306,669	2,249,628
Liabilities directly associated with non current assets-held for sale		**143,750**	143,750
		2,450,419	2,393,378
		4,638,297	4,627,476
PROPERTY AND ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	**3,281,318**	3,374,303
CURRENT ASSETS			
Stores, spares and loose tools		**258,621**	269,997
Stocks in trade		**490,032**	179,045
Trade debts		**19,334**	126,598
Advances, deposits, prepayments and other receivables		**427,395**	471,007
Cash and bank balances		**9,773**	54,702
		1,205,155	1,101,349
Non -Current Assets-Held for sale		**151,824**	151,824
		1,356,979	1,253,173
		4,638,297	4,627,476
Contigencies and commitments	12	**-**	-

The annexed 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 NINE MONTH ENDED JUNE 30, 2015

	Nine Months Ended June 30,		Third Quarter Ended June 30,	
	2015	2014	2015	2014
	(Rupees in thousand)			
Sales - net	**1,002,051**	4,456,754	**9,045**	1,077,375
Cost of sales	**1,000,326**	4,240,880	**12,536**	995,126
Gross profit	**1,725**	215,874	**(3,491)**	82,249
Administrative expenses	**81,379**	109,319	**21,903**	29,704
Inoperative project expenses	**112,014**	-	**26,008**	-
Distribution and marketing expenses	**5,963**	79,176	**630**	33,619
	199,356	188,495	**48,541**	63,323
Operating Profit / (Loss)	**(197,631)**	27,379	**(52,032)**	18,926
Other operating Income	**10,562**	(175)	**1,872**	599
	(187,069)	27,204	**(50,160)**	19,525
Finance cost	**89,421**	154,423	**30,149**	52,520
Loss before taxation	**(276,490)**	(127,219)	**(80,309)**	(32,995)
Provision for taxation	**-**	(12,376)	**-**	(4,809)
Loss for the period	**(276,490)**	(139,595)	**(80,309)**	(37,804)
Loss per share - basic Rupees	**(2.79)**	(1.41)	**(0.81)**	(0.38)

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

Chief Executive Officer | **Director**

CONDENSED INTERIM CASH FLOW STATEMENT (Un-Audited)

FOR THE NINE MONTH ENDED JUNE 30, 2015

	Nine Months Ended June 30, 2015	2014
	Rupees in thousands	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**(276,490)**	(127,219)
Adjustments for non-cash and other items:		
Finance cost	**89,421**	154,423
Depreciation of Property, plant and equipment	**100,775**	108,027
Provision for employees' retirement benefits - gratuity	**(1,309)**	2,363
	188,887	264,813
Cash generated from operating activities before working capital changes	**(87,603)**	137,594
Adjustments for Working Capital Changes		
(Increase)/decrease in current assets:		
Stores, spares and loose tools	**11,376**	(64,102)
Stocks-in-trade	**(310,987)**	(271,566)
Trade debts	**107,264**	(227,641)
Advances, deposits, prepayments and other receivables	**44,460**	(35,279)
Increase in current liabilities;		
Trade and other payables	**(125,337)**	963,002
Net working capital changes	**(273,224)**	364,414
Finance cost paid	**(38,101)**	(145,106)
Employees'retirement benefits - gratuity paid	**(6,450)**	(4,170)
Income tax paid	**(850)**	(21,145)
	(45,401)	(170,421)
Net cash/ (used) in operating activities	**(406,228)**	331,587
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	**(7,788)**	(235,441)
Capital work in progress	**-**	-
Net cash used in investing activities	**(7,788)**	(235,441)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings	**176,058**	(192,838)
Long term finances	**193,029**	103,919
Net cash generated from financing activities	**369,087**	(88,919)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(44,929)**	7,227
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**54,702**	8,300
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**9,773**	15,527

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

Chief Executive Officer **Director**

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTH ENDED JUNE 30, 2015

Particulars	Share capital	Unappropriated profit	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	-	(139,596)	(139,596)
Balance as at June 30, 2014 (un-audited)	990,200	817,015	1,807,215
Balance as on September 30, 2014 (audited)	**990,200**	**819,386**	**1,809,586**
Total comprehensive loss for the period	-	(276,490)	(276,490)
Balance as at June 30, 2015 (un-audited)	**990,200**	**542,896**	**1,533,096**

The annexed 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 NINE MONTH ENDED JUNE 30, 2015

1. THE COMPANY AND ITS OPERATIONS

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 and ethanol.

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 has been 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, 2015.

5 SEASONALITY OF OPERATION

The Company is inter-alia, engaged in manufacturing of sugar for which the season normally 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 June 30, 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

			Un-Audited June 30, 2015	Audited September 30, 2014
			(Rupees in thousand)	
8.	**LONG TERM FINANCES**			
	Outstanding balance		**680,678**	487,275
	Current portion shown under current liabilities		**(13,624)**	(58,125)
			667,054	429,150
	Liabilities directly associated with non-current assets-held for sale		**(143,750)**	(143,750)
			523,304	285,400
9.	**LIABILITIES AGAINST ASSETS SUBJECT TO DIMINISHING MUSHARAKA FINANCE**			
	Future minimum diminishing musharaka finance payments		**2,137**	2,635
	Less: Un-amortized diminishing musharaka finance charge		**(142)**	(266)
	Present value of future minimumdiminishing musharaka finance payments		**1,995**	2,369
	Less:current portion shown under current liabilities		**(499)**	(499)
	Non current portion		**1,496**	1,870

10. SHORT TERM BORROWINGS-Secured

These represent cash finance, running finance, export refinance, bai-salam obtained from various banking companies and are subject to mark up ranging from 6% to 13.70% per annum (September 30, 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.

11.	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating fixed assets	11.1	**2,849,870**	2,852,560
	Capital work in progress		**431,448**	421,745
			3,281,318	3,374,305
11.1	Opening book value		**2,952,560**	3,100,914
	Add: Additions/ (disposal) during the period	11.2	**(1,915)**	8,366
			2,950,645	3,109,280
	Less:Depreciation charged during the period		**(100,775)**	(156,720)
			2,849,870	2,952,560
11.2	**Addition during the period**			
	Company owned assets			
	Building on freehold land		**-**	54,369
	Plant and machinery		**-**	81,206
	Furniture, fixture and equipments		**15**	2,198
	Vehicles	11.3	**(1,930)**	18,947
			(1,915)	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/ suits before Oil and Gas Regulatory Authority and Civil Courts, respectively, and is hopeful of favorable outcome.

Commitments

Nil - (March 31, 2014: Nil)

13. BUSINESS SEGMENTS INFORMATION

	Nine Months Ended June 30, 2015			Nine Months Ended June 30, 2014			Quarter Ended June 30, 2015			Quarter Ended June 30, 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	1,060,193	14,527	1,074,720	3,833,391	82,412	3,559,371	3,780	6,776	10,556	639,257	52,227	691,484
Export	-	-	-	-	1,167,254	1,167,254	-	-	-	-	440,806	440,806
Other by-products	1,046	-	1,046	-	-	-	-	-	-		-	-
	1,061,239	14,527	1,075,766	3,833,391	1,249,666	4,726,625	3,780	6,776	10,556	639,257	493,033	1,132,290
Less: Sales tax, excise duty and commission	71,628	2,087	73,715	257,839	12,033	269,871	550	961	1,511	42,882	12,033	54,915
	989,611	12,440	1,002,051	3,575,552	1,237,633	4,456,754	3,230	5,815	9,045	596,375	481,000	1,077,375
Cost of sales	1,000,254	72	1,000,326	3,568,282	1,029,029	4,240,880	12,536	-	12,536	671,653	323,473	995,126
Gross profit	(10,643)	12,368	1,725	7,270	208,604	215,874	(9,306)	5,815	(3,491)	(75,278)	157,527	82,249
Administrative and general expenses	72,937	8,442	81,379	107,295	2,025	109,319	19,800	2,103	21,903	35,820	(6,115)	29,704
Inoperative project expenses	112,014	-	112,014	-	-	-	26,008	-	26,008	-	-	-
Distribution and marketing expenses	3,096	2,867	5,963	12,550	66,626	79,176	193	437	630	3,390	29,629	34
	188,047	11,309	199,356	119,845	68,651	188,495	46,001	2,540	48,541	39,810	23,514	63,323
Operating profit	(198,690)	1,059	(197,631)	(112,575)	139,953	27,379	(55,307)	3,275	(52,032)	(115,088)	134,013	18,926

Inter-segment sales and purchases

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

Basis of inter-segment pricing

All inter -segment transfers are made at cost.

Reconciliation of reportable segment assets and liabilities

	As at June 30, 2015			As at September 30, 2014		
	Sugar	Ethanol	Total	Sugar	Ethanol	Total
	(Rupees in thousand)			(Rupees in thousand)		
Segment assets	**3,783,552**	**854,745**	**4,638,297**	3,239,233	1,388,243	4,627,476
Segment liabilities	**2,431,089**	**674,111**	**3,105,201**	1,972,523	845,367	2,817,890
Depreciation on property, Plant and equipment	**70,110**	**30,666**	**100,775**	86,292	56,463	142,755

14. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on July 31, 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 immediatly 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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