

**DIRECTORS REPORT**

**Dear Shareholder,**

I am pleased to present the un-audited accounts of the company for the nine months ended 30<sup>th</sup> June, 2013.

The operating results of the Company for the period under review are as follows:

	June 30, 2013	June 30, 2012
Sugarcane crushed (M. Tons)	2,177,264	1,609,646
Sugar produced (M.Tons)	197,369	149,368

During this period the company has earned financial profit after tax amounting to Rs. 52.663 million as compared to a loss after tax amounting to Rs. 283.449 million, resultantly the gross profit percentage has also increased.

The balance sheet size of the company has increased from Rs.10.609 billion to Rs. 13.358 billion. Share capital and reserves have also registered an increase.

The growers, as usual, were timely paid throughout the crushing season and immediately after the close of the season, their sugarcane payments were almost settled. The growers in our 3 mills vicinity are being facilitated for cultivation of sugarcane by providing them with fertilizers and better quality seed.

Owing to surplus sugar production and carryover stocks of last year, the prices are expected to remain depressed for the rest of the year. Prevailing sugar prices are hardly covering the manufacturing and carrying costs of unsold sugar stocks. Although Govt has supported the sugar industry by buying sugar through TCP, but this sugar is being sold at utility stores at prices, lower than the market retail prices, giving no space and opportunity to sugar industry to sell the unsold sugar stocks, at better rates.

On behalf of the board.

Lahore  
July 31, 2013

**HAROON KHAN**  
(Chief Executive)

**BALANCE SHEET (UN-AUDITED)**

<b>LIABILITIES</b>	<b>(Un-audited) 30 June 2013</b>	<b>(Audited) 30 September 2012</b>
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorised Share Capital</b>		
120,000,000 (30 September 2012 : 120,000,000)	1,200,000,000	1,200,000,000
ordinary shares of Rs. 10 each		
<b>Issued, Subscribed and Paid-up Capital</b>		
117,706,300 Ordinary Shares of Rs. 10/- each fully paid in cash	1,177,063,000	1,177,063,000
Reserves	1,314,684,004	1,262,021,099
	2,491,747,004	2,439,084,099
<b>NON CURRENT LIABILITIES</b>		
Long term loans-secured	102,125,112	-
Subordinated loans from Directors - unsecured	2,378,302,222	2,448,790,405
Liabilities against assets subject to finance lease	76,401,493	101,626,719
Advances from customers and other long term payables	533,096,347	733,147,700
Deferred Liabilities	212,602,878	212,872,943
	3,302,528,052	3,496,437,767
<b>CURRENT LIABILITIES</b>		
Short term borrowings - secured	5,163,962,922	3,264,347,032
Current maturity of long term liabilities	42,370,357	126,076,683
Trade and other payables	2,125,318,962	1,138,888,253
Accrued mark-up	139,129,407	119,996,984
Provision for taxation	93,417,971	24,173,915
	7,564,199,619	4,673,482,867
<b>Contingencies and Commitments</b>		
	13,358,474,675	10,609,004,733

The annexed notes 1 to 6 form an integral part of these financial statements.

Lahore  
July 31, 2013

Chief Executive

**AS AT JUNE 30, 2013**

	<b>(Un-audited) 30 June 2013 Rupees</b>	<b>(Audited) 30 September 2012 Rupees</b>
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	5,501,585,834	5,460,224,848
Capital work-in-progress	1,235,639,969	876,296,288
Long term deposits	75,717,380	60,632,434
	6,812,943,183	6,397,153,570
<b>CURRENT ASSETS</b>		
Stores, Spares and loose tools	892,507,330	703,262,845
Stock in trade	4,606,399,901	2,842,061,019
Advances, deposits, prepayments and other receivables	896,792,485	160,158,957
Advance income tax	126,067,083	61,071,313
Cash & bank balances	23,764,693	445,297,029
	6,545,531,492	4,211,851,163
	13,358,474,675	10,609,004,733

Director

## PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the period ended June 30, 2013

	NINE MONTHS ENDED 30-June		QUARTER ENDED 30-June	
	2013 (RUPEES)	2012 (RUPEES)	2013 (RUPEES)	2012 (RUPEES)
Sales - net	9,723,218,964	5,052,923,567	5,581,708,888	1,641,358,553
Cost of sales	(8,749,477,024)	(4,579,544,844)	(5,060,777,155)	(1,281,821,612)
<b>Gross profit</b>	973,741,940	473,378,723	520,931,733	359,536,941
Administrative expenses	(210,319,877)	(190,510,641)	(66,262,937)	(57,760,574)
Distribution expenses	(157,785,805)	(111,767,211)	(39,457,311)	(43,042,388)
Other income	5,602,495	10,008,430	1,698,486	1,022,827
	(362,503,187)	(292,269,422)	(104,021,762)	(99,780,135)
<b>Profit from operations</b>	611,238,753	181,109,301	416,909,971	259,756,806
Finance cost	(489,331,796)	(414,028,690)	(187,487,090)	(185,169,748)
<b>Profit / (Loss) before taxation</b>	121,906,957	(232,919,389)	229,422,881	74,587,058
Taxation	(69,244,057)	(50,529,236)	(44,611,310)	(16,413,586)
<b>Profit / (Loss) after taxation</b>	52,662,900	(283,448,625)	184,811,571	58,173,472
Earnings per share	0.447	(2.408)	1.570	0.494

Appropriations have been reflected in the statement of changes in equity.

The annexed notes 1 to 6 form an integral part of these financial statements.

Lahore  
July 31, 2013

Chief Executive

Director

**STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**

*For the period ended June 30, 2013*

	NINE MONTHS ENDED 30-June		QUARTER ENDED 30-June	
	2013 (RUPEES)	2012 (RUPEES)	2013 (RUPEES)	2012 (RUPEES)
<b>Profit/(Loss) after tax for the period</b>	52,662,900	(283,448,625)	184,811,571	58,173,472
Other comprehensive income	-	-	-	-
<b>Total comprehensive Income/(Loss) for the period</b>	<u>52,662,900</u>	<u>(283,448,625)</u>	<u>184,811,571</u>	<u>58,173,472</u>

The annexed notes 1 to 6 form an integral part of these financial statements.

Lahore  
July 31, 2013

Chief Executive

Director

**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**

*For the period ended June 30, 2013*

	Reserves				
	Shares capital	Share premium	Un- appropriated Profit	Sub total	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 September 2011	1,177,063,000	290,741,645	921,820,035	1,212,561,680	2,389,624,680
Net Profit for the year	-	-	49,459,424	49,459,424	49,459,424
<b>Balance as at 30 September 2012</b>	<u>1,177,063,000</u>	<u>290,741,645</u>	<u>971,279,459</u>	<u>1,262,021,104</u>	<u>2,439,084,104</u>
Net profit for the period	-	-	52,662,900	52,662,900	52,662,900
<b>Balance as at 30 June 2013</b>	<u>1,177,063,000</u>	<u>290,741,645</u>	<u>1,023,942,359</u>	<u>1,314,684,004</u>	<u>2,491,747,004</u>

Lahore  
July 31, 2013

Chief Executive

Director

## CASH FLOW STATEMENT (UN-AUDITED)

For the period ended June 30, 2013

	October 2012 To June 2013 (Rupees)	October 2011 To June 2012 (Rupees)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	121,906,957	(232,919,389)
<b>Adjustments for non cash and other items :</b>		
Depreciation	214,544,667	208,762,482
Finance cost	489,331,796	414,028,690
(Gain) / Loss on disposal of fixed assets	(3,096)	(1,740,547)
	703,873,367	621,050,625
<b>Operating profit before working capital changes</b>	825,780,324	388,131,236
<b>(Increase) / decrease in current assets :</b>		
Stores, spares and loose tools	(189,244,485)	(177,768,222)
Trade debtors	-	7,530,960
Advances, deposits, prepayments and other receivables	(801,629,297)	(178,475,006)
Stock in trade	(1,764,338,881)	(2,820,956,121)
	(2,755,212,663)	(3,169,668,389)
<b>(Decrease) / increase in current liabilities :</b>		
Trade and other payables	986,430,708	(272,695,110)
<b>Cash generated from operations</b>	(943,001,631)	(3,054,232,263)
Finance cost paid	(470,199,373)	(344,952,393)
Employee retirement benefits paid	(270,065)	(776,666)
Taxes paid	-	(17,889,740)
	(470,469,438)	(363,618,799)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	(1,413,471,069)	(3,417,851,062)
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Fixed capital expenditure	(257,364,297)	(450,665,099)
Proceeds from sale of vehicles	1,461,743	2,561,965
Long Term Deposits	(15,084,946)	(17,016,948)
Capital work in progress	(359,343,681)	(187,804,302)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(630,331,181)	(652,924,384)
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Lease rental paid	(27,740,427)	(21,454,253)
Short term borrowings	1,899,615,890	2,460,496,010
Long term loans	20,933,987	(221,757,250)
Loans from directors	(70,488,183)	1,411,590,763
Retention money payable	-	4,632,775
Advances from customers	(200,051,352)	562,635,065
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	1,622,269,915	4,196,143,110
<b>Net increase / (Decrease) in cash and cash equivalents</b>	(421,532,335)	125,367,664
<b>Cash and cash equivalents at the beginning of the period</b>	445,297,028	233,938,105
<b>Cash and cash equivalents at the end of the period</b>	23,764,693	359,305,769

The annexed notes 1 to 6 form an integral part of these financial statements.

Lahore  
July 31, 2013

Chief Executive

Director

**NOTES TO THE ACCOUNTS (UN-AUDITED)**

*For the period ended June 30, 2013*

1. These financial statements have been prepared in accordance with the requirements of international Accounting Standard-34 (IAS-34) "Interim Financial Reporting".
2. These financial statements are un-audited and are being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984.
3. The accounting policies adopted for the preparation of these accounts are same as those applied in the preparation of accounts for the preceding year ended 30 September 2012.
4. Provision in respect of Taxation and Workers' Profit Participation Funds are estimated only and final liabilities will be determined on the basis of annual results.
5. These financial statements were authorized for issue by the Board of Directors of the Company on July 31, 2013.
6. Figures have been rounded off to the nearest rupee.

Lahore  
July 31, 2013

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

**COMPANY INFORMATION**

<b>Board of Directors</b>	Mr. Akbar Khan Mr. Haroon Khan Mr. Ghazi Khan Mrs. Rasheeda Begum Mrs. Mobina Akbar Khan Mr. Saeed Ullah Khan Paracha Mr. Tahir Farooq Malik	<b>(Chairman) (Chief Executive)</b>
<b>Company Secretary and Chief Financial Officer</b>	Mr. Ahmad Jehanzeb Khan	
<b>Bankers</b>	Allied Bank Limited Bank Alfalah Limited Habib Bank Limited MCB Bank Limited National Bank of Pakistan Limited The Bank of Punjab United Bank Limited	
<b>Legal Advisors</b>	Cornelius, Lane & Mufti Nawa-i-Waqat Building 4-Shahrah-e-Fatima Jinnah Lahore	
<b>Audit Committee</b>	Mr. Saeed Ullah Khan Paracha Mr. Akbar Khan Mr. Ghazi Khan	<b>Chairman Member Member / Secretary</b>
<b>Auditors</b>	KPMG Taseer Hadi & Co. Chartered Accountants	
<b>Share Registrars</b>	Corplink (Private) Limited 1-K, Model Town, Lahore	
<b>Mills: Unit 1</b>	Kanjwani, Tehsil Tandlianwala District, Faisalabad	
<b>Unit 2</b>	Taunsa Road, Indus Highway Dera Ismail Khan	
<b>Unit 3</b>	Shah Jamal Road Muzaffargarh	
<b>Distillery:</b>	Kanjwani, Tehsil Tandlianwala District, Faisalabad	
<b>Registered Office</b>	32-N, Gulberg-II, Lahore	