

*1st Quarter* (December 31st .2013)  
for the year 2013 - 2014

**Registered Office:**

5 -Nasim, C.H.S, Major Nazir Bhatti Road,  
Off Shaheed-e-Millat Road, Karachi

Designed by: A.Q Interactive 0371-4331225

*1st Quarter*  
(December 31st .2013)



**MACCA GROUP**

**Abdullah Shah Ghazi**  
Sugar Mills Limited

## CONTENTS

Company Information.....	01
Director Report.....	02
Balance Sheet.....	03
Profit & Loss Account.....	04
Statement of Comprehensive Income .....	05
Cash Flow Statement.....	06
Statement of Changes in Equity.....	07
Notes to the Financial Statements.....	08

## CORPORATE PROFILE

### Board Directors

Mr. Muhammad Irshad Butt (Chairman/Chief Executive)  
Mr. Riaz Qadeer Butt  
Muhammad Rashid Rana  
Atif Butt  
Muhammad Talib  
Yasir Iqbal  
Shoukat Ali Butt

### Audit Committee

Mr. Muhammad Irshad Butt (Chairman)  
Mr. Riaz Qadeer Butt (Member)  
Muhammad Rashid Rana (Member)

### Chief Financial Officer

Imran Mirza

### Company Secretary

Malik Riaz Hussain

### Internal Auditors

Riaz Ahmad , Saqib , Gohar and Company  
Chartered Accountants

### Auditors

Faruq Ali And Company  
Chartered Accountants

### Registrar

Central Depository Company of Pakistan,  
CDC House, 99-B, Block-B, S.M.C.H.S.,  
Main Shahrah-e-Faisal, Karachi, Pakistan.

### Registered Office

5 -Nasim, C.H.S, Major Nazir Bhatti Road,  
Off Shaheed-e-Millat Road, Karachi

### Mill

Abdullah Shah, Ghaizabad Garho, District Thatta, Sindh.

### Bankers

BankIslami Pakistan Limited  
Summit Bank Limited  
Bank Al-Falah Limited  
Silk Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
Habib Metropolitan Bank Limited  
United Bank Limited  
Allied Bank Limited  
KASB Bank Limited

**DIRECTOR'S REPORT**

Dear Members,

On behalf of the Board, I am pleased to present un-audited Interim Financial Statements of the Company for the first quarter ended on December 31, 2013

Highlights of the Company's performance for the first quarter with corresponding period of last year is as under.

Particulars	2013 - 2014	2012 - 2013
Season Started	01-Nov-13	18-Dec-12
Crushing Days	61	14
Cane Crushed (M. Tons)	45,761,228	30,233,159
Sales - net	42,722,761	307,282,925
Cost of sales	31,686,021	266,538,974
Net (Loss) / Profit	(14,906,514)	8,921,352

Government has maintained sugar cane prices for the ongoing crushing period. The sugar prices continued to remain under pressure. However export of further 500,000 tons is allowed that might help stabilise the industry.

**Acknowledgment**

The Board would like to place on record its appreciation of all the employees of the company for their dedication and hard work. The Board also like to thank the Financial Institutions and Members for their trust and support to the company.

**CONDENSED INTERIM BALANCE SHEET**  
As at December 31, 2013

Notes	(UN-AUDITED) December 31, 2013	(AUDITED) September 30, 2013
<b>LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
	1,000,000,000	1,000,000,000
Authorized share capital 100,000,000 ordinary shares of Rs. 10/- each		
Issued, subscribed and paid-up capital	792,616,660	792,616,660
Accumulated loss	(704,249,420)	(697,947,398)
	88,367,240	94,669,262
Surplus on revaluation of property, plant and equipment	600,045,438	608,649,931
<b>NON-CURRENT LIABILITIES</b>		
Long term loans - Unsecured	531,592,879	531,592,879
Deferred liabilities	320,209,329	325,062,517
<b>CURRENT LIABILITIES</b>		
Accrued markup	23,386,323	26,350,342
Trade and other payables	1,138,365,344	788,790,385
Borrowing from banks - Secured	733,011,086	790,191,916
Income tax payable - Net	--	--
	1,894,762,753	1,605,332,643
<b>CONTINGENCIES</b>		
	--	--
	<b>3,434,977,640</b>	<b>3,165,307,232</b>
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipments	1,826,977,559	1,811,671,217
Long term deposits	5,376,065	5,376,065
<b>CURRENT ASSETS</b>		
Stores and spares	205,794,199	232,063,286
Stock in trade	1,247,512,218	1,015,679,872
Advances, deposits and prepayments	98,352,909	89,940,535
Advance income tax net	6,351,864	5,700,811
Cash and bank balances	44,612,826	4,875,446
	1,602,624,016	1,348,259,950
	<b>3,434,977,640</b>	<b>3,165,307,232</b>

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

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2013**

	31-Dec-13	31-Dec-12
	RUPEES	RUPEES
Sales	42,722,761	307,282,925
Cost of Sales	31,686,021	266,538,974
<b>Gross Profit</b>	<b>11,036,740</b>	<b>40,743,951</b>
<b>OPERATING EXPENSES</b>		
Administrative and general expenses	4,994,176	4,312,165
Distribution expense	205,230	1,660,682
	5,199,406	5,972,847
<b>Operating Profit</b>	<b>5,837,334</b>	<b>34,771,104</b>
Finance cost	25,164,996	30,160,309
Workers' Profit Participation Fund	-	230,620
Workers' Welfare Fund	-	92,248
	25,164,996	30,483,177
<b>Profit for the 1st quarter</b>	<b>(19,327,662)</b>	<b>4,287,927</b>
Other Income	1,574	1,612
<b>Profit before taxation</b>	<b>(19,326,088)</b>	<b>4,289,539</b>
Provision for taxation		
Current	(213,614)	(1,536,415)
Deferred	4,633,188	6,168,228
	4,419,574	4,631,813
<b>Profit after taxation</b>	<b>(14,906,514)</b>	<b>8,921,352</b>
Earning Per Share- Basic and diluted	(0.19)	0.11

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

CHIEF EXECUTIVE

DIRECTOR

**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2013**

	December 31, 2013 RUPEES	December 31, 2012 RUPEES
Profit for the period	(14,906,514)	8,921,352
<b>Other Comprehensive income:</b>		
Transfer from surplus on revaluation of property, plant and equipment	13,237,679	17,623,509
Related deferred tax	(4,633,188)	(6,168,228)
	8,604,492	11,455,281
<b>Total comprehensive income for the 1st Quarter</b>	<b>(6,302,022)</b>	<b>20,376,633</b>

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

CHIEF EXECUTIVE

DIRECTOR

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2013**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2013**

	31-Dec-13 RUPEES	31-Dec-12 RUPEES
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	(19,326,088)	4,289,539
<b>Adjustments for non cash and other items:</b>		
Depreciation	22,249,585	24,038,905
Financial charges	25,164,996	30,160,309
Workers' profit participation fund	--	230,620
Workers' welfare fund	--	92,248
	47,414,581	54,522,083
Cash flow before working capital changes	28,088,493	58,811,622
<b>Movement in working capital (increase) / decrease in current assets</b>		
Stores and spares	26,269,087	4,563,202
Stock in trade	(231,832,346)	66,835,267
Trade debts	--	(5,198,172)
Advances, deposits and prepayments	(8,412,376)	8,575,696
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	349,574,959	(29,385,760)
	135,599,324	45,390,233
<b>Cash (used) in operations</b>	163,687,817	104,201,855
Payments for:		
Taxes	(864,667)	(1,688,716)
Financial charges	(28,129,015)	(38,078,195)
Gratuity	(220,000)	--
	(29,213,682)	(39,766,911)
<b>Net cash used from operating activities</b>	134,474,135	64,434,943
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(37,555,927)	(30,540,972)
Long Term Security Deposit	--	(3,791,626)
<b>Net cash used in investing activities</b>	(37,555,927)	(34,332,598)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loans - Net	--	3,784,767
Lease finance - Net	--	(1,281,163)
Short term borrowings - Net	(57,180,830)	24,781,203
<b>Net cash generated from financing activities</b>	(57,180,830)	27,284,807
<b>Net decrease in cash and cash equivalent</b>	39,737,378	57,387,152
Cash and bank balances at the beginning of the period	4,875,446	12,494,831
<b>Cash and bank balances at the end of the period</b>	<b>44,612,826</b>	<b>69,881,983</b>

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

CHIEF EXECUTIVE

DIRECTOR

	Share capital	Accumulated loss	Total
	Rupees		
<b>Balance as at October 01, 2012</b>	792,616,660	(632,197,603)	160,419,057
Total comprehensive income for the year	--	20,376,633	20,376,633
<b>Balance as at December 31, 2012</b>	792,616,660	(611,820,970)	180,795,690
<b>Balance as at October 01, 2013</b>	792,616,660	(697,947,398)	94,669,262
Total comprehensive income for the period	--	(6,302,022)	(6,302,022)
<b>Balance as at December 31, 2013</b>	<b>792,616,660</b>	<b>(704,249,420)</b>	<b>88,367,240</b>

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

CHIEF EXECUTIVE

DIRECTOR

**NOTES TO THE FINANCIAL STATEMENTS (Un-Audited)  
for The First Quarter Ended December 31, 2013**

**1) STATUTES AND NATURE OF COMPANY**

1.1) The Company was 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 Karachi and Lahore Stock Exchanges. The Principal Business of the Company is manufacturing and selling of refined sugar. The Mill is located at Garho, Sindh.

**2) SIGNIFICANT ACCOUNTING POLICIES**

The accounting conventions, policies and methods of computation adopted and followed in the preparation of quarterly financial statements are the same as those of the published annual financial statements for the year September 30, 2013

**3) BASIS OF PREPARATION**

These financial statements have been prepared in accordance with the international accounting standard (IAS) 34 "Interim Financial Reporting" and in compliance with the requirement of Section 245 of the Companies Ordinance 1984.

**4) PROPERTY PLANT AND EQUIPMENTS**

Fixed capital expenditure during the period amounting to Rs. 37,555,927 and no. Fixed assets disposed off during the period

	Un - Audited December 31, 2013 Rupees	Audited September 30, 2013 Rupees
--	--	--

**5) LONG TERM LOANS:**

Sponsor's Loan	5.1	166,457,861	166,457,861
Others-Interest free	5.2	365,135,018	365,135,018
		<u>531,592,879</u>	<u>531,592,879</u>

**5.1 Sponsor's Loan**

The loan has been advanced by M/s Haq Bahu Sugar Mills (Pvt) Ltd which carries markup @ six months KIBOR plus 2%. This also includes outstanding markup amounting to Rs. 46.83 million. Since the loan along with markup will not be repayable within next twelve months therefore the same has been classified as long term liability. The loan is subordinated to the short term finance facility obtained by the company.

**5.2 Others-Interest free**

Loan from previous management	5.2.1	158,329,843	158,329,843
Others	5.2.2	206,805,175	206,805,175
		<u>365,135,018</u>	<u>365,135,018</u>
		<u>365,135,018</u>	<u>365,135,018</u>

5.2.1 This represents unsecured and interest free loans from private concerns since 1998. During the year ended September 30, 2005, an amount of Rs 46.460 million was agreed to be waived by the party and the same has been transferred to income in that year. During the year company has paid Rs 0.635 million. The matter of remaining liabilities is pending subject to the final outcome of the discussions with the previous management. Till a final conclusion is reached the new management has decided to disclose the entire outstanding amount as its long term liability.

5.2.2 This represents amount received from various parties as interest / mark-up free accommodating finance payable / adjustable and can be rolled over to future period.

**6) CONTINGENCIES**

There are no contingencies which need to be disclosed in the financial statements.

**7) CORRESPONDING FIGURES**

In order to comply with the requirements of the International Accounting Standard 34 "Interim Financial Reporting", balance sheet has been compared with the balances of annual financial statements. Whereas profit and loss account, cash flow statement and statement of changes in the equity have been compared with the balances of comparable period of immediately preceding financial year.

**8) DATE OF AUTHORIZATION FOR ISSUE**

These financial statements are authorized for issue on February 28, 2014 in accordance with the resolution of the Board of Directors of the company.

**9) GENERAL**

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR