



Husein Sugar Mills Limited



**UN-AUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THIRD QUARTER ENDED JUNE 30,2016**



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**COMPANY INFORMATION****BOARD OF DIRECTORS**

Mr. Ahmed Ali Tariq	Chairman
Mr. Mustafa Ali Tariq	CEO
Mst. Nusrat Shamim	
Mr. Taufig Ahmed Khan	
Mr. Ali Ashfaq	
Mr. Wasim Saleem	
Mr. Muhammad Iftikhar	

AUDIT COMMITTEE

Mr. Taufig Ahmad Khan	Chairman
Mr. Ahmed Ali Tariq	Member
Mr. Ali Ashfaq	Member

**HUMAN RESOURCE &
REMUNERATION COMMITTEE**

Mr. Ahmed Ali Tariq	Chairman
Mr. Taufig Ahmad Khan	Member
Mr. Mustafa Ali Tariq	Member

CHIEF OPERATING OFFICER

Mr. Wasim Saleem

COMPANY SECRETARY

Mr. Khalid Mahmood
ACIS

LEGAL ADVISOR

Masud & Mirza Associates

BANKERS

MCB Bank Limited
Bank Alfalah Limited
Habib Bank Limited
National Bank of Pakistan
Allied Bank Limited
Faysal Bank Limited
Meezan Bank Limited
United Bank Limited
The Bank of Punjab
Albarkah Bank (Pakistan) Limited
Bank Islami Pakistan Limited
Summit Bank Limited
NIB Bank Limited

SHARE REGISTRAR

M/s Corptec Associates (Pvt) Limited
503-E, Johar Town, Lahore.
Ph:042- 35170336-7 Fax: 042- 35170338
E-mail: info@corptec.com.pk

AUDITORS

Kreston Hyder Bhimji & Co.
Chartered Accountants

MILLS

Lahore Road, Jaranwala

REGISTERED HEAD OFFICE

30-A E/1, Old FCC Gulberg III, Lahore
Ph: 35762089 - 35762090 Fax: 042-35712680
E-mail: info@huseinsugarmills.com
Website: www.huseinsugarmills.com

**DIRECTORS' REPORT**

On behalf of the Board, I am pleased to present third quarterly interim condensed financial information of the Company for the period ended on **June 30, 2016**.

Highlights of the Company's performance for the nine months and its comparison with corresponding period of last year is as under:

	2016	2015
OPERATIONAL		
Crushing days	111	139
Sugarcane crushed (M. Tons)	499,396	447,091
Sugar produced (M. Tons)	46,861	41,103
Sugar recovery percentage	9.41	9.20
	Rupees	
FINANCIAL		
Sales	2,937,701,935	1,968,755,399
Gross profit / (loss)	262,483,520	(105,730,297)
Operating Cost	135,988,227	121,038,930
Finance Cost	45,385,578	40,965,463
Profit / (Loss) before taxation	154,652,424	(248,925,036)
Profit / (Loss) after taxation	204,275,405	(268,925,036)
Earnings / (Loss) per share	12.02	(15.82)

The Company during the first nine months of the current financial year was able to post decent operational and financial results despite many handicaps like shortage of working capital lines from banks, relatively small crushing capacity of mills, low sucrose yielding varieties in operational area of the mills, and tough price competition for sugarcane from surrounding mills.

In line with international sugar market trend; surge in prices due to less production in India, the local sugar prices started picking up after the month of Ramzan. It is generally perceived that the existing stocks of sugar in the country are hardly sufficient to meet the local requirements till the start of new crushing season in November 2016. We anticipate further surge in sugar prices in remaining months of the current financial year. However your company will not benefit from this likely increase in price as it has already sold over 90% of sugar stocks due to paucity of working capital. With improved financial results the Company is taking all steps for securing sufficient working capital lines for next crushing year.

The Government has not yet released the committed export subsidy to the millers. This delay is negatively affecting the cash flows of your Company resulting in non-initiation of certain modifications in plant and machinery necessary for attaining further improved operational efficiencies.

Timely rains and improved application of fertilizers due to reduction in its prices has very positive effect on the sugarcane crop. With lesser anticipated opening sugar stocks and higher prices, it is expected that the new crushing season will be a good season for the sugarcane growers and the millers.

The Board acknowledges with thanks the continued support and cooperation extended by all stakeholders, bankers, financial institutions and growers. The Board also places on record its appreciation for employees of the Company for their devotion and hard work.

Ahmed Ali Tariq
Chairman

Lahore: July 27, 2016



ڈائریکٹرز رپورٹ

بورڈ کی طرف سے، میں 30 جون 2016ء کو تختہ مدت کیلئے کمپنی کی حالیہ نو ماہی عبوری نمونہ مالی معلومات بتوٹی پیش کرتا ہوں۔
نو ماہی میں کمپنی کی کارکردگی اور گزشتہ سال کی اسی مدت کے ساتھ اس کے موازنہ کی جھلکیاں مندرجہ ذیل ہیں:

2015	2016	آپریٹیشن
139	111	کرشک ایام
447,091 (میٹرک ٹن)	499,396 (میٹرک ٹن)	گنے کی کرشک
41,103 (میٹرک ٹن)	46,861 (میٹرک ٹن)	چینی کی پیداوار
9.20	9.41	فیصد چینی کا حصول
روپے	روپے	مالیات
1,968,755,399	2,937,701,935	فروخت
(105,730,297)	262,483,520	مجموعی نفع/ (نقصان)
121,038,930	135,988,227	آپریٹنگ لاگت
40,965,463	45,385,578	فنانس لاگت
(248,925,036)	154,652,424	نگلے سے قبل نفع/ نقصان
(268,925,036)	204,275,405	نگلے کے بعد نفع/ (نقصان)
(15.82)	12.02	آمدن/ (نقصان) فی ٹن

درواں مالی سال کے پہلے نو ماہ کے دوران کمپنی ٹیکوں سے ورنگل کپینٹل لائسنز کی قلت، ملز کی نہایت کم کرشک صلاحیت، ملز کے آپریٹیشنل شعبوں میں مختلف قسم کے سکروس پیدا کرنے میں کمی اور اور گرد کی ملز سے گنے کی قیمت کا سخت مقابلہ جیسی بہت سی رکاوٹوں کے باوجود شاندار آپریٹیشن اور مالیاتی نتائج درج کرنے کے قابل ہوئی۔

انٹرنیشنل شوگر مارکیٹ کے رجحان کے لحاظ سے، بھارت میں کم پیداوار کی وجہ سے ماہ رمضان کے بعد مقامی چینی کی قیمتوں میں اضافہ شروع ہو گیا۔ عام طور پر یہ خیال کیا جاتا ہے کہ ملک میں چینی کا موجودہ اسٹاک نومبر 2016ء میں نئے کرشک موسم کے آغاز تک مقامی ضروریات کو پورا کرنے کے لئے مشکل ہی کافی ہو۔ ہمارا اندازہ ہے کہ درواں مالی سال کے بقیہ مہینوں میں چینی کی قیمتوں میں مزید اضافہ ہوگا۔ تاہم کمپنی کو اس امکانی اضافہ سے کوئی فائدہ نہیں ہوگا کیونکہ کمپنی ورنگل کپینٹل کی کمی کی وجہ سے پہلے ہی چینی کے اسٹاک کا 90 فیصد سے زیادہ فروخت کر چکی ہے۔ بہتر مالیاتی نتائج کے ساتھ کمپنی اگلے کرشک سال کے لیے کافی ورنگل کپینٹل لائسنز کو محفوظ بنانے کے لئے تمام اقدامات کر رہی ہے۔

حکومت نے ابھی تک ملز کو کار بند برآمد سسٹمی جاری نہیں کر رہی ہے، یہ تاخیر کمپنی کی نقد رقم کے بہاؤ پر منفی اثر ڈال رہی ہے، جس کے نتیجے میں مزید بہتر آپریٹیشنل استعداد کے حصول کے لئے پلانٹ اور مشینری میں بعض ضروری ترامیم شروع نہیں ہو رہی ہیں۔

بروقت بارشوں اور کھاد اس کی قیمتوں میں کمی کی وجہ سے اس کے بہتر استعمال نے گنے کی فصل پر بہت مثبت اثر ڈالا ہے۔ آغاز سے ہی متوقع چینی کے اسٹاک اور زیادہ قیمتوں کے ساتھ، یہ امید ہے نیا کرشک ییزن گنے کے کاشتکاروں اور ملز کے لئے اچھا موسم ثابت ہوگا۔

بورڈ تمام اسٹیک ہولڈرز، بینکاروں، مالیاتی اداروں اور کاشتکاروں کے شکریہ کے ساتھ وسیع مسلسل حمایت اور تعاون کو تسلیم کرتا ہے۔ بورڈ، کمپنی کے لئے ملازمین کی ریکارڈ جان ثناری اور سخت محنت پر ان کی تعریف کرتا ہے۔

محمد علی طارق
چیئر مین

**CONDENSED INTERIM BALANCE SHEET**

	NOTE	Un-Audited 30-June-2016	Audited 30-September-2015
		Rupees	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
50 million (30 September 2015: 50 million) ordinary shares of Rupees 10 each			
		500,000,000	500,000,000
Issued, subscribed and paid-up share capital			
17 million (30 September 2015: 17 million) ordinary shares of Rupees 10 each			
		170,000,000	170,000,000
Reserves		(516,131,748)	(743,752,314)
Total equity		(346,131,748)	(573,752,314)
Advance for purchase of shares			
		609,681,833	403,441,833
Surplus on revaluation of property, plant and equipment		1,453,067,728	1,494,724,734
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term finance	6	-	-
Liabilities against assets subject to finance lease	7	3,884,607	-
Long term deposits		210,461,533	6,830,743
Deferred taxation		203,326,962	282,326,962
		417,673,102	289,157,705
CURRENT LIABILITIES			
Trade and other payables		776,286,313	1,273,462,838
Accrued markup on secured borrowings		7,519,927	13,874,902
Short term borrowings	8	560,433,229	417,404,411
Current portion of non-current liabilities		1,942,303	19,468,541
Provision for taxation		29,377,018	-
		1,375,558,790	1,724,210,692
Total liabilities		1,793,231,892	2,013,368,397
CONTINGENCIES AND COMMITMENTS			
	9		
TOTAL EQUITY AND LIABILITIES		3,509,849,705	3,337,782,650


CHIEF EXECUTIVE



AS AT 30 JUNE 2016 (UN-AUDITED)

		Un-Audited	Audited
	NOTE	30-June-2016	30-September-2015
		Rupees	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	2,561,638,583	2,614,021,184
Investments	11	-	20,812,295
Long term deposits		694,840	779,440
		2,562,333,423	2,635,612,919
CURRENT ASSETS			
Stores, spare parts and loose tools		141,345,986	139,864,011
Stock-in-trade		323,871,058	321,669,362
Trade debts		98,765,523	41,531
Advances		94,576,455	22,088,824
Short term deposits and prepayments		4,913,870	11,127,476
Other receivables		261,456,313	104,672,028
Cash and bank balances		22,587,077	102,706,499
		947,516,282	702,169,731
TOTAL ASSETS		3,509,849,705	3,337,782,650

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.


CHAIRMAN / DIRECTOR

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THIRD QUARTER ENDED 30 JUNE 2016**

		NINE MONTHS ENDED 30 JUNE		QUARTER ENDED 30 JUNE	
Note		2016	2015	2016	2015
-----Rupees-----					
SALES	12	2,937,701,935	1,968,755,399	788,009,532	88,288,102
COST OF SALES	13	(2,675,218,415)	(2,074,485,696)	(763,486,617)	(83,032,679)
GROSS PROFIT/(LOSS)		262,483,520	(105,730,297)	24,522,915	5,255,423
DISTRIBUTION COST		(12,315,224)	(10,784,137)	(3,108,595)	(1,090,996)
ADMINISTRATIVE EXPENSES		(115,356,601)	(108,993,446)	(34,091,624)	(33,580,004)
OTHER OPERATING EXPENSES		(8,316,402)	(1,261,347)	(1,074,927)	(92,454)
		(135,988,227)	(121,038,930)	(38,275,146)	(34,763,454)
		126,495,293	(226,769,227)	(13,752,231)	(29,508,031)
OTHER INCOME		73,542,710	18,809,655	41,591,208	227,714
PROFIT FROM OPERATIONS		200,038,003	(207,959,572)	27,838,977	(29,280,317)
FINANCE COST		(45,385,578)	(40,965,463)	(10,401,298)	(8,401,709)
PROFIT /(LOSS) BEFORE TAXATION		154,652,424	(248,925,036)	17,437,678	(37,682,026)
TAXATION		49,622,981	(20,000,000)	7,224,235	(20,000,000)
PROFIT / (LOSS) AFTER TAXATION		204,275,405	(268,925,036)	24,661,913	(57,682,026)
EARNINGS /(LOSS) PER SHARE - BASIC AND DILUTED		12.02	(15.82)	1.45	(3.39)

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.


CHIEF EXECUTIVE


CHAIRMAN / DIRECTOR

NINE MONTHS ENDED 30 JUNE		QUARTER ENDED 30 JUNE	
2016	2015	2016	2015

--Rupees.

204,275,405	(269,854,786)	24,661,913	(56,885,451)
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CHIEF EXECUTIVE

Abdul M. Elmag
CHAIRMAN / DIRECTOR

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THIRD QUARTER ENDED 30 JUNE 2016**

	30-June-2016	30-June-2015
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	154,652,424	(248,925,036)
Adjustments for non-cash charges and other items:		
Depreciation	84,513,801	91,630,229
Profit on bank deposits	(155,066)	-
Dividend income	(1,275,000)	(375,000)
Gain on sale of available for sale investment	(19,917,431)	-
(Loss) / gain on disposal of operating fixed assets	(1,816,009)	189,587
Finance cost	45,385,578	40,965,463
Cash generated from / (used in) operating activities before working capital changes	261,388,298	(116,514,756)
WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(1,481,975)	(14,066,453)
Stock in trade	(2,201,696)	(285,003,186)
Trade debts	(98,723,992)	14,389,725
Advances	(72,487,631)	(69,798,181)
Short term prepayments	6,213,606	9,055,481
Other receivables	(138,569,856)	(8,984,785)
Increase in current liabilities:		
Trade and other payables	(497,176,525)	65,787,007
	(804,428,069)	(288,620,393)
Cash used in operations	(543,039,772)	(405,135,149)
Finance cost paid	(51,740,554)	(44,508,377)
Income tax paid	(19,763,273)	(16,633,450)
Long term deposits	(84,600)	1,721,600
Net cash used in operating activities	(614,628,199)	(464,555,376)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of operating fixed assets	5,855,224	20,437,640
Addition in property, plant & equipment	(30,492,795)	(63,586,390)
Proceeds from sale of investments	22,417,431	-
Dividend received	1,275,000	375,000
Profit on bank deposits received	2,022,850	137,159
Net cash generated from / (used in) investing activities	1,077,710	(42,636,592)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of liabilities against assets subject to finance lease	(7,976,878)	(5,897,933)
Long term finance - obtained	-	650,000,000
Repayment of long term financing	(11,491,663)	(37,475,006)
Change in long term deposits	203,630,790	(94,135)
Advance for purchase of shares	206,240,000	193,000,000
Change in short term borrowings	143,028,818	292,284,892
Net cash flows from financing activities	533,431,067	1,091,817,818
Net decrease in cash and cash equivalents	(80,119,422)	584,625,851
Cash and cash equivalents at the beginning of the period	102,706,499	106,465,698
Cash and cash equivalents at the end of the period	22,587,077	691,091,549

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.


CHIEF EXECUTIVE


CHAIRMAN / DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THIRD QUARTER ENDED 30 JUNE 2016



SHARE CAPITAL	RESERVES					TOTAL EQUITY		
	Capital		Revenue					
	Premium on issue of right shares	Fair value reserve	Sub total	General	Accumulated loss		Sub total	
.....Rupees.....								
170,000,000	21,093,550	13,443,800	34,537,350	169,450,000	(594,721,521)	(425,271,521)	(390,734,171)	(220,734,171)
Balance as at 30 September 2014 (Audited)								
Loss for the period ended 30 June 2015								
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of tax								
-	-	-	-	-	(268,925,036)	(268,925,036)	(268,925,036)	(268,925,036)
Other comprehensive income for the period								
-	-	(929,750)	(929,750)	-	44,825,883	44,825,883	44,825,883	44,825,883
Total comprehensive loss for the period								
-	-	(929,750)	(929,750)	-	(224,099,153)	(224,099,153)	(225,028,903)	(929,750)
170,000,000	21,093,550	12,514,050	33,607,600	169,450,000	(818,820,674)	(649,370,674)	(615,763,074)	(445,763,074)
Balance as at 30 June 2015 (un-audited)								
Loss for the half year ended 30 September 2015								
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of tax								
-	-	5,797,795	5,797,795	-	(149,416,485)	(149,416,485)	(149,416,485)	(149,416,485)
Other comprehensive income for the period								
-	-	5,797,795	5,797,795	-	15,629,450	15,629,450	15,629,450	15,629,450
Total comprehensive loss for the period								
-	-	5,797,795	5,797,795	-	(133,787,035)	(133,787,035)	5,797,795	5,797,795
170,000,000	21,093,550	18,311,845	39,405,395	169,450,000	(952,607,709)	(783,157,709)	(743,752,314)	(127,989,240)
Balance as at 30 September 2015 (Audited)								
Profit for the period ended 30 June 2016								
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of tax								
-	-	-	-	-	204,275,405	204,275,405	204,275,405	204,275,405
Fair value reserve transferred to Profit and Loss								
-	-	(18,311,845)	(18,311,845)	-	41,657,006	41,657,006	(18,311,845)	41,657,006
Total comprehensive income for the period								
-	-	(18,311,845)	(18,311,845)	-	245,932,411	245,932,411	227,620,566	227,620,566
170,000,000	21,093,550	-	21,093,550	169,450,000	(706,675,298)	(537,225,298)	(516,131,748)	(346,131,748)
Balance as at 30 June 2016 (un-audited)								

The approved notes from 1 to 19 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

CHAIRMAN / DIRECTOR



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE THIRD QUARTER ENDED 30 JUNE 2016**

1. THE COMPANY AND ITS OPERATIONS

Husein Sugar Mills Limited ("the Company") is a public Company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Ordinance, 1984). The shares of the Company are listed on Lahore and Karachi Stock Exchanges. Its registered office is situated at 30-A-E/1, Old F.C.C., Gulberg-III, Lahore. The Company is principally engaged in the business of production and sale of sugar and by products.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited but 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 period ended 30, June 2016 has been prepared in accordance with the requirements of International Accounting Standard - 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 audited annual published financial statements of the Company for the year ended 30 September 2015.

3. STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in preparation of financial statements of the Company for the year ended 30 September 2015.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied in the preceding audited annual published financial statements of the Company for the year ended 30 September 2015.

5. SEASONALITY OF OPERATIONS

The Company is inter-alia, engaged in manufacturing of sugar for which the season begins in October / November and ends in March / April. Therefore, majority of expenses are incurred and production activities are undertaken in first half of the Company's financial year thus increasing volume of inventories and financing at the end of first half.



	Un-audited 30-June-2016	Audited 30-September-2015
	Rupees	
6 LONG TERM FINANCE		
From banking companies - Secured		
Opening balance	11,491,663	11,491,663
Repayments during the period	(11,491,663)	
Closing balance	-	11,491,663
Current portion shown under current liabilities	-	(11,491,663)
	-	-
7 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Future minimum lease payments	14,345,022	7,980,429
Less: Un-amortized finance charge	541,234	3,551
Present value of future minimum lease payments	13,803,788	7,976,878
Repayments made during the period	(7,976,878)	-
Current portion shown under current liabilities	(1,942,303)	(7,976,878)
	3,884,607	-
8 SHORT TERM BORROWINGS		
From banking companies-secured		
Secured against pledge of white refined sugar	213,383,137	175,000,000
Secured against hypothecation of current assets	347,050,092	242,404,411
	560,433,229	417,404,411

9. CONTINGENCIES AND COMMITMENTS

There is no material change in contingencies and commitments from the preceding audited financial statements of the Company for the year ended 30 September 2015 except for the counter guarantee amounting to Rs. 820 million (30 September 2015 : Rs. 354 million) and ranking charge over the current assets of the Company given as security against Murabah facility obtained from Bank Islami Pakistan Limited on account of agricultural loan to growers of sugar cane.



	Un-audited 30-June-2016	Audited 30-September-2015
	Rupees	
10 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets		
Owned (Note 10.1)	2,425,276,958	2,498,300,698
Leased (Note 10.2)	13,807,341	18,098,591
Capital work in progress	122,554,284	97,621,895
	<u>2,561,638,583</u>	<u>2,614,021,184</u>
10.1 Owned		
Opening balance - net book value	2,498,300,698	2,440,054,016
Additions during the period	5,426,108	174,943,144
Transferred from leased assets	8,258,058	7,373,029
Disposals during the period - net book value	(4,039,215)	(2,005,848)
Depreciation charged during the period	(82,668,691)	(122,063,643)
Closing balance - net book value	<u>2,425,276,958</u>	<u>2,498,300,698</u>
10.2 Leased		
Opening balance - net book value	18,098,591	28,785,225
Additions during the period	5,811,918	-
Transferred to owned assets	(8,258,058)	(7,373,029)
Depreciation charged during the period	(1,845,110)	(3,313,605)
Closing balance - net book value	<u>13,807,341</u>	<u>18,098,591</u>
11 INVESTMENTS		
Available for sale		
Shadab Textile Mills Limited - Quoted		
Nil (30 September 2015: 375,000) fully paid ordinary shares of Rupees 10 each	-	2,500,000
Sargodha Spinning Mills Limited - Quoted		
Nil (30 September 2015: 500) fully paid ordinary shares of Rupees 10 each	-	5,000
	-	2,505,000
Add: Fair value adjustment	-	18,311,845
Less: Impairment loss	-	4,550
	<u>-</u>	<u>20,812,295</u>

Investments were sold during the period.



(Un-audited)

NINE MONTHS ENDED		QUARTER ENDED	
30 June 2016	30 June 2015	30 June 2016	30 June 2015

-----Rupees-----

12. SALES - NET

Local sales - net of GST and FED	2,450,099,204	1,726,762,220	788,009,532	88,288,102
Export sales	382,211,731	198,513,179	-	-
Subsidy	105,391,000	43,480,000	-	-
	<u>2,937,701,935</u>	<u>1,968,755,399</u>	<u>788,009,532</u>	<u>88,288,102</u>

13. COST OF SALES
Raw materials consumed:

Sugarcane purchased	2,377,259,180	2,033,277,757	-	-
Sugarcane development cess	20,592,528	16,771,801	1,864,994	-
Market committee fee	2,497,030	2,236,240	-	-
	<u>2,400,348,738</u>	<u>2,052,285,798</u>	<u>1,864,994</u>	<u>-</u>

Salaries, wages and other benefits	96,114,360	107,799,526	18,105,987	29,597,300
Workers' welfare	5,720,294	1,339,313	158,890	278,848
Stores, spare parts and loose tools	8,506,349	10,862,947	761,349	434,874
Chemicals consumed	21,440,581	26,202,933	308,245	-
Packing material consumed	19,442,688	22,246,280	14,480	52,606
Fuel and power	16,535,866	20,489,703	5,345,027	7,054,370
Repair and maintenance	29,870,579	27,208,120	9,102,388	3,062,684
Insurance	3,230,324	2,761,781	641,037	1,003,772
Other factory overheads	4,067,311	5,314,793	233,244	354,347
Depreciation	72,143,019	82,977,688	20,723,673	29,671,165
	<u>277,071,371</u>	<u>307,203,084</u>	<u>55,394,320</u>	<u>71,509,966</u>
	<u>2,677,420,109</u>	<u>2,359,488,882</u>	<u>57,259,314</u>	<u>71,509,966</u>

Work-in-process:

Opening stock	2,519,008	1,659,576	8,702,395	2,299,865
Closing stock	(9,530,496)	(2,293,507)	(9,530,496)	(2,293,507)
	<u>(7,011,488)</u>	<u>(633,931)</u>	<u>(828,101)</u>	<u>6,358</u>
Cost of goods manufactured	<u>2,670,408,621</u>	<u>2,358,854,951</u>	<u>56,431,213</u>	<u>71,516,324</u>

Finished goods:

Opening stock	319,150,357	104,882,044	1,021,395,967	400,767,654
Closing stock	(314,340,562)	(389,251,299)	(314,340,562)	(389,251,299)
	<u>4,809,795</u>	<u>(284,369,255)</u>	<u>707,055,405</u>	<u>11,516,355</u>
	<u>2,675,218,415</u>	<u>2,074,485,696</u>	<u>763,486,617</u>	<u>83,032,679</u>

14. TRANSACTIONS WITH RELATED PARTIES

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

	Un-audited 30 March 2016 Rupees	Un-audited 30 June 2015 Rupees
Contributions to provident fund	3,982,808	3,578,520
Remuneration to key management personnel	33,425,635	29,524,675
Dividend received	1,275,000	375,000



15. RELATIONSHIP WITH THE ISLAMIC AND CONVENTIONAL FINANCIAL INSTITUTION

The Company in the normal course of business deals with sole Islamic financial institutions as well as the financial institutions who operate both the conventional side and Islamic window. During the period the Company carried out transactions with both the conventional side as well as Islamic window of financial institutions. The details of segregation between Shariah complaints and conventional assets/liabilities and income/expenditure are given below:

	As at June 30, 2016			As at September 30, 2015		
	Un-Audited			Audited		
	Rupees			Rupees		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Long term finance	-	-	-	11,491,663	-	11,491,663
Liabilities against assets subject to finance lease	5,826,910	-	5,826,910	-	7,976,878	7,976,878
Accrued markup on secured borrowings	3,740,076	3,779,850	7,519,926	7,511,718	6,363,184	13,874,902
Short term borrowings - secured	368,983,137	191,450,092	560,433,229	175,000,000	242,404,411	417,404,411
Investments	-	-	-	20,805,000	7,295	20,812,295
Cash and bank balances	(1,100,096)	(18,204,553)	(19,304,649)	(3,697,713)	(99,007,201)	(102,704,914)
	377,450,027	177,025,389	554,475,416	211,110,668	157,744,567	368,855,235

	Nine Months ended June 30, 2016			Nine Months ended June 30, 2015		
	Un-Audited			Un-Audited		
	Rupees			Rupees		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
Finance cost	14,359,557	24,087,511	38,447,068	1,922,373	33,181,295	35,103,668
Loss on remeasurement of available for sale investments	-	-	-	937,500	(7,750)	929,750
Dividend	(1,275,000)	-	(1,275,000)	(375,000)	-	(375,000)
Income from PLS bank account	(66,994)	(88,072)	(155,066)	(175,571)	(141,177)	(316,748)
	13,017,563	23,999,439	37,017,002	2,309,302	33,032,368	35,341,670

16. 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 2015.

17. SEGMENT INFORMATION

These financial statements have been prepared on the basis of a single reportable segment. Sales of sugar represents 90.56% (30 September 2015: 89.91%) of the total sales of the Company. 86.51% (30 September 2015: 89.19%) of the sales of the Company relates to customers in Pakistan. Of the remaining sales of the Company relating to customers outside Pakistan, 100% of those sales are made to customers in Afghanistan. All non-current assets of the Company as at 30 June 2016 were located in Pakistan. 46.11% (30 September 2015: 72.74%) of the total sales of the Company are made to a Single customer in Pakistan.

18. DATE OF AUTHORIZATION

This condensed interim financial information was approved by the Board of Directors and authorized for issue on 27 July 2016.

19. GENERAL

The figures have been rounded off to the nearest rupee.


CHIEF EXECUTIVE


CHAIRMAN / DIRECTOR