Condensed Interim Financial Information For the First Quarter Ended December 31, 2015 (Un - Audited)

Imperial Sugar Limited

(Formerly: Colony Sugar Mills Limited)

بسم الله الرحمن الرحيم

CONTENTS

Imperial Sugar Limited
(Formerly: Colony Sugar Mills Limited)

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	

Financial Institutions

National Bank of Pakistan
Habib Metropolitan Bank Limited
BankIslami Pakistan Limited
(Formerly KASB Bank Limited)
The Bank of Punjab
Al Baraka Bank(Pakistan) Limited
NIB Bank Limited

Auditors

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

Legal Advisor

Ms. Aniqua Sheikh
Advocate

Registered Office

Ground Floor, Ismail Aiwan-e-Science
Building, 205 Ferozepur Road
Lahore-54600
Ph # + 92 (042) 3575-8970
+ 92 (042) 3575-1308
Fax # + 92 (042) 3576-3247

Shares Registrar

Hameed Majeed Associates (Pvt) Limited
H.M. House, 7-Bank Square, Lahore.
Ph # + 92 (042) 3723-5081-2
Fax # + 92 (042) 3735-8817

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 December 31, 2015 are being presented to the shareholders in accordance with the requirements of International Accounting Standards, Companies Ordinance, 1984 and Rule Book of Pakistan Stock Exchange Limited.

Turnover of the company for the quarter is Rupees 130 Million against Rupees 591 Million during corresponding period of the last year. Your company suffered net loss of Rupees 76 Million as compared to the loss of Rupees 99 Million for the same period in last year. Loss for the quarter under review is Rupees 0.77 per share (2014: loss per share Rupees. 1.00).

Operations at Phalia Unit (sugar and ethanol producing facilities) are still temporarily closed due to meager yield of sugarcane in that region. While the unit situated at Mian Chanu is expected to start crushing in coming days which was delayed due to shortage of funds for which hopeful negotiations with banks are seen. Upon entering in agreement with potential bank(s), it is hoped that the company will start its crushing for the remaining period to avoid further losses.

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
January 30, 2016

Imperial Sugar Limited
(Formerly: Colony Sugar Mills Limited)

CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2015

	Note	Un-Audited December 31, 2015	Audited September 30, 2015
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital:			
100,000,000 (2015: 100,000,000) ordinary shares of Rupees 10/- each.		**1,000,000**	1,000,000
Issued, subscribed and paid up share capital	7	**990,200**	990,200
Unappropriated profit		**243,535**	319,687
		1,233,735	1,309,887
NON-CURRENT LIABILITIES			
Long term finances	8	**547,150**	536,469
Long term deposites		**80,000**	80,000
Liabilities against assets subject to diminishing musharaka finance	9	**1,247**	1,371
Staff retirement benefits		**73,571**	73,571
		701,968	691,411
CURRENT LIABILITIES			
Trade and other payables		**1,157,608**	1,120,952
Accrued finance cost		**145,257**	128,519
Short term borrowings-secured	10	**1,054,808**	1,058,808
Current portion of long term finances		**157,374**	156,875
Current portion of liabilities against assets subject to diminishing musharaka finance		**499**	499
		2,515,546	2,465,653
		4,451,249	4,466,951
PROPERTY AND ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	**3,255,157**	3,286,843
CURRENT ASSETS			
Stores, spares and loose tools		**264,637**	264,791
Stocks in trade		**190,918**	328,748
Trade debts		**69,954**	17,832
Advances, deposits, prepayments and other receivables		**513,066**	408,994
Cash and bank balances		**5,693**	7,919
		1,044,268	1,028,284
Non -Current Assets-Held for sale		**151,824**	151,824
		1,196,092	1,180,108
		4,451,249	4,466,951

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 FIRST QUARTER ENDED DECEMBER 31, 2015

	Note	DECEMBER 31, 2015	DECEMBER 31, 2014
		(Rupees in thousand)	
Sales - net		**130,168**	590,709
Cost of sales		**147,457**	587,227
Gross (Loss) / Profit		**(17,289)**	3,482
Administrative expenses		**12,764**	34,148
Inoperative project expenses	13	**24,484**	40,762
Distribution and marketing expenses		**468**	2,168
		37,716	77,078
Operating (loss)		**(55,005)**	(73,596)
Other operating Income		**460**	339
		(54,545)	(73,257)
Finance Cost		**21,607**	26,239
Loss before taxation		**(76,152)**	(99,496)
Provision for taxation		**-**	-
Loss for the period		**(76,152)**	(99,496)
Other comprehensive income/loss		**-**	-
Total comprehensive loss		**(76,152)**	(99,496)
Loss per share - basic Rupees		**(0.77)**	(1.00)

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

Chief Executive Officer **Director**

Imperial Sugar Limited
(Formerly: Colony Sugar Mills Limited)

CONDENSED INTERIM CASH FLOW STATEMENT (Un-Audited)

FOR THE FIRST QUARTER ENDED DECEMBER 31, 2015

	DECEMBER 31, 2015	DECEMBER 31, 2014
	Rupees in thousands	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(76,152)**	(99,496)
Adjustments for non-cash and other items:		
Finance cost	**21,607**	26,239
Depreciation of Property, plant and equipment	**31,685**	37,220
	53,292	63,459
Cash (used in) operating activities before working capital changes	**(22,860)**	(36,037)
Adjustments for Working Capital Changes		
(Increase)/decrease in current assets:		
Stores, spares and loose tools	**154**	(10,431)
Stocks-in-trade	**137,830**	15,921
Trade debts	**(52,122)**	-
Advances, deposits, prepayments and other receivables	**(104,761)**	141,528
(Decresae)/Increase in current liabilities;		
Trade and other payables	**36,656**	(98,461)
Net working capital changes	**17,757**	48,557
Finance cost paid	**(4,869)**	(23,648)
Employees'retirement benefits - gratuity paid	**-**	(2,607)
Income tax paid	**689**	(1,488)
	(4,180)	(27,743)
Net cash (used in) operating activities	**(9,283)**	(15,223)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	**-**	(6,625)
Net cash used in investing activities	**-**	(6,625)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances	**11,180**	(16,750)
Long term deposits	**-**	40,000
Liabilities against assets subject to diminishing musharaka finance	**(124)**	(125)
Short term borrowings	**(4,000)**	(52,365)
Net cash generated from / (used in) financing activities	**7,056**	(29,240)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	**(2,226)**	(51,088)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**7,919**	54,702
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**5,693**	3,614

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 FIRST QUARTER ENDED DECEMBER 31, 2015

Particulars	Share capital	Unappropriated profit	Total equity
	(Rupees in thousand)		
Balance as on September 30, 2014 (audited)	**990,200**	**819,386**	**1,809,586**
Total comprehensive loss for the quarter	**-**	**(99,496)**	**(99,496)**
Balance as at December 31, 2014 (un-audited)	**990,200**	**719,890**	**1,710,090**
Total comprehensive loss for the period	-	(400,203)	(400,203)
Balance as on September 30, 2015 (audited)	**990,200**	**319,687**	**1,309,887**
Total comprehensive loss for the quarter	-	(76,152)	(76,152)
Balance as at December 31, 2015 (un-audited)	**990,200**	**243,535**	**1,233,735**

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 FIRST QUARTER ENDED DECEMBER 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. 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 and by products.

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 ESTIMATIOIN

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, 2015.

4 SIGNIFICANT ACCOUNTIING 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 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 December 31, 2015	Audited September 30, 2015
		(Rupees in thousand)	
7.	**ISSUED, SUBSCRIBED AND PAID UP CAPITAL**		
	64,020,000 (September 30, 2015: 64,020,000) Ordinary shares of Rupees 10 each fully paid in cash	**640,200**	640,200
	35,000,000 (September 30, 2015: 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
8.	**LONG TERM FINANCES**		
	Out standing balance	**704,524**	693,344
	Current portion shown under current liabilities	**(157,374)**	(156,875)
		547,150	536,469
9.	**LIABILITIES AGAINST ASSETS SUBJECT TO DIMINISHING MUSHARAKA FINANCE**		
	Future minimum diminishing musharaka finance payments	**1,827**	1,980
	Less: Un-amortized diminishing musharaka finance charge	**(81)**	(109)
	Present value of future minimumdiminishing musharaka finance payments	**1,746**	1,871
	Current portion shown under current liabilities	**(499)**	(499)
	Non current poertion	**1,247**	1,371

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, 2015: 6% to 13.70% per annum). These are secured against pledge / hypothecation of stock-in-trade, charge on current assets, demand promissory note, Company's performance guarantee and personal guarantee of a sponsor director.

11	**PROPERTY, PLANT AND EQUIPMENT**		
	Opening book value	**2,816,544**	2,952,560
	Additions / (adjustment) during the period	**-**	(1,876)
		2,816,544	2,950,684
	Less:Depreciation charged during the period	**(31,685)**	(134,140)
		2,784,858	2,816,544
	Capital work -in-progress	**470,299**	470,299
		3,255,157	3,286,843

12 CONTINGENCIES AND COMMITMENTS

Contingencies

There are no significant changes in contingencies since the last published annual audited financial statements.

Commitments	Nil	Nil

13 INOPERATIVE PROJECT EXPENSE

These represent the expense including depreciation of Rs.23.400 Million (December 31, 2014: 27.6 Million) related toPhalia project of the company which remained inoperative during reporting period.

14. BUSINESS SEGMENTS INFORMATION

	For the first quarter ended December 31, 2015			For the first quarter ended December 31, 2014		
	Sugar	Ethanol	Total	Sugar	Ethanol	Total
	(Rupees in thousand)			(Rupees in thousand)		
Gross Revenue - Local	**137,459**	**3,383**	**140,842**	637,969	92	638,061
Less: Sales tax, excise duty and commission	**10,182**	**492**	**10,674**	47,339	13	47,352
Net revenue - local	**127,277**	**2,891**	**130,168**	590,630	79	590,709
Cost of sales	**144,628**	**2,829**	**147,457**	587,162	65	587,227
Gross (loss) / profit	**(17,351)**	**62**	**(17,289)**	3,468	14	3,482
Administrative expenses	**12,764**	**-**	**12,764**	29,980	4,168	34,148
Inoperative project expenses	**14,845**	**9,639**	**24,484**	24,457	16,305	40,762
Distribution and marketing expenses	**268**	**200**	**468**	1,517	651	2,168
	27,877	**9,839**	**37,716**	55,954	21,124	77,078
Operating (loss) before other operating income	**(45,228)**	**(9,777)**	**(55,005)**	(52,486)	(21,110)	(73,596)

14.1 Inter-segment sales and purchases

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

15 Segment assets and liabilities

	As at December 31, 2015			As at September 30, 2015		
	Sugar	Ethanol	Total	Sugar	Ethanol	Total
	(Rupees in thousand)			(Rupees in thousand)		
Segment assets	**3,679,313**	**771,936**	**4,451,249**	3,126,866	1,340,085	4,466,951
Segment liabilities	**2,515,288**	**702,226**	**3,217,514**	2,209,945	947,119	3,157,064
Depreciation on property, plant and equipment	**22,048**	**9,637**	**31,685**	80,484	53,956	134,440

16 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on January 30, 2016 by the Board of Directors of the Company.

17 GENERAL

17.1 Corresponding figures in the balance sheet comprise of balances as per the annual audited financial statements for the year ended September 30,2015, 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.

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

17.3 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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