

AUDITOR'S REPORT TO THE MEMBERS
ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Abdullah Shah Ghazi Sugar Mills Limited** ("the Company") as at 31 March 2018 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 six month period then ended (here-in-after referred as the "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.

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 conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

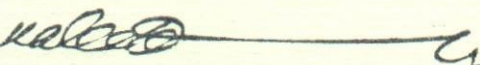
Emphasis of Matter

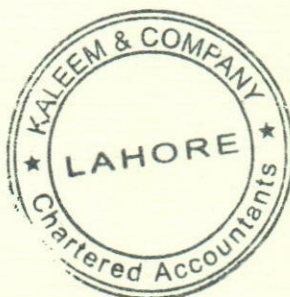
Without qualifying our conclusion we draw attention of the members to note 3 to the interim condensed financial information which indicates that the company has sustained a net loss after taxation of Rs.313.394 million during the half year ended March 31,2018 and as of that date it has accumulated loss of Rs. 1,644.766 million which resulted in negative equity of Rs. 852.149 million and its current liabilities exceeded its current assets by Rs. 2,743.307 Million. These conditions, along with matters as set forth in note 3, indicate the existence of material uncertainty which may cast significant doubt about company's ability to continue as going concern.

Other Matters

The figures of the condensed interim profit & Loss account and condensed interim statement of comprehensive income for the quarter ended March 31, 2018 have not been reviewed as we are required to review only the cumulative figures for the half year ended March 31, 2018.

Further our review report format is based on Auditor (Reporting Obligations) Regulations, 2018 notified by the SECP through S.R.O. 558 (I)/2018 dated April 26, 2018.


Muhammad Kaleem Rathor
Lahore
Date: December 04, 2018



KALEEM AND COMPANY
CHARTERED ACCOUNTANTS

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2018

	Note	Unaudited 31-Mar-18 Rupees	Audited 30-Sep-17 Rupees
<u>EQUITY AND LIABILITIES</u>			
<u>SHARE CAPITAL AND RESERVES</u>			
Authorized share capital		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital		792,616,660	792,616,660
Accumulated loss		(1,644,765,575)	(1,345,597,152)
		(852,148,915)	(552,980,492)
Surplus in revaluation of property, plant and equipment		516,625,170	523,581,629
<u>NON-CURRENT LIABILITIES</u>			
Long term loans from related party - unsecured	7	123,416,314	123,416,314
Long term loan from bank - secured	8	4,991,101	6,091,101
Retirement benefit obligations		4,850,576	4,850,576
Deferred taxation	9	-	-
		133,257,991	134,357,991
<u>CURRENT LIABILITIES</u>			
Trade and other payables	10	2,348,510,015	2,146,310,690
Finance cost payable		197,163,528	184,467,672
Short term borrowings - secured	11	74,720,546	74,720,546
Current portion of long term loan from bank		348,398,518	348,398,518
Provision for Taxation		855,000	-
		2,969,647,607	2,753,897,426
<u>CONTINGENCIES AND COMMITMENTS</u>			
	12	-	-
TOTAL EQUITY AND LIABILITIES		2,767,381,853	2,858,856,554
<u>ASSETS</u>			
<u>NON-CURRENT ASSETS</u>			
Property, plant and equipment	13	2,539,215,517	2,605,872,926
Long term deposits		1,826,165	1,826,165
<u>CURRENT ASSETS</u>			
Stores and spares		44,648,569	41,740,839
Stock in trade	14	65,850,000	114,914,525
Advances, deposits and prepayments	15	84,575,611	73,480,481
Advance income tax - net		16,589,731	11,024,020
Cash and bank balances	16	14,676,260	9,997,598
		226,340,171	251,157,463
TOTAL ASSETS		2,767,381,853	2,858,856,554

The annexed notes form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED MARCH 31, 2018

	Note	Half Year Ended		Second Quarter Ended	
		31-Mar-18 Rupees	31-Mar-17 Rupees	31-Mar-18 Rupees	31-Mar-17 Rupees
Sales - net	17	68,400,000	293,165,682	68,400,000	76,949,682
Cost of sales	18	339,480,811	359,374,766	37,031,129	55,906,789
Gross loss		(271,080,811)	(66,209,084)	31,368,871	21,042,893
Administrative and general expenses		17,065,231	12,110,627	9,409,086	4,998,846
Distribution expenses		1,065,000	979,736	1,065,000	694,736
		18,130,231	13,090,363	10,474,086	5,693,582
Operating loss		(289,211,042)	(79,299,447)	20,894,785	15,349,311
Other income		-	-	-	-
Finance cost		16,058,840	24,605,610	7,981,166	11,118,240
Loss before tax		(305,269,882)	(103,905,057)	12,913,619	4,231,071
Taxation	19	8,123,955	(230,037,322)	-	123,031
Net loss after tax		(313,393,837)	126,132,265	12,913,619	4,108,040
Earnings/(loss) per share		(3.95)	1.59	0.16	0.05

The annexed notes form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED MARCH 31, 2018

	Half Year Ended		Second Quarter Ended	
	31-Mar-18 Rupees	31-Mar-17 Rupees	31-Mar-18 Rupees	31-Mar-17 Rupees
Loss after taxation for the period	(313,393,837)	126,132,265	12,913,619	4,108,040
Other comprehensive income				
Remeasurement of retirement benefit obligation	-	-	-	-
Deferred tax on remeasurement of retirement benefit obligation	-	-	-	-
Total comprehensive loss for the period	(313,393,837)	126,132,265	12,913,619	4,108,040

The annexed notes form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2018

	Share Capital	Un-appropriated Profit	Total
	Rupees		
Balance as at October 1, 2016 Audited	792,616,660	(1,430,699,306)	(638,082,646)
Total comprehensive loss for the period	-	126,132,265	126,132,265
Transfer from surplus on revaluation of fixed assets	-	29,831,554	29,831,554
Balance as at March 31, 2017 Un-Audited	792,616,660	(1,274,735,487)	(482,118,827)
Balance as at October 1, 2017 Audited	792,616,660	(1,345,597,152)	(552,980,492)
Total comprehensive loss for the period	-	(313,393,837)	(313,393,837)
Prior year adjustment	-	-	-
Transfer from surplus on revaluation of fixed assets	-	14,225,414	14,225,414
Balance as at March 31, 2018 Un-Audited	792,616,660	(1,644,765,575)	(852,148,915)

The annexed notes form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR




CHIEF FINANCIAL OFFICER

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2018

	31-Mar-2018 Rupees	31-Mar-2017 Rupees
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Loss before taxation	(305,269,882)	(103,905,057)
Adjustments for non-cash and other items:		
Depreciation	66,743,104	40,029,877
Provision for gratuity	3,262,703	-
Prior year adjustment	-	-
Finance cost	16,058,840	24,605,610
	86,064,647	64,635,487
<i>Profit before working capital changes</i>	(219,205,235)	(39,269,570)
Working capital changes		
(Increase)/Decrease in:		
Stores and spares	(2,907,731)	(13,954,409)
Stock in trade	49,064,525	158,908,615
Trade debts	-	2,279,739
Advances, deposits and prepayments	(11,095,131)	41,137,598
	35,061,663	188,371,543
(Increase)/Decrease in:		
Trade and other payables	198,936,623	(86,590,344)
	198,936,623	(86,590,344)
<i>Cash generated from operations</i>	14,793,051	62,511,629
Income tax paid	(5,565,711)	(234,803)
Finance cost paid	(3,362,984)	(7,263,664)
Gratuity paid	-	(229,050)
	(8,928,695)	(7,727,517)
<i>Net cash generated from operating activities</i>	5,864,356	54,784,112
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Fixed assets acquired	(85,695)	(36,900)
Capital work in progress	-	(33,962,414)
<i>Net cash used in investing activities</i>	(85,695)	(33,999,314)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Loan term borrowings	(1,100,000)	-
Short term borrowings	-	(5,945,471)
<i>Net cash (used in)/from financing activities</i>	(1,100,000)	(5,945,471)
Net increase/(decrease) in cash and cash equivalents	4,678,662	14,839,327
Cash & cash equivalents at the beginning of the year	9,997,598	2,814,415
Cash & cash equivalents at the end of the year	14,676,260	17,653,742



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

The Company as incorporated in Pakistan on February 25, 1984 as a Private Limited Company and was subsequently converted into a Public Limited Company on February 11, 1990. The Company is listed on Pakistan Stock Exchange. The principal business of the Company is manufacturing and selling of refined sugar and by products. The Mill is located at Gharo, Sindh. Name of parent company is M/s. Haq Bahu Sugar Mills (Private) Limited and registered office of the company is situated at 7/10, A-2 Akray Square Shahr-e-Liaquat, New Challi,

2 BASIS OF PREPARATION

2.1 Basis of Accounting

2.1.1 This condensed interim financial information comprises the condensed interim statement of financial position of the Company as at 31 March 2018 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the period from 01 October 2017 to 31 March 2018.

2.1.2 These condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, "Interim Financial Reporting," issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.3 This condensed interim financial information does not include all of the information required for full annual audited financial statements and should be read in conjunction with the annual audited financial statements for the year ended 30 September 2017.

2.1.4 Comparative statement of financial position numbers are extracted from the annual audited financial statements of the Company for the year ended 30 September 2017, whereas comparative figures of profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited interim financial information of the Company for the Six months period ended 31 March 2017.

2.1.5 This condensed interim financial information is unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.

3 GOING CONCERN ASSUMPTION

These financial statements have been prepared under the "going concern convention" except of certain classes of property, plant and equipment which are stated at revalued amount and employee retirement benefits which are stated at fair value.

The interim condensed financial statements of the company for the half year ended March 31, 2018 reflect that company has sustained a net loss after taxation of Rs. 313,393,837 and as of that date it has accumulated losses of Rs. 1,644,765,575 (Sep 2017: Rs. 1,345,597,152) resulted in negative equity of Rs. 852,148,915 (Sep 2017: Rs. 552,980,492) and its current liabilities exceeded its current assets by Rs. 2,743,307,436 (Sep 2017: Rs. 2,502,739,963). These conditions indicate the existence of material uncertainty which may cast significant doubt about the company's ability to continue as going concern and therefore the company may not be able to realize its assets and discharge its liabilities in the normal course of business. However management has taken the following significant measures to improve the operational performance and liquidity of the company:

- a) Unfavourable business conditions are temporary and cyclical in nature and would reverse in future;

- b) Arbitration efforts that have been undertaken to resolve dispute with TCP will be successful and the Company will be able to settle the subject amount in a convenient and sustainable manner;
 - c) Negotiations with all the secured creditors and financial institutions to restructure the liabilities on long-term basis are underway and some financial institutions have restructured their facilities and management expects that the remaining will also turnout successful;
 - d) There will be a persistent financial support from sponsors to enable Company to survive as a 'going concern'.
 - e) Further, the management is actively pursuing a plan to reduce cost and to increase the efficiency of mills.
- Finally, the management is very much convinced that the above measures would result in improving the financial position and operational performance of the company.

4 ACCOUNTING POLICIES

- 4.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the audited financial statements for the year ended 30 September 2017.
- 4.2 Effective 01 January 2018, the provisions of the Companies Act, 2017 relating to the preparation of the financial statements have become applicable. However, there is no major impact of these provisions on the Company condensed interim financial information.
- 4.3 The following amendments and interpretations of approved accounting standards will be effective for accounting periods as detailed below :

Standard or Interpretation		Effective Date (Accounting periods beginning on or after)
IFRS 2	- Share Based Payments	01 January 2018
IAS 40	- Investment Property	01 January 2018
IAS 28	- Investments in Associates and Joint Ventures	01 January 2018
IFRIC 22	- Foreign Currency Transactions and Advance Consideration	01 January 2018
IFRS 9	- Financial Instruments	01 July 2018
IFRS 15	- Revenue from Contract with customer	01 July 2018
IFRS 3	- Business Combinations	01 January 2019
IFRS 11	- Joint ventures	01 January 2019
IAS 12	- Income Taxes	01 January 2019
IAS 23	- Borrowing Cost	01 January 2019
IAS 28	- Investments in Associates and Joint Ventures	01 January 2019
IFRIC 23	- Uncertainty over Income Tax Treatments	01 January 2019

5 USE OF ESTIMATES & JUDGEMENTS

The preparation of the condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed interim financial information, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of audited financial statements for the year ended 30 September 2017.

6 SEASONALITY OF OPERATIONS

Due to seasonal nature of sugar, operating results of sugar are expected to fluctuate in the second half of the year. The sugarcane crushing season normally starts from November and lasts till April each year.

ABDULLAH SHAH GHAZI SUGAR MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-Audited)
FOR THE HALF YEAR ENDED MARCH 31, 2018

		Un-Audited 31-Mar-2018 Rupees	Audited 30-Sep-2017 Rupees
7	<u>LONG TERM LOAN FROM RELATED PARTY - UNSECURED</u>		
	Subordinated loan from holding company	123,416,314	123,416,314
	The loan has been advanced by M/s. Haq Bahu Sugar Mills (Pvt.) Ltd which carries markup @ three months KIBOR plus 1% (Sep 2017: @ three months KIBOR plus 1%) payable half yearly. Since the loan will not be repayable within next twelve months therefore the same has been classified as long term liability. The loan is subordinated to certain short term finance facility obtained by the company.		
8	<u>LONG TERM LOAN FROM BANK - SECURED</u>		
	Markup based borrowing from conventional banks (Secured):		
	Term Finance	8.1	75,000,000
	Summit Bank	8.2	6,591,101
	Silk Bank		81,591,101
			82,091,101
	Islamic Mode of Financing (Secured):	8.3	271,798,518
	Bank Islami		272,398,518
			353,389,619
			(348,398,518)
	Less: Current Portion of Long term Loans	4,991,101	6,091,101
	8.1 The facility has been obtained from Summit Bank Limited and amounting to Rs. 75 million. The facility carries markup @ 3 months KIBOR plus 1% per annum payable quarterly in arrears. The facility is secured against first pari passu charge over present and future fixed assets of the company amounting to Rs. 66.70 million and personal guarantees of all sponsoring directors.		
	8.2 The facility has been obtained from Silk Bank Limited amounting to Rs. 100 million. The facility carries no markup. The facility is secured against pledge of refined sugar with 10% margin.		
	8.3 The facility has been obtained from Bank Islami Limited amounting to Rs. 275 million. The facility carries markup @ 3 months KIBOR with a floor of 5% and cap of 12% per annum payable quarterly in arrears. The facility is secured against ranking charge over current assets of the Company with 25% margin.		
9	<u>DEFERRED TAXATION</u>		
	Deferred tax liability arising due to		
	accelerated tax depreciation	121,084,337	251,157,142
	revaluation - net of related depreciation	204,989,315	218,068,651
	Deferred tax assets arising due to		
	staff gratuity	(1,406,667)	(1,455,173)
	available tax losses and credits	(372,212,973)	(510,087,826)
		(47,545,988)	(42,317,206)
	Asset not recognized	(47,545,988)	(42,317,206)
		-	-
10	<u>TRADE AND OTHER PAYABLES</u>		
	Creditors for Goods and Services	1,133,587,113	1,074,411,442
	Advance from TCP	521,162,495	521,162,495
	Advance from Customers	605,247,706	469,428,513
	Accrued Liabilities	21,891,473	16,817,866
	Deposits	39,076	39,076
	Road Cess	2,038,523	2,448,207
	Income Tax Payable	3,899,872	3,832,820
	Workers' Profit Participation Fund	55,299,427	52,036,724
	Workers' Welfare Fund	4,616,856	4,616,856
	Sales Tax Payable	597,920	285,633
	Other Liabilities	129,554	1,231,058
		2,348,510,015	2,146,310,690

11 SHORT TERM BORROWINGS

Running Finance

Bank Islami
Summit Bank

-	-
47,080,879	47,080,879
47,080,879	47,080,879

Cash Finance

Silk Bank

-	-
-	-

Short Term Finance

Bank Islami
Summit Bank

-	-
8,666,667	8,666,667
8,666,667	8,666,667

Loan from Others - Unsecured Interest Free

Azhar Qadeer Butt

18,973,000	18,973,000
18,973,000	18,973,000
74,720,546	74,720,546

11.1 During the year the company has obtained various short term borrowings facilities from various banks for working capital requirements against the available limit of Rs. 685.240 million (Sep 2017: Rs. 685.240 million). These facilities carries markup @ ranging from three to six months KIBOR plus 2.5% to 4% (Sep 2017: @ ranging from three to six months KIBOR plus 2.25% to 4%) payable quarterly in arrears. These facilities are secured on all present & future fixed assets of the company, pledge of refined sugar stock and personal guarantees of directors.

11.2 This loan is interest free and unsecured and is payable with the mutual consent.

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

- The Company received advances from Trading Corporation of Pakistan (TCP) under four different sugar supply agreements. The Company has disputed the supply of sugar under the said agreements contending that TCP made numerous breaches of the agreements causing enormous losses to the Company and has filed a civil suit in court of Honorable Civil Judge, Lahore praying to refer the dispute to arbitration under the terms of the agreements. The Court has initiated exparte proceedings against TCP and matter is a pending adjudication.
- During the year under consideration TCP filed a complaint with National Accountability Bureau (NAB), Sindh for recovery of the amount advanced by it as referred in preceding paragraph. Total amount claimed by TCP is Rs.1,311.528 million being principle amount of Rs.570.913 million plus Rs.740.615 million being penalty, markup and other incident charges. The matter is pending with NAB for disposal and the management expects that outcome will be in its favor and penalty, markup and other incidental charges of Rs.740.615 million would not be payable, hence no provision thereagainst has been made in these financial statements. During the year TCP has encashed Margin on Gaurantee deposited by the company with the banks and therefore the pinciple amount claimed has been reduced to 521.165 million.
- Due to financial crunch faced by the Company the long term loan from Summit Bank (refer note 8) could not be serviced in a timely manner. Summit Bank Limited has filed lawsuit for recovery of this finance facility in Lahore High Court which is a pending adjudication.
- The Company had deposited an amount of Rs. 20.832 million of excise duty in 1991-92 under protest with collector of custom and central excise, Hyderabad on account of rebate of excise duty earlier claimed as per the incentive given by the government. The Honorable High Court of Sindh has decided the case in favor of Collector of Customs. The company has filed an appeal in Supreme Court of Pakistan which is pending for hearing. The management of the company expects favorable outcome. However, as a matter of prudence company has made provision there against in these financial statements.

12.2 Commitments

The Company has entered into Ijarah agreements for Rs.4.409 million (Sep 2016: Rs. 4.409 million) with Bank Alfalah limited to acquire vehicles. The rentals under these agreements are payable monthly up to October 2017 carrying profit rates ranging from three and six month kibar plus 1.23% to 1.41% per annum (Sep 2017: 1.23% to 1.41% per annum). The total of future Ijarah payments are as under:

Less than one year	--	1,034,740
Within one to five years	--	13,850

W.C.D

13 **PROPERTY, PLANT AND EQUIPMENT**

Operating assets
Capital work in progress

13.1
13.2

Un-Audited 31-Mar-2018 Rupees	Audited 30-Sep-2017 Rupees
2,492,297,816	2,558,955,225
46,917,701	46,917,701
2,539,215,517	2,605,872,926

13.1 **Operating Assets**

Net book value at beginning of the period
Addition during the period
Adjustments during the period
Depreciation charged during the period

2,558,955,225	1,387,534,905
85,695	1,251,480,073
-	-
(66,743,104)	(80,059,753)
2,492,297,816	2,558,955,225

13.2 **Capital work in progress**

Plant and machinery
Civil works

46,917,701	46,917,701
-	-
46,917,701	46,917,701

14 **STOCK IN TRADE**

Work in Process
Finished Goods

-	114,914,525
65,850,000	-
65,850,000	114,914,525

15 **ADVANCES, DEPOSITS AND PREPAYMENTS**

Advances - Unsecured, considered good

Growers
Contractors
Suppliers
Employees
For expenses
Export rebate receivable

38,396,373	40,218,446
4,703,190	860,036
19,177,054	11,473,912
964,238	988,008
5,519,756	4,125,079
15,815,000	15,815,000
84,575,611	73,480,481
20,831,910	20,831,910
105,407,521	94,312,391
(20,831,910)	(20,831,910)
84,575,611	73,480,481

Excise duty deposit

Provision against excise duty deposit

16 **CASH AND BANK BALANCES**

Cash at Banks
Cash in Hand

8,620,777	3,190,077
6,055,483	6,807,521
14,676,260	9,997,598

Un-Audited Half Year Ended		Un-Audited Quarter Ended	
31-Mar-18 Rupees	31-Mar-17 Rupees	31-Mar-18 Rupees	31-Mar-17 Rupees

17 **SALES - NET**

Gross Local Sales

Sugar
Molasses
Total Gross Sales
Less: Sales tax

75,240,000	311,097,600	75,240,000	73,260,000
-	10,349,682	-	10,349,682
75,240,000	321,447,282	75,240,000	83,609,682
(6,840,000)	(28,281,600)	(6,840,000)	(6,660,000)
68,400,000	293,165,682	68,400,000	76,949,682

18 **COST OF SALES**

Cost of sugar cane	154,765,727	89,083,355	21,395,917	80,937,976
Stores and spares consumed	12,057,271	5,554,422	6,270,913	2,596,218
Oil and lubricants consumed	3,086,891	2,797,331	2,807,077	1,411,550
Packing material consumed	1,200,587	469,711	1,200,587	469,571
Chemical consumed	4,501,382	2,974,551	4,499,682	1,975,728
Salaries, wages and benefits	37,588,801	40,064,417	24,983,378	23,761,401
Water, fuel and power	6,140,727	13,458,309	4,310,676	9,240,619
Vehicle running and maintenance	-	-	-	-
Freight, handling and octroi	3,877,981	276,559	3,342,101	57,460
Insurance	-	-	-	-
Ijara rentals	-	-	-	-
Depreciation	64,846,666	37,898,381	32,423,333	18,949,191
Others	2,350,253	7,889,116	1,647,465	4,332,552
	290,416,286	200,466,151	102,881,129	143,732,266
Add: Opening WIP	114,914,525	30,518,092	-	-
Less: Closing WIP	-	(87,825,477)	-	(87,825,477)
Cost of Goods Manufactured	405,330,811	143,158,766	102,881,129	55,906,789
Add: Opening Finished Goods	-	216,216,000	-	-
Less: Closing Finished Goods	(65,850,000)	-	(65,850,000)	-
	339,480,811	359,374,766	37,031,129	55,906,789

19 **TAXATION**

Taxation for the period

Current	855,000	-	-	-
Deferred	7,268,955	(230,037,322)	-	123,031
	8,123,955	(230,037,322)	-	123,031

20 **TRANSACTIONS WITH RELATED PARTIES**

The related parties and associated undertakings comprise related group companies, local associates, staff retirement funds, directors and key management personnel. Transactions and balances with related parties and associated undertakings are as follows:

Relationship	Nature of Transaction	Un-Audited Half Year Ended	
		31-Mar-18 Rupees	31-Mar-17 Rupees
Parent Company	Markup expense	4,394,160	4,332,791

		Un-Audited 31-Mar-2018 Rupees	Audited 30-Sep-2017 Rupees
<u>Relationship</u>	<u>Nature of Transaction</u>		
<u>Period/year end balances</u>			
Parent Company	Long term loan	123,416,314	123,416,314
	Markup payable	91,382,731	73,488,266

21 **DATE OF AUTHORIZATION**

This condensed interim financial information was authorized for issue by the Board of Directors on 04 December 2018.

22 **GENERAL**

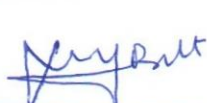
Figures in this condensed interim financial information has been rounded off to the nearest Rupee unless otherwise stated.

23 **EVENTS AFTER THE BALANCE SHEET DATE**

Subsequent to the period end, the Finance Act, 2018 has been promulgated and approved through which certain amendments were made in the income tax, sales tax, federal excise duty, custom act and other related laws. The amendments include super tax imposed through Finance Act, 2015 is extended upto tax year 2020 and corporate tax rate reduced to 29% for tax year 2019, thereafter, the rate will reduce by 1% annually until 2023.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

K.CO