BABA FARID SUGAR MILLS LIMITED
COMPANY INFORMATION

BOARD OF DIRECTORS
Muhammad Sarwar
Mr. Shahid Mahmood Qureshi
Syed Qaissar Abbas Naqvi
Mrs. Naheed Roohi
Ms. Rafia Aslam
Mr. Mirza Maqsood-ul-Hassan
Muhammad Ashraf
Chief Executive
Director
Director
Director
Director
Director

AUDIT COMMITTEE
Mr. Mirza Maqsood-ul-Hassan
Syed Qaissar Abbas Naqvi
Mr. Shahid Mahmood Qureshi
Chairman
Member
Member

HUMAN RESOURCE & REMUNERATION COMMITTEE
Mrs. Naheed Roohi
Ms. Rafia Aslam
Mr. Shahid Mahmood Qureshi
Member
Member
Member

COMPANY SECRETARY
Muhammad Ibrahim Raza

CHIEF FINANCIAL OFFICER
Muhammad Khalid Ali

AUDITORS
Sheikh & Chaudhri
Chartered Accountants
166-B, Upper Mall Scheme,
Lahore.
Tel: 042-35751138
Fax: 042-35751128
Email: info@schcho.com

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

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

REGISTERED OFFICE
Suite - T09, 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
Bank Al-Habib Limited
MCB
Habib Bank Limited

LEGAL ADVISOR
Muzamil Akhtar Shabir (Advocate)
The Members,
Baba Farid Sugar Mill
Asslam-o-Alaikum
On behalf of the Board of Directors having pleasure in presenting the Unaudited Financial Statements of the Company for the half year ended on 31st March, 2015, duly reviewed by the Auditors of the Company.

OPERATIONAL PERFORMANCE
Operating result for the year under review is summarized below:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Crushing Season Started</td>
<td>Nov. 28, 2014</td>
<td>Nov. 25, 2013</td>
</tr>
<tr>
<td>Duration of Season</td>
<td>Days</td>
<td></td>
</tr>
<tr>
<td>Sugarcane Crushed</td>
<td>M.Ton</td>
<td></td>
</tr>
<tr>
<td>Sugar Produced</td>
<td>M.Ton</td>
<td></td>
</tr>
<tr>
<td>Sugar Recovery</td>
<td>% age</td>
<td></td>
</tr>
<tr>
<td>Molasses produced</td>
<td>M.Ton</td>
<td></td>
</tr>
<tr>
<td>Molasses recovery</td>
<td>% age</td>
<td></td>
</tr>
</tbody>
</table>

The half year under review witnessed one of the toughest season of the sugar industry. The crushing season commenced on November 28, 2014 and Mill crushed 249,227.70 M.T of sugarcane as compared to 407,635.31 of corresponding of last year. The decrease in sugarcane crushing of 38.86% is due to market condition of sugar cane where keeping in view shortage of sugarcane crop. Sugar Recovery and production of sugar is also on lower side as compared to last year.

Presently, sugar market is depressed and prices are below cost level due to surplus stock of last year. The Government of Punjab has increased the minimum support price of sugarcane from Rs. 170/- to Rs.180/- per 40 kg. This increase will further affect the cost-price gap and if the sugar price, do not improve, and its impact will be further on the financial results of the company. It will also affect the timely payment to cane growers / other liabilities and company’s ability to meet the working capital requirements.

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

<table>
<thead>
<tr>
<th></th>
<th>2014 – 15 (Million)</th>
<th>2013 – 14 (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>515.459</td>
<td>775.546</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>3.219</td>
<td>166.247</td>
</tr>
<tr>
<td>Operating Profit / (Loss)</td>
<td>(23.119)</td>
<td>142.166</td>
</tr>
<tr>
<td>(Loss) / Profit After Taxation</td>
<td>(110.569)</td>
<td>44.331</td>
</tr>
<tr>
<td>(Loss) / Earnings per share</td>
<td>(11.70)</td>
<td>4.69</td>
</tr>
</tbody>
</table>

FUTURE OUTLOOK
In the current year, we are expecting that prices of sugar will 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.

By behalf of the Board

(Muhammad Sarwar)
Chief Executive

May 28, 2015.
Introduction

We have reviewed the accompanying condensed interim balance sheet of 
BABA FARID SUGAR MILLS LIMITED ("the company") as at 31 March 2015 
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. The figures of the 
condensed interim profit and loss account and condensed interim statement of 
comprehensive income for the quarters ended 31 March 2015 and 31 March 
2014 have not been reviewed and we do not express a conclusion on them as 
we are required to review only the cumulative figures for the half year ended 31 
March 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 financial and accounting matters, and applying analytical and 
other review procedures. A review is substantially less in scope than an audit 
carried out 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 31 March 2015 is not prepared, in all material 
respects, in accordance with approved accounting standards as applicable in 
Pakistan for interim financial reporting. Without qualifying our conclusion, we 
draw attention to note 1.2 to the annexed condensed interim financial 
information. During the current period, the Company has (incurred loss) / 
earned profit before tax of Rs.(123,577,515) (March 31, 2014 : Rs.46,480,820) 
and its accumulated loss at the balance sheet date amounted to Rs. 1,195,136,350 (September 30, 2014 :Rs.1,101,736,762). Furthermore, the 
Company's equity is in negative. These conditions along with other matters as 
set forth in note 1.2 indicate the existence of material uncertainty which may 
cast significant doubt about the Company's ability to continue as a going 
concern.

SHEIKH & CHAUDHRI 
Chartered Accountants 
Lahore : May 28, 2015 

Engagement Partner 
Muhammad Saeed Malik
# Baba Farid Sugar Mills Limited

## Condensed Interim Balance Sheet (Un-Audited)

### As at March 31, 2015

<table>
<thead>
<tr>
<th>Note</th>
<th>March 31, 2015</th>
<th>September 30, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rupees (Un-Audited)</td>
<td>Rupees (Audited)</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SHARE CAPITAL AND RESERVES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorized capital</td>
<td>100,000,000</td>
<td>100,000,000</td>
</tr>
<tr>
<td>Issued, subscribed and paid up capital</td>
<td>94,500,000</td>
<td>94,500,000</td>
</tr>
<tr>
<td>Accumulated (loss)</td>
<td>(1,195,136,360)</td>
<td>(1,101,738,762)</td>
</tr>
<tr>
<td>Surplus on revaluation of property, plant &amp; equipment</td>
<td>1,416,282,335</td>
<td>1,433,431,861</td>
</tr>
<tr>
<td><strong>NON-CURRENT LIABILITIES</strong></td>
<td>6,250,000,000</td>
<td>41,566,687</td>
</tr>
<tr>
<td>Long term loan</td>
<td>500,000,000</td>
<td>500,000,000</td>
</tr>
<tr>
<td>Loan from holding company</td>
<td>311,457,005</td>
<td>326,445,038</td>
</tr>
<tr>
<td>Deferred liabilities</td>
<td>836,457,005</td>
<td>868,111,705</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current portion of long term liabilities</td>
<td>78,965,333</td>
<td>78,965,333</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>1,094,159,890</td>
<td>263,523,925</td>
</tr>
<tr>
<td>Short term finance</td>
<td>697,307,959</td>
<td>527,797,959</td>
</tr>
<tr>
<td>Due to related party</td>
<td>780,130,968</td>
<td>683,196,517</td>
</tr>
<tr>
<td>Interest and mark-up accrued</td>
<td>159,672,496</td>
<td>136,474,552</td>
</tr>
<tr>
<td>Provision for taxation</td>
<td>1,979,631</td>
<td>16,493,069</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY &amp; LIABILITIES</strong></td>
<td>4,004,299,268</td>
<td>3,000,757,459</td>
</tr>
<tr>
<td>Contingencies &amp; commitments</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td>2,049,902,110</td>
<td>2,082,672,808</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>587,575</td>
<td>587,575</td>
</tr>
<tr>
<td>Long term deposits</td>
<td>2,050,499,685</td>
<td>2,083,260,383</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stores, spares and loose tools</td>
<td>39,848,118</td>
<td>39,366,037</td>
</tr>
<tr>
<td>Stock-in-trade</td>
<td>1,249,775,419</td>
<td>604,235,643</td>
</tr>
<tr>
<td>Trade debts</td>
<td>519,167,333</td>
<td>173,434,138</td>
</tr>
<tr>
<td>Advances</td>
<td>72,331,016</td>
<td>75,202,185</td>
</tr>
<tr>
<td>Trade deposits, prepayments and other receivables</td>
<td>21,364,507</td>
<td>21,000,275</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>54,323,190</td>
<td>1,258,798</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>4,004,299,268</td>
<td>3,000,757,459</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

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**CHIEF EXECUTIVE**

**DIRECTOR**
# Baba Farid Sugar Mills Limited

## Condensed Interim Profit and Loss Account (Un-Audited) for the Half Year Ended March 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>Half Year Ended</th>
<th>Quarter Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2015</td>
<td>March 31, 2014</td>
</tr>
<tr>
<td></td>
<td>Rupees</td>
<td>Rupees</td>
</tr>
<tr>
<td>Sales - net</td>
<td>545,458,971</td>
<td>775,546,258</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>542,299,179</td>
<td>603,298,806</td>
</tr>
<tr>
<td>Gross profit / (loss)</td>
<td>3,219,792</td>
<td>166,247,452</td>
</tr>
<tr>
<td></td>
<td>(6,586,637)</td>
<td>(8,586,637)</td>
</tr>
<tr>
<td>Distribution costs</td>
<td>9,242,387</td>
<td>2,513,577</td>
</tr>
<tr>
<td>Other expenses</td>
<td>37,748</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>17,058,279</td>
<td>15,587,577</td>
</tr>
<tr>
<td></td>
<td>26,338,414</td>
<td>24,081,154</td>
</tr>
<tr>
<td>Operating (loss) / profit</td>
<td>(23,118,622)</td>
<td>(23,359,179)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>100,458,893</td>
<td>95,691,888</td>
</tr>
<tr>
<td></td>
<td>48,474,430</td>
<td>(75,906,253)</td>
</tr>
<tr>
<td>Other operating income</td>
<td>(123,577,515)</td>
<td>(123,577,515)</td>
</tr>
<tr>
<td>(Loss) / profit before taxation</td>
<td>(46,480,820)</td>
<td>(75,906,253)</td>
</tr>
<tr>
<td>Taxation</td>
<td>(13,008,401)</td>
<td>(19,218,459)</td>
</tr>
<tr>
<td>(Loss) / profit after taxation</td>
<td>(110,569,114)</td>
<td>(56,689,794)</td>
</tr>
<tr>
<td>(Loss) / Earnings per share - basic and diluted</td>
<td>(11.70)</td>
<td>(6.00)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5.57</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

**CHIEF EXECUTIVE**

**DIRECTOR**
## Baba Farid Sugar Mills Limited
### Condensed Interim Statement of Comprehensive Income (Un-Audited)
#### For the Half Year Ended March 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>Half Year Ended</th>
<th>Quarter Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Loss) / profit after taxation</td>
<td>(110,569,114)</td>
<td>44,331,271</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive (loss) / income for the period</td>
<td>(110,569,114)</td>
<td>44,331,271</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

---

**Chief Executive**

**Director**
<table>
<thead>
<tr>
<th></th>
<th>Share Capital</th>
<th>Accumulated (Loss)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rupees</td>
<td>Rupees</td>
<td>Rupees</td>
</tr>
<tr>
<td>Balance as at October 01, 2013 (Audited)</td>
<td>94,500,000</td>
<td>(1,142,516,857)</td>
<td>(1,048,016,857)</td>
</tr>
<tr>
<td>Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax</td>
<td>-</td>
<td>14,264,203</td>
<td>14,264,203</td>
</tr>
<tr>
<td>Comprehensive income for the half year ended March 31, 2014</td>
<td>-</td>
<td>44,331,271</td>
<td>44,331,271</td>
</tr>
<tr>
<td>Balance as at March 31, 2014 - (Un-audited)</td>
<td>94,500,000</td>
<td>(1,083,321,383)</td>
<td>(988,821,383)</td>
</tr>
<tr>
<td>Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax</td>
<td>-</td>
<td>17,801,840</td>
<td>17,801,840</td>
</tr>
<tr>
<td>Comprehensive (loss) for the half year ended September 30, 2014</td>
<td>-</td>
<td>(35,617,219)</td>
<td>(35,617,219)</td>
</tr>
<tr>
<td>Balance as at September 30, 2014 - (Audited)</td>
<td>94,500,000</td>
<td>(1,101,736,762)</td>
<td>(1,007,236,762)</td>
</tr>
<tr>
<td>Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax</td>
<td>-</td>
<td>17,169,527</td>
<td>17,169,527</td>
</tr>
<tr>
<td>Comprehensive income for the half year ended March 31, 2015</td>
<td>-</td>
<td>(110,569,114)</td>
<td>(110,569,114)</td>
</tr>
<tr>
<td>Balance as at March 31, 2015 - (Un-Audited)</td>
<td>94,500,000</td>
<td>(1,195,136,350)</td>
<td>(1,100,636,350)</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.
BABA FARID SUGAR MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2015

<table>
<thead>
<tr>
<th>CASH FLOW FROM OPERATING ACTIVITIES</th>
<th>Half Year Ended</th>
<th>Half Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2015</td>
<td>March 31, 2014</td>
</tr>
<tr>
<td>Note</td>
<td>Rupees</td>
<td>Rupees</td>
</tr>
<tr>
<td>Cash (used in) / generated from operations</td>
<td>(152,460,620)</td>
<td>(1,215,161,955)</td>
</tr>
<tr>
<td>Finance costs paid</td>
<td>(37,260,948)</td>
<td>(176,622,361)</td>
</tr>
<tr>
<td>Taxes paid</td>
<td>(7,428,148)</td>
<td>(2,910,489)</td>
</tr>
<tr>
<td>Net cash (used) in operating activities</td>
<td>(197,158,716)</td>
<td>(1,399,694,805)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOW FROM INVESTING ACTIVITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed capital expenditure</td>
</tr>
<tr>
<td>Net cash (used) in investing activities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOW FROM FINANCING ACTIVITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long term loan</td>
</tr>
<tr>
<td>Due to related party</td>
</tr>
<tr>
<td>Net cash generated from financing activities</td>
</tr>
<tr>
<td>Net (decrease) in cash and cash equivalents</td>
</tr>
</tbody>
</table>

| Cash and cash equivalents at the beginning of the year | (523,539,161) |
| Cash and cash equivalents at the end of the period | (642,984,769) |

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR
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 Karachi, Lahore and Islamabad Stock Exchanges. 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, Hafeez Centre 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 (incurred loss) / earned profit before tax amounting to Rs. (123,577,515) (March 31, 2014: Rs.46,480,820) and at balance sheet date its accumulated losses have stood up to Rs. 1,195,136,350 (September 30, 2014: Rs.1,101,736,762). Further, the Company's equity is in negative and its current liabilities have exceeded its current assets by Rs.898,406,894 (September 30, 2014: Rs.788,953,579). These conditions may cast significant doubt on Company's ability to continue as a going concern and, therefore, that it 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 information of the Company for the half year ended 31 March 2015 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 30 September 2014.

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 30 September, 2014.

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, 2014.

5. CYCICALITY OF OPERATIONS

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

6. LONG TERM LOAN

<table>
<thead>
<tr>
<th>Note</th>
<th>March 31, 2015 (Rupees)</th>
<th>September 30, 2014 (Rupees)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Un-Audited)</td>
<td>(Audited)</td>
</tr>
<tr>
<td>Bank Al-Habib Limited</td>
<td>58,333,333</td>
<td>75,000,000</td>
</tr>
<tr>
<td>Less: Current Portion</td>
<td>(33,333,333)</td>
<td>(33,333,333)</td>
</tr>
<tr>
<td></td>
<td>25,000,000</td>
<td>41,666,667</td>
</tr>
</tbody>
</table>

6.1 This represents term finance facility obtained from Bank Al Habib Limited for purchase of plant and machinery and increasing godown capacity. It shall be repaid through 36 equal monthly installments starting from December 2013. It carries mark up at the rate of average 6 month KIBOR plus 1.75% per annum, mark up shall be serviced on quarterly basis. It is secured by way of first charge over plant and machinery of the Company amounting to Rs.170 million and personal guarantees of directors and corporate guarantee of M/s Pattoki Sugar Mills Limited.

7. LOAN FROM HOLDING COMPANY

<table>
<thead>
<tr>
<th>Note</th>
<th>March 31, 2015 (Rupees)</th>
<th>September 30, 2014 (Rupees)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Un-Audited)</td>
<td>(Audited)</td>
</tr>
<tr>
<td>Pattoki sugar Mills Limited (PSML)</td>
<td>525,000,000</td>
<td>525,000,000</td>
</tr>
<tr>
<td>Less: Current Portion</td>
<td>(25,000,000)</td>
<td>(25,000,000)</td>
</tr>
<tr>
<td></td>
<td>500,000,000</td>
<td>500,000,000</td>
</tr>
</tbody>
</table>

7.1 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. It shall be repaid through 42 half yearly installments starting from March 2014.

8. DEFERRED LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2015</th>
<th>September 30, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred taxation</td>
<td>310,680,501</td>
<td>325,668,534</td>
</tr>
<tr>
<td>Stuff retirement benefits - gratuity</td>
<td>776,504</td>
<td>776,504</td>
</tr>
<tr>
<td></td>
<td>311,457,005</td>
<td>326,445,038</td>
</tr>
</tbody>
</table>
9. CURRENT PORTION OF LONG TERM LIABILITIES

<table>
<thead>
<tr>
<th>Note</th>
<th>March 31, 2015</th>
<th>September 30, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rupees (Un-Audited)</td>
<td>Rupees (Audited)</td>
</tr>
<tr>
<td>Long term loans</td>
<td>33,333,333</td>
<td>33,333,333</td>
</tr>
<tr>
<td>Loan from holding company</td>
<td>25,000,000</td>
<td>25,000,000</td>
</tr>
<tr>
<td>Liability against assets subject to finance lease</td>
<td>9.1 20,632,000</td>
<td>20,632,000</td>
</tr>
<tr>
<td></td>
<td>78,985,333</td>
<td>78,985,333</td>
</tr>
</tbody>
</table>

9.1 This liability is overdue. The company has a dispute with BRR Guardian Modarba "the leasing company" regarding the settlement of securities provided for the subject facility. The company has officially lodged a complain in Consumer Protection Department of State Bank of Pakistan against the leasing company for release of the delivery orders, return of the post dated cheques and discharge of the personal guarantee of the directors.

10. SHORT TERM FINANCES

<table>
<thead>
<tr>
<th>Bank</th>
<th>March 31, 2015</th>
<th>September 30, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank al Habib Limited</td>
<td>199,513,959</td>
<td>527,797,959</td>
</tr>
<tr>
<td>Cash finance - secured</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MCB Bank Limited</td>
<td>497,794,000</td>
<td>527,797,959</td>
</tr>
<tr>
<td>Cash finance - secured</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

10.1 Short term finance facilities available from Bank Al Habib Limited under mark-up arrangements aggregate Rs.676.267 million (2014: Rs.676.267 million). These facilities, during the half year, carried mark-up at the rates 3 months KIBOR plus 1.5%. Mark-up is payable on quarterly basis.

Facilities available for opening letters of credit / guarantee aggregate Rs.24.8 million (2014: Rs.24.8 million) and are secured against the securities as detailed below.

The aggregate facilities are secured against pledge of sugar bags, first charge over receivables and second charge over stocks of Rs.55 million, personal guarantees of the directors amounting to Rs.500 million, corporate guarantee of the holding company M/S Pattoki Sugar Mills Ltd amounting to Rs.500 million.

10.2 Short term finance facilities available from MCB Bank Limited under mark-up arrangements aggregate Rs.500.00 million (2014: Rs. Nil ). These facilities, during the half year, carried mark-up at the rates 3 months KIBOR plus 1.5%. Mark-up is payable on quarterly basis. The aggregate facilities are secured against pledge of sugar bags, personal guarantees of the directors and corporate guarantee of the holding company M/S Pattoki Sugar Mills Ltd amounting to Rs.500 million.
11. DUE TO RELATED PARTY

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 1.5% per annum. The effective mark-up rate charged by PSML during the half year ranged from 11.53% to 11.67% (2014: 10.89% to 11.57%) per annum.

12. CONTINGENCIES & COMMITMENTS

There are no changes in the status of contingencies and commitments since the year ended September 30, 2014.

<table>
<thead>
<tr>
<th>Note</th>
<th>Property, Plant &amp; Equipment</th>
<th>Half Year Ended March 31, 2015</th>
<th>Year Ended September 30, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rupees (Un-Audited)</td>
<td>Rupees (Audited)</td>
<td></td>
</tr>
<tr>
<td>13.1</td>
<td>Operating fixed assets</td>
<td>2,044,758,647</td>
<td>2,076,716,672</td>
</tr>
<tr>
<td>13.2</td>
<td>Capital work-in-progress</td>
<td>5,143,463</td>
<td>3,956,136</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2,049,902,110</td>
<td>2,082,672,808</td>
</tr>
<tr>
<td>13.1.1</td>
<td>Opening book value</td>
<td>2,078,716,672</td>
<td>1,931,400,154</td>
</tr>
<tr>
<td></td>
<td>Surplus arised during the year</td>
<td>133,278,940</td>
<td>133,278,940</td>
</tr>
<tr>
<td></td>
<td>Additions during the period</td>
<td>1,368,049</td>
<td>32,065,736</td>
</tr>
<tr>
<td></td>
<td>Depreciation during the period / year</td>
<td>(35,326,073)</td>
<td>(68,028,158)</td>
</tr>
<tr>
<td></td>
<td>Closing book value</td>
<td>2,044,758,647</td>
<td>2,076,716,672</td>
</tr>
</tbody>
</table>

13.1.1 Additions during the period

<table>
<thead>
<tr>
<th>Note</th>
<th>Amount</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>1,826,213</td>
<td></td>
</tr>
<tr>
<td>Plant and Machinery</td>
<td>989,139</td>
<td>30,124,878</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>378,910</td>
<td>114,645</td>
</tr>
<tr>
<td></td>
<td>1,368,049</td>
<td>32,065,736</td>
</tr>
</tbody>
</table>

13.2 Capital work-in-progress

<table>
<thead>
<tr>
<th>Note</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building on freehold land</td>
<td>5,143,463</td>
</tr>
<tr>
<td></td>
<td>3,956,136</td>
</tr>
</tbody>
</table>

14. COST OF SALES

<table>
<thead>
<tr>
<th>Note</th>
<th>Half Year Ended</th>
<th>Quarter Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rupees</td>
<td>Rupees</td>
</tr>
<tr>
<td>Raw materials and expenses</td>
<td>1,102,955,197</td>
<td>1,086,026,895</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>94,575,087</td>
<td>124,535,497</td>
</tr>
<tr>
<td>Work in process</td>
<td>1,197,570,284</td>
<td>1,042,598,482</td>
</tr>
<tr>
<td>Opening</td>
<td>4,041,321</td>
<td>2,950,796</td>
</tr>
<tr>
<td>Closing</td>
<td>(11,717,820)</td>
<td>(3,815,478)</td>
</tr>
<tr>
<td></td>
<td>(7,676,499)</td>
<td>(824,682)</td>
</tr>
<tr>
<td></td>
<td>1,189,893,785</td>
<td>1,941,773,800</td>
</tr>
<tr>
<td>Sale of by-products</td>
<td>(876,953)</td>
<td>(144,440,863)</td>
</tr>
<tr>
<td>Molasses</td>
<td>(1,021,756)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(9,791,329)</td>
<td>(144,440,683)</td>
</tr>
<tr>
<td>Cost of good manufactured</td>
<td>1,180,102,456</td>
<td>1,767,333,117</td>
</tr>
<tr>
<td>Finished goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening</td>
<td>600,194,323</td>
<td>341,819,604</td>
</tr>
<tr>
<td>Closing</td>
<td>(1,238,057,599)</td>
<td>(1,529,835,915)</td>
</tr>
<tr>
<td></td>
<td>(637,863,276)</td>
<td>(1,188,034,311)</td>
</tr>
<tr>
<td></td>
<td>542,239,179</td>
<td>609,298,806</td>
</tr>
</tbody>
</table>
15. CASH (USED IN) OPERATIONS

<table>
<thead>
<tr>
<th>Description</th>
<th>Half Year Ended March 31, 2015</th>
<th>Half Year Ended March 31, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Loss) / profit before taxation</td>
<td>(123,577,515)</td>
<td>46,480,820</td>
</tr>
<tr>
<td>Adjustment for non cash charges and other items:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>35,326,073</td>
<td>31,635,474</td>
</tr>
<tr>
<td>Provision for gratuity</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Finance costs</td>
<td>100,458,893</td>
<td>95,691,868</td>
</tr>
<tr>
<td>Provision for doubtful debt</td>
<td>-</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Working capital changes</td>
<td>(164,677,071)</td>
<td>(1,393,970,117)</td>
</tr>
<tr>
<td>(28,892,105)</td>
<td>(1,261,642,775)</td>
<td></td>
</tr>
<tr>
<td>(152,469,620)</td>
<td>(1,215,161,955)</td>
<td></td>
</tr>
</tbody>
</table>

Working capital changes

Decrease/(increase) in current assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Half Year Ended March 31, 2015</th>
<th>Half Year Ended March 31, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stores, spares and loose tools</td>
<td>2,517,919</td>
<td>4,830,917</td>
</tr>
<tr>
<td>(645,539,776)</td>
<td>(1,188,858,993)</td>
<td></td>
</tr>
<tr>
<td>Trade debts</td>
<td>345,733,195</td>
<td>70,865,319</td>
</tr>
<tr>
<td>(6,193,752)</td>
<td>21,760,672</td>
<td></td>
</tr>
<tr>
<td>Trade deposits, prepayments and other receivables</td>
<td>(364,232)</td>
<td>(673,579)</td>
</tr>
<tr>
<td>Increase/(decrease) in current liabilities</td>
<td>830,635,985</td>
<td>(160,163,815)</td>
</tr>
<tr>
<td>(164,677,071)</td>
<td>(1,393,970,117)</td>
<td></td>
</tr>
</tbody>
</table>

For the purpose of cash flow statement, cash and cash equivalents comprise of:

<table>
<thead>
<tr>
<th>Description</th>
<th>Half Year Ended March 31, 2015</th>
<th>Half Year Ended March 31, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and bank balances</td>
<td>54,323,190</td>
<td>4,258,796</td>
</tr>
<tr>
<td>Short term finances</td>
<td>(697,307,959)</td>
<td>(527,797,959)</td>
</tr>
<tr>
<td>(642,984,769)</td>
<td>(523,539,161)</td>
<td></td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Name of related Party</th>
<th>Nature of relationship</th>
<th>Nature of transaction</th>
<th>Amount (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Import Chemicals (Pvt) Ltd.</td>
<td>Associate</td>
<td>Purchase of chemicals</td>
<td>12,817,356</td>
</tr>
<tr>
<td>Pattoki Sugar Mills Limited</td>
<td>Holding</td>
<td>Mark-up</td>
<td>69,358,527</td>
</tr>
<tr>
<td>Pattoki Sugar Mills Limited</td>
<td>Holding</td>
<td>Increase in amount payable</td>
<td>96,935,151</td>
</tr>
</tbody>
</table>

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 2014.

18. DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue on May 28, 2015 by the Board of Directors’ of the Company.