



Condensed Interim Financial Information
for the first quarter ended December 31, 2012
(Un-Audited)



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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 Ms. Samina Gul | - Chairman - Member - Member |
| HR & Remuneration Committee | Mr. Muhammad Asghar Mr. Asad Ali Ms. Samina Gul | - Chairman - Member - Member |
| Financial Institutions | National Bank of Pakistan 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 Ferozpur 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

Your directors are pleased to present the condensed un-audited interim financial information of the company for the first quarter ended on December 31, 2012.

Turnover for the quarter under review is Rupees 455 Million (2011: Rupees 976 Million) whilst the cost of sales stood at Rupees 316 Million (2011: Rupees 780 Million) bringing Gross Profit to Rupees 139 Million (2011: Rupees 196 Million). After making provision for tax, profit for the quarter is Rupees 31 Million (2011: Rupees 7 Million). Current quarter's profit is mainly attributed to reduction in finance cost from Rupees 104 Million to Rupees 68 Million.

Earnings per share is Rupees 0.32 as compared with Rupees 0.07 for the last quarter.

Sugarcane crushing commenced on November 28th, 2012 at Mian Chanu Plant and on November 30th, 2012 at Phalia Plant. Distillery and CO₂ Plants resumed operations on December 15th, 2012. The Punjab Government increased Minimum sugarcane support price from Rupees 150 to Rupees 170 per 40 KGs for the crushing season 2012-13 while selling price of sugar is currently depressed as compared to cost of production.

However, in view of better availability of sugarcane during current crushing season coupled with increased recovery, we expect higher production for the current year as well.

The Board 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 31, 2013

Waqar Ibn Zahoor Bandey
Director/CEO



Colony Sugar Mills Limited

CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2012

| | Note | Un-Audited December 31, 2012 | Audited September 30, 2012 |
|--|------|------------------------------------|----------------------------------|
| (Rupees in thousand) | | | |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised capital: 100,000,000 (2012: 100,000,000) ordinary shares of Rupees 10/- each. | | | |
| | | 1,000,000 | 1,000,000 |
| Issued, subscribed and paid up capital | 8 | 990,200 | 990,200 |
| Unappropriated profit | | 725,924 | 694,490 |
| Total Equity | | 1,716,124 | 1,684,690 |
| NON-CURRENT LIABILITIES | | | |
| Long term finances | 9 | 515,446 | 729,613 |
| Staff retirement benefits | | 21,626 | 22,535 |
| | | 537,072 | 752,148 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 2,797,764 | 757,886 |
| Accrued finance cost | | 76,795 | 101,395 |
| Short term borrowings-secured | 10 | 1,068,989 | 1,665,152 |
| Current portion of long term finances | | 444,166 | 270,763 |
| | | 4,387,714 | 2,795,196 |
| Contingencies and commitments | 11 | - | - |
| | | 6,640,910 | 5,232,034 |
| PROPERTY AND ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 7 | 3,342,210 | 3,380,898 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 196,147 | 177,389 |
| Stocks in trade | | 2,420,551 | 1,226,290 |
| Trade debts | | 5,376 | 207,732 |
| Advances, deposits, prepayments and other receivables | | 520,222 | 227,952 |
| Cash and bank balances | | 156,404 | 11,773 |
| | | 3,298,700 | 1,851,136 |
| | | 6,640,910 | 5,232,034 |

The annexed 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, 2012

| | Note | December 31, 2012 (Rupees in thousand) | December 31, 2011 |
|---|------|--|----------------------|
| Sales - net | | 454,739 | 976,121 |
| Cost of sales | | 315,755 | 780,215 |
| Gross profit | | 138,984 | 195,906 |
| Administrative and marketing expenses | | 35,356 | 74,146 |
| | | 103,628 | 121,760 |
| Other operating Income | | 37 | 118 |
| Operating Profit | | 103,665 | 121,878 |
| Finance Cost and other charges | | 69,476 | 105,250 |
| Profit before taxation | | 34,189 | 16,628 |
| Provision for taxation | | 2,755 | 9,761 |
| Profit for the period | | 31,434 | 6,867 |
| Earnings per share - basic & diluted Rupees | | 0.32 | 0.07 |

The annexed 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, 2012

| | December 31, 2012 | December 31, 2011 |
|---|----------------------|----------------------|
| | (Rupees in thousand) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 34,189 | 16,628 |
| Adjustments for non-cash and other items: | | |
| Finance cost | 67,677 | 104,375 |
| Depreciation of property, plant and equipment | 38,688 | 41,204 |
| Staff retirement benefits - gratuity | 250 | 226 |
| Workers' profit participation fund | 1,803 | 875 |
| | 108,418 | 146,680 |
| Cash generated from operating activities before working capital changes | 142,607 | 163,308 |
| Adjustments for Working Capital Changes (Increase)/decrease in current assets: | | |
| Stores, spares and loose tools | (18,758) | (21,432) |
| Stocks-in-trade | (1,194,261) | (840,175) |
| Trade debts | 202,356 | 324,547 |
| Advances, deposits, prepayments and other receivables | (234,694) | (16,488) |
| Increase in current liabilities: | | |
| Trade and other payables | 2,037,825 | 1,170,643 |
| Net working capital changes | 792,468 | 617,095 |
| Finance cost paid | (92,278) | (129,784) |
| Staff retirement benefits - gratuity paid | (909) | (527) |
| Income tax paid | (60,330) | (15,256) |
| | (153,517) | (145,567) |
| Net cash generated in operating activities | 781,558 | 634,836 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | - | (2,154) |
| Net cash used in investing activities | - | (2,154) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long term finances | (40,764) | (40,764) |
| Short term borrowings | (596,163) | (371,860) |
| Net cash (used) in financing activities | (636,927) | (412,624) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 144,631 | 220,058 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 11,773 | 16,959 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 156,404 | 237,017 |

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

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited)
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2012

| Particulars | Share capital | Unappropriated profit | Total equity |
|--|----------------------|-----------------------|--------------|
| | (Rupees in thousand) | | |
| Balance as on September 30, 2011 (audited) | 990,200 | 534,743 | 1,524,943 |
| Total comprehensive income for the quarter | - | 6,867 | 6,867 |
| Balance as on December 31, 2011 (un-audited) | 990,200 | 541,610 | 1,531,810 |
| 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 |

The annexed 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, 2012

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 these 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 these condensed interim financial information are the same as those adopted in the preparation of the preceding annual published audited financial statements for the year ended September 30, 2012.

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, 2012.

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, 2012 (Rupees in thousand) | Audited September 30, 2012 |
|---|--|----------------------------------|
| 7. PROPERTY, PLANT AND EQUIPMENT | | |
| Opening book value | 3,380,898 | 3,515,925 |
| Add: Additions during the period | - | 35,716 |
| | 3,380,898 | 3,551,641 |
| Less: Depreciation charged during the period | (38,688) | (170,743) |
| | 3,342,210 | 3,380,898 |
| 8. ISSUED, SUBSCRIBED AND PAID UP CAPITAL | | |
| 64,020,000 (September 30, 2012: 64,020,000) Ordinary shares of Rupees 10 each fully paid in cash | 640,200 | 640,200 |
| 35,000,000 (September 30, 2012: 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 |
| 9. LONG TERM FINANCES | | |
| Outstanding balance | 959,612 | 1,000,376 |
| Current portion shown under current liabilities | (444,166) | (270,763) |
| | 515,446 | 729,613 |
| 10. SHORT TERM BORROWINGS-Secured | | |
| These represent cash finance, running finance, export refinance, murabaha/bi-salam obtained from various banking companies and are subject to mark up ranging from 11% to 13.20% per annum (September 30, 2012: 11% to 16.73% 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. | | |
| 11. CONTINGENCIES AND COMMITMENTS | | |
| Contingencies | | |
| There are no significant changes in contingencies since the last published annual audited financial statements. | | |
| Commitments | | |
| Capital expenditure commitments amounting to Rs.60 million were outstanding as on December 31, 2012 - (September 30, 2012: Nil). | | |

12. BUSINESS SEGMENTS INFORMATION

| | For the first quarter ended December 31, 2012 | | | For the first quarter ended December 31, 2011 | | |
|--|---|---------|---------|---|---------|-----------|
| | Sugar | Ethanol | Total | Sugar | Ethanol | Total |
| | (Rupees in thousand) | | | (Rupees in thousand) | | |
| Revenue | | | | | | |
| Local | 288,138 | 13,698 | 207,526 | 817,777 | 9,031 | 703,331 |
| Export | - | 263,700 | 263,700 | - | 325,524 | 325,524 |
| | 288,138 | 277,398 | 471,226 | 817,777 | 334,555 | 1,028,855 |
| Less: Sales tax, excise duty and commission | 14,598 | 1,889 | 16,487 | 51,488 | 1,246 | 52,734 |
| | 273,540 | 275,509 | 454,739 | 766,289 | 333,309 | 976,121 |
| Cost of sales | 205,559 | 204,506 | 315,755 | 617,475 | 286,217 | 780,215 |
| Gross profit | 67,981 | 71,003 | 138,984 | 148,814 | 47,092 | 195,906 |
| Administrative and marketing expenses | 28,720 | 6,636 | 35,356 | 29,137 | 45,009 | 74,146 |
| Operating profit | 39,261 | 64,367 | 103,628 | 119,677 | 2,083 | 121,760 |

12.1 Inter-segment sales and purchases

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

13. SEGMENT ASSETS AND LIABILITIES

| | As at December 31, 2012 | | | As at September 30, 2012 | | |
|---|-------------------------|-----------|-----------|--------------------------|-----------|-----------|
| | Sugar | Ethanol | Total | Sugar | Ethanol | Total |
| | (Rupees in thousand) | | | (Rupees in thousand) | | |
| 13.1 Segment assets | 5,021,175 | 1,619,735 | 6,640,910 | 3,855,911 | 1,376,123 | 5,232,034 |
| 13.2 Segment liabilities | 4,205,838 | 718,948 | 4,924,786 | 2,587,922 | 959,422 | 3,547,344 |
| 13.3 Depreciation on property, plant and equipment | 27,242 | 11,446 | 38,688 | 115,201 | 49,785 | 164,986 |

14. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on January 31, 2013 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 30,2012, 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 features the word "COLONY" in a bold, sans-serif font. The letter "O" is highlighted in orange, while the other letters are black. A thin orange horizontal line is positioned directly beneath the "O".

Colony Sugar Mills Limited

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