

Condensed Interim Financial Information
for the first quarter ended December 31, 2013
(Un-Audited)

COLONY
Colony Sugar Mills Limited





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Colony Sugar Mills Limited

CORPORATE INFORMATION

Board of Directors	Mr. Naveed M. Sheikh Mr. Waqar Ibn Zahoor Bandey Mian Muhammad Ali Mr. Muhammad Asghar Mr. Ahmed Haji Mussa Mr. Asad Ali Ms. Samina Gul	- Chairman - Director/CEO - Director - Director - Director - Director - Director
Chief Financial Officer	Mr. Muhammad Khurshid	
Company Secretary	Mr. Abdul Mansoor Khan	
Audit Committee	Mr. Muhammad Asghar Mian Muhammad Ali Mr. Asad Ali	- Chairman - Member - Member
HR & Remuneration Committee	Mr. Muhammad Asghar Mr. Asad Ali Ms. Samina Gul	- Chairman - Member - Member
Financial Institutions	National Bank of Pakistan MCB Bank Limited Faysal Bank Limited KASB Bank Limited The Bank of Punjab Al-Baraka Bank (Pakistan) Limited Pak Oman Investment Company Limited	
Auditors	Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants	
Legal Advisors	Ms. Aniqua Sheikh Advocate	
Registered Office	Ground Floor, Ismail Aiwan-e-Science Building, 205 Ferozepur Road Lahore-54600 Ph # +92 (42) 3575-8970 +92 (42) 3575-1308 Fax # +92 (42) 3576-3247	
Shares Registrar	Drummonds (Pvt.) Limited Suit # 204 - 206, 2nd Floor Al Qadir Heights, 1-Babar Block New Garden Town, Lahore Ph # +92 (42) 3584-6644/45	
Production Facilities	Phalia Project Karmanwala, Tehsil Phalia Distt. Mandi Bahauddin Ph # +92 (546) 541-151/54 Fax # +92 (546) 541-162	Mian Chanu Project Chak # 84/15L, 15 KM Vehari Road Kacha Khoo Tehsil Mian Chanu Distt. Khanewal Ph # +92 (0652) 553-182 Fax # +92 (0652) 660-452

DIRECTORS' REVIEW

Dear Members

We are pleased to present the condensed un-audited interim financial information of the company for the first quarter ended on December 31, 2013.

Turnover for the quarter under review is Rupees 1,184 Million (2012: Rupees 455 Million). The attractive increase in sugarcane support price in preceding years has motivated farmers to increase its cultivation area, which resulted in a higher sugar production in last year. The surplus sugar production has depressed its market prices in the current year as well. Sugar industry world over is expected to have a production surplus in the current year as well. As a result of inflationary pressure of inputs and depressed selling price of sugar, the margin for the sugar industry has been extremely squeezed. After making provision for tax, loss for the quarter is Rupees 27 Million (2012: Profit Rupees 31 Million) and loss per share is Rupees 0.27 as compared with earnings per share Rupees 0.32 for the last quarter.

On a positive note, the finance cost has been reduced by 46% during this quarter as compared with corresponding quarter. The company is meeting its financial commitments on time and having pleasant relations with its creditors. International Ethanol market is stable. Our Ethanol Plant has resumed its operations after annual repair and maintenance and is running in full swing.

The Board of Directors is thankful to the valuable Members, Growers, Banks and Government departments for their trust, contribution, persistent support and patronage and would like to place on record its gratitude to all the Employees of the company for their dedication and hard work.

For and on behalf of the Board

Lahore
January 30, 2014

Waqar Ibn Zahoor Bandey
CEO/Director



Colony Sugar Mills Limited

CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2013

	Note	Un-Audited December 31, 2013	Audited September 30, 2013
(Rupees in thousand)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital: 100,000,000 (2013: 100,000,000) ordinary shares of Rupees 10/- each.		1,000,000	1,000,000
Issued, subscribed and paid up capital	7	990,200	990,200
Unappropriated profit		929,914	956,611
Total Equity		1,920,114	1,946,811
NON-CURRENT LIABILITIES			
Long term finances	8	322,692	387,583
Deferred liabilities		31,740	32,880
		354,432	420,463
CURRENT LIABILITIES			
Trade and other payables		1,514,930	911,161
Accrued finance cost		30,053	50,191
Short term borrowings-secured	9	1,082,470	842,158
Current portion of long term finances		214,973	179,557
		2,842,426	1,983,067
Liabilities directly associated with non-current assets - held for sale (current portion)		137,348	137,348
		2,979,774	2,120,415
		5,254,320	4,487,689
PROPERTY AND ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	3,082,841	3,111,713
CURRENT ASSETS			
Stores, spares and loose tools		225,037	201,637
Stocks in trade		1,090,068	572,728
Advances, deposits, prepayments and other receivables		621,638	441,487
Cash and bank balances		82,912	8,300
		2,019,655	1,224,152
Non Current Assets -held for sale		151,824	151,824
		2,171,479	1,375,976
Contingencies and commitments	11	-	-
		5,254,320	4,487,689

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

Chief Executive Officer

Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-Audited)
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2013

	Note	December 31, 2013 (Rupees in thousand)	December 31, 2012
Sales - net		1,184,199	454,739
Cost of sales		1,124,410	315,755
Gross profit		59,789	138,984
Administrative and marketing expenses		46,556	35,356
		13,233	103,628
Other operating Income		54	37
Operating profit		13,287	103,665
Finance cost and other charges		37,620	69,476
Profit / (loss) before taxation		(24,333)	34,189
Provision for taxation		2,364	2,755
Profit / (loss) for the period		(26,697)	31,434
Earnings / (loss) per share - basic & diluted Rupees		(0.27)	0.32

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

Chief Executive Officer

Director



Colony Sugar Mills Limited

CONDENSED INTERIM CASH FLOW STATEMENT (Un-Audited)

FOR THE FIRST QUARTER ENDED DECEMBER 31, 2013

	December 31, 2013	December 31, 2012
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	(24,333)	34,189
Adjustments for non-cash and other items:		
Finance cost	37,620	67,677
Depreciation of property, plant and equipment	35,993	38,688
Staff retirement benefits - gratuity	260	250
Workers' profit participation fund	-	1,803
	<u>73,873</u>	<u>108,418</u>
Cash generated from operating activities before working capital changes	49,540	142,607
Adjustments for Working Capital Changes (Increase)/decrease in current assets:		
Stores, spares and loose tools	(23,400)	(18,758)
Stocks-in-trade	(517,340)	(1,194,261)
Advances, deposits, prepayments and other receivables	(100,301)	(32,338)
Increase in current liabilities;		
Trade and other payables	603,509	2,037,825
	<u>(37,532)</u>	<u>792,468</u>
Net working capital changes	(37,532)	792,468
Finance cost paid	(57,758)	(92,278)
Staff retirement benefits - gratuity paid	(1,139)	(909)
Income tax paid	(82,215)	(60,330)
	<u>(141,112)</u>	<u>(153,517)</u>
Net cash (used) / generated in operating activities	(129,104)	781,558
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(7,121)	-
Net cash used in investing activities	(7,121)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances	(29,475)	(40,764)
Short term borrowings	240,312	(596,163)
Net cash (used) / generated from financing activities	210,837	(636,927)
NET INCREASE IN CASH AND CASH EQUIVALENTS	74,612	144,631
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	8,300	11,773
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>82,912</u>	<u>156,404</u>

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

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2013

Particulars	Share capital	Unappropriated profit	Total equity
	(Rupees in thousand)		
Balance as on September 30, 2012 (audited)	990,200	694,490	1,684,690
Total comprehensive income for the quarter	-	31,434	31,434
Balance as on December 31, 2012 (un-audited)	990,200	725,924	1,716,124
Balance as on September 30, 2013 (audited)	990,200	956,611	1,946,811
Total comprehensive loss for the quarter	-	(26,697)	(26,697)
Balance as on December 31, 2013 (un-audited)	990,200	929,914	1,920,114

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

Chief Executive Officer

Director



Colony Sugar Mills Limited

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-Audited)

FOR THE FIRST QUARTER ENDED DECEMBER 31, 2013

1. THE COMPANY AND ITS OPERATION

Colony Sugar Mills Limited ("the Company") was incorporated in Pakistan on May 09, 2007 under the Companies Ordinance, 1984. The shares of the company are quoted on Karachi Stock Exchange (Guarantee) Limited. The Company's registered office is situated in Lahore and its manufacturing facilities are located at Tehsil Phalia, District Mandi Bahauddin and Tehsil Mian Channu, District Khanewal. The company is engaged in manufacturing and sale of white refined sugar and ethanol and by products.

2. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, "Interim Financial Reporting", as applicable in Pakistan. This condensed interim financial information is un-audited and is being submitted to the members as required by section 245 of the Companies Ordinance, 1984 and listing regulation of Karachi Stock Exchange.

3. BASIS OF PRESENTATION, MEASUREMENT AND ESTIMATION

Estimates used in the preparation of this condensed interim financial information are reasonable under the circumstances, continually evaluated and are based on historical experience. The basis of presentation and measurement adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual published audited financial statements as of September 30, 2013.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and applied for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published audited financial statements of the Company for the year ended September 30, 2013.

5. SEASONALITY OF OPERATION

The Company is inter-alia, engaged in manufacturing of sugar for which the season begins in November and ends in April. Therefore, majority of expenses are incurred and production activities are undertaken in first half of the Company's financial year.

6. PROVISIONS

The provision in respect of staff retirement benefits, workers' profit participation fund and taxation are estimated and these are subject to final adjustments in the annual audited financial statements.

	Un-Audited December 31, 2013 (Rupees in thousand)	Audited September 30, 2013
7. ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
64,020,000 (September 30, 2013: 64,020,000)		
Ordinary shares of Rupees 10 each fully paid in cash	640,200	640,200
35,000,000 (December 31, 2013: 35,000,000)		
Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash	350,000	350,000
	990,200	990,200
8. LONG TERM FINANCES		
Out standing balance	675,013	704,488
Current portion shown under current liabilities	(214,973)	(179,557)
Liabilities directly associated with non-current assets - held for sale (current portion)	(137,348)	(137,348)
	322,692	387,583
9. SHORT TERM BORROWINGS-Secured	1,082,470	842,158
<p>These represent cash finance, running finance, export refinance, bi-salam obtained from various banking companies and are subject to mark up ranging from 9.40% to 14.18% per annum (September 30, 2013: 9.20% to 13.53% per annum). These are secured against pledge / hypothecation of stock-in-trade, charge on current assets, demand promissory note. Company's performance guarantee and personal guarantee of a sponsor director.</p>		
10. PROPERTY, PLANT AND EQUIPMENT		
Opening book value	3,100,914	3,380,898
Additions / (adjustment) during the period	271	(132,029)
	3,101,185	3,248,869
Less:Depreciation charged during the period	(35,993)	(147,955)
	3,065,192	3,100,914
Operating fixed assets (closing balance)	3,065,192	3,100,914
Capital work -in-progress	17,649	10,799
	3,082,841	3,111,713
11. CONTINGENCIES AND COMMITMENTS		
Contingencies		
<p>There are no significant changes in contingencies since the last published annual audited financial statements.</p>		
Commitments		
<p>Capital expenditure commitments amounting to Rs. 67.30 million were outstanding as on December 31, 2013 - (September 30, 2013: 125.13 million).</p>		

12. BUSINESS SEGMENTS INFORMATION

	For the first quarter ended December 31, 2013			For the first quarter ended December 31, 2012		
	Sugar	Ethanol	Total	Sugar	Ethanol	Total
	(Rupees in thousand)			(Rupees in thousand)		
Revenue						
Local	1,118,797	8,550	1,024,275	288,138	13,698	207,526
Export	-	236,426	236,426	-	263,700	263,700
	1,118,797	244,976	1,260,701	288,138	277,398	471,226
Less: Sales tax, excise duty and commission	75,201	1,301	76,502	14,598	1,889	16,487
	1,043,596	243,675	1,184,199	273,540	275,509	454,739
Cost of sales	1,014,568	212,914	1,124,410	205,559	204,506	315,755
Gross profit	29,028	30,761	59,789	67,981	71,003	138,984
Admin & marketing expenses	33,782	12,774	46,556	28,720	6,636	35,356
Operating profit / (loss) before other operating income	(4,754)	17,988	13,233	39,261	64,367	103,628

12.1 Inter-segment sales and purchases

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

12.2 Basis of inter-segment pricing

All inter-segment transfers are made at cost.

13. SEGMENT ASSETS AND LIABILITIES

	As at December 31, 2013			As at September 30, 2013		
	Sugar	Ethanol	Total	Sugar	Ethanol	Total
	(Rupees in thousand)			(Rupees in thousand)		
13.1 Segment assets	4,196,963	1,057,357	5,254,320	5,021,175	1,619,735	6,640,910
13.2 Segment liabilities	2,703,130	631,076	3,334,206	4,205,838	718,948	4,924,786
13.3 Depreciation on property, plant and equipment	24,973	11,020	35,993	27,242	11,446	38,688

14 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on January 30, 2014 by the Board of Directors of the Company.

15. GENERAL

- 15.1 Corresponding figures in the balance sheet comprise of balances as per the annual audited financial statements for the year ended September 30,2013, whereas corresponding figures in the profit and loss account, cash flow statement and statement of changes in equity comprise balances of the comparable period of immediatly preceding financial year.
- 15.2 Corresponding figures have been rearranged wherever necessary to facilitate comparison. However, no material re-arrangement has been made in these condensed interim financial statements.
- 15.3 Figures in this condensed interim financial information have been rounded off to the nearest thousand rupees.

Chief Executive Officer

Director

COLONY

Colony Sugar Mills Limited

The logo for Colony Sugar Mills Limited, featuring the word "COLONY" in a bold, sans-serif font. The letter "O" is highlighted in orange, while the other letters are black.

Colony Sugar Mills Limited

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PAKISTAN

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