



CHASHMA SUGAR MILLS LIMITED

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
31 MARCH, 2015**

CHASHMA SUGAR MILLS LIMITED
COMPANY INFORMATION

Board of Directors

Mr. Aziz Sarfaraz Khan
Chairman / Chief Executive

Begum Laila Sarfaraz
Mr. Abbas Sarfaraz Khan
Ms. Zarmine Sarfaraz
Ms. Najda Sarfaraz
Mr. Iskander M. Khan
Mr. Baber Ali Khan
Mr. Abdul Qadar Khattak
Mr. Sher Ali Jafar Khan

Company Secretary

Mr. Mujahid Bashir

Chief Financial Officer

Mr. Rizwan Ullah Khan

Auditors

M/s. Hameed Chaudhri & Co., Chartered Accountants

Cost Auditors

M/s. Munawar Associates Chartered Accountants

Tax Consultants

M/s. Hameed Chaudhri & Co., Chartered Accountants

Legal Advisor

Mr. Tariq Mehmood Khokhar Barrister-at-Law, Advocate

Bankers

Bank Al-Habib Limited
The Bank of Khyber
MCB Bank Limited
The Bank of Punjab
Bank Al-Falah Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
National Bank of Pakistan
Habib Bank Limited
United Bank Limited

CHASHMA SUGAR MILLS LIMITED
DIRECTORS' REVIEW REPORT

The half yearly financial statements for the period ended 31 March, 2015 are being presented to the shareholders in accordance with the requirements of International Accounting Standard No. 34 "Interim Financial Reporting", under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Stock Exchanges of Pakistan. These financial statements are un-audited and have been reviewed by the external auditors as required by the Code of Corporate Governance.

OPERATIONAL PERFORMANCE

The sugarcane crushing season 2014-15 commenced on 04 December, 2014, and continued till 07 April, 2015. The mills crushed 1,588,226 tons of sugar cane and produced 145,502 tons of sugar at an average recovery of 9.15%.

The Provincial Government increased sugarcane price from Rs. 170/- to Rs. 180/- per 40 Kg and minimum wage from Rs. 10,000/- to Rs. 12,000/-, this increased the cost of sugar production. However, Federal Government's incentive to export surplus sugar, stabilized the sugar prices in the domestic market giving some relief to absorb the above said increase in the cost of production.

SUGAR PRICE

The Government allowed to export 650,000 M. Tons of surplus sugar stock with Rs. 10/- per Kg as subsidy. Local sugar prices improved after the closure of crushing season 2014-15.

ETHANOL FUEL PLANT

The Ethanol Plant started production on May 01, 2015 and produced 1720 M. Tons upto May 24, 2015.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these half yearly financial statements are the same as applied in the preceding annual financial statements of the Company.

ACKNOWLEDGEMENT

The Directors appreciate the spirit of good work done by the Company's staff at all levels.

ON BEHALF OF THE BOARD



Mardan:
28 May, 2015

Chief Executive/Director

CHASHMA SUGAR MILLS LIMITED
AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF
CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **CHASHMA SUGAR MILLS LIMITED** (the Company) as at March 31, 2015 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half year then ended (herein-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures of the condensed interim profit and loss account for the quarters ended March 31, 2015 and 2014 have not been reviewed, as we are required to review only the cumulative figures for the half year ended March 31, 2015.

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 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 interim financial information as of and for the half year ended March 31, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Hameed Chaudhri & Co.

LAHORE:
29 May, 2015

HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS
 Engagement Partner: Nafees ud din

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET AS AT 31 MARCH, 2015

	Unaudited March 31, 2015	Audited Sep. 30, 2014
Note	(Rupees in thousand)	
ASSETS		
Non-current Assets		
Property, plant and equipment	6 6,634,148	6,368,487
Intangible assets	1,258	233
Security deposits	4,128	4,128
	6,639,534	6,372,848
Current Assets		
Stores and spares	296,896	294,389
Stock-in-trade	7 6,420,229	1,703,189
Trade debts	8 322,976	177,856
Loans and advances	102,880	185,188
Prepayments and other receivables	9 311,831	152,088
Tax refunds due from the Government	10 390,283	295,576
Bank balances	244,919	122,290
	8,090,014	2,930,576
	14,729,548	9,303,424
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorised capital	500,000	500,000
Issued, subscribed and paid-up capital	286,920	286,920
General reserve	327,000	327,000
Unappropriated profit / (accumulated loss)	130,519	(18,206)
Shareholders' Equity	744,439	595,714
Surplus on Revaluation of Property, Plant and Equipment	1,746,450	1,827,423
Non-current Liabilities		
Long term finances	11 2,017,553	2,027,408
Loans from related parties	437,000	437,000
Liabilities against assets subject to finance lease	14,930	17,054
Deferred taxation	691,920	742,210
	3,161,403	3,223,672
Current Liabilities		
Trade and other payables	12 3,131,656	367,373
Accrued mark-up	204,356	203,522
Short term borrowings	5,499,865	2,930,723
Current maturity of non-current liabilities	13 241,379	154,997
	9,077,256	3,656,615
Total Liabilities	12,238,659	6,880,287
Contingencies and Commitments	14	
	14,729,548	9,303,424
TOTAL EQUITY AND LIABILITIES		

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

The Chief Executive is out of Pakistan and in his absence this condensed interim financial information has been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.


DIRECTOR


DIRECTOR

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF-YEAR ENDED 31 MARCH, 2015 (UN-AUDITED)

	Note	Quarter ended		Half year ended	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
----- Rupees in thousand -----					
Sales					
-local		580,254	717,483	1,504,539	1,387,694
-export		748,077	1,535,209	764,493	2,727,974
		<u>1,328,331</u>	<u>2,252,692</u>	<u>2,269,032</u>	<u>4,115,668</u>
Less : Sales Tax		(3,867)	(8,322)	(8,465)	(16,448)
Sales-net		<u>1,324,464</u>	<u>2,244,370</u>	<u>2,260,567</u>	<u>4,099,220</u>
Cost of Sales		(1,370,050)	(2,316,095)	(2,118,200)	(4,096,508)
Gross (Loss) / Profit		<u>(45,586)</u>	<u>(71,725)</u>	<u>142,367</u>	<u>2,712</u>
Distribution Cost		(16,381)	(26,996)	(20,995)	(46,290)
Administrative Expenses		(50,448)	(47,960)	(94,341)	(91,431)
Other Income	15	158,923	60,486	171,957	67,435
Other Expenses		(966)	(91)	(984)	(109)
Profit / (Loss) from Operations		<u>45,542</u>	<u>(86,286)</u>	<u>198,004</u>	<u>(67,683)</u>
Finance Cost		(107,712)	(59,157)	(180,542)	(113,720)
(Loss) / Profit before Taxation		<u>(62,170)</u>	<u>(145,443)</u>	<u>17,462</u>	<u>(181,403)</u>
Taxation					
-current	16.2	0	(21,762)	0	(39,712)
-deferred	16.6	57,655	22,829	50,290	45,657
		<u>57,655</u>	<u>1,067</u>	<u>50,290</u>	<u>5,945</u>
(Loss) / Profit after Taxation		<u>(4,515)</u>	<u>(144,376)</u>	<u>67,752</u>	<u>(175,458)</u>
Other Comprehensive Income		0	0	0	0
Total Comprehensive (Loss) / Income		<u>(4,515)</u>	<u>(144,376)</u>	<u>67,752</u>	<u>(175,458)</u>
----- Rupees -----					
(Loss) / Earnings per Share		<u>(0.16)</u>	<u>(5.03)</u>	<u>2.36</u>	<u>(6.12)</u>

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

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DIRECTOR


DIRECTOR

CHASHMA SUGAR MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 MARCH, 2015 (UN-AUDITED)

	Half year ended	
	March 31, 2015	March 31, 2014
(Rupees in thousand)		
Cash flow from operating activities		
Profit / (loss) for the period - before taxation	17,462	(181,403)
Adjustments for non-cash charges and other items:		
Depreciation	177,209	195,600
(Gain) / loss on sale of vehicles - net	(421)	84
Amortisation of intangible assets	275	0
Profit on deposit accounts	(3,467)	0
Profit on term deposit receipts	(95)	0
Finance cost	180,542	113,720
Profit before working capital changes	<u>371,505</u>	<u>128,001</u>
Effect on cash flow due to working capital changes		
Decrease / (increase) in current assets:		
Stores and spares	(2,507)	116,379
Stock-in-trade	(4,717,040)	(1,701,763)
Trade debts	(145,120)	(464,229)
Loans and advances	82,308	9,456
Prepayments and other receivables	(159,648)	(64,970)
Sales tax - net	(66,998)	(128,689)
Increase in trade and other payables	2,764,283	1,426,093
	<u>(2,244,722)</u>	<u>(807,723)</u>
Cash used in operations	<u>(1,873,217)</u>	<u>(679,722)</u>
Income tax paid	(27,709)	(69,766)
Security deposits	0	(100)
Net cash used in operating activities	<u>(1,900,926)</u>	<u>(749,588)</u>
Cash flow from investing activities		
Purchase of property, plant and equipment	(442,874)	(1,037,947)
Sale proceeds of vehicles	425	2,510
Intangible assets acquired	(1,300)	(350)
Profit on bank deposits received	3,467	0
Net cash used in investing activities	<u>(440,282)</u>	<u>(1,035,787)</u>
Cash flow from financing activities		
Long term finances - net	76,671	856,625
Lease finances - net	(2,268)	15,554
Short term borrowings - net	2,569,429	1,203,472
Dividend paid	0	(1)
Finance cost paid	(179,708)	(110,720)
Net cash generated from financing activities	<u>2,464,124</u>	<u>1,964,930</u>
Net increase in cash and cash equivalents	<u>122,916</u>	<u>179,555</u>
Cash and cash equivalents - at beginning of the period	<u>113,916</u>	<u>(29,240)</u>
Cash and cash equivalents - at end of the period	<u>236,832</u>	<u>150,315</u>
Cash and cash equivalents comprised of:		
Bank balances	244,919	155,382
Temporary bank overdrafts	(8,087)	(5,067)
	<u>236,832</u>	<u>150,315</u>

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

The Chief Executive is out of Pakistan and in his absence this condensed interim financial information has been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.


DIRECTOR


DIRECTOR

CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 MARCH, 2015 (UN-AUDITED)

	Share capital	General reserve	(Accumulated loss) / unappropriated profit	Total
----- Rupees in thousand -----				
Balance as at September 30, 2013	286,920	327,000	(69,526)	544,394
Total comprehensive loss for the half year ended March 31, 2014	0	0	(175,458)	(175,458)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the half year - net of deferred taxation	0	0	88,626	88,626
Balance as at March 31, 2014	286,920	327,000	(156,358)	457,562
Balance as at September 30, 2014	286,920	327,000	(18,206)	595,714
Total comprehensive income for the half year ended March 31, 2015	0	0	67,752	67,752
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the half year - net of deferred taxation	0	0	80,973	80,973
Balance as at March 31, 2015	286,920	327,000	130,519	744,439

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

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DIRECTOR


DIRECTOR

CHASHMA SUGAR MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF-YEAR ENDED 31 MARCH, 2015 (UN-AUDITED)

1. LEGAL STATUS AND OPERATIONS

Chashma Sugar Mills Ltd. (the Company) was incorporated on May 05, 1988 as a Public Company and it commenced commercial production from October 01, 1992. The Company is principally engaged in manufacture and sale of white sugar. The Company's shares are quoted on all Stock Exchanges in Pakistan. The Head Office of the Company is situated at King's Arcade, 20-A Markaz F-7, Islamabad and the Mills are located at Dera Ismail Khan. The Company is a Subsidiary of The Premier Sugar Mills & Distillery Company Ltd.

2. BASIS OF PREPARATION

This condensed interim financial information is unaudited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984 (the Ordinance). It has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Ordinance. In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. The figures for the half year ended March 31, 2015 have, however, been subjected to limited scope review by the external Auditors as required by the Code of Corporate Governance. This condensed interim financial information does not include all the information required for annual financial statements and, therefore, should be read in conjunction with the annual financial statements of the Company for the year ended September 30, 2014.

This condensed interim financial information is presented in Pakistan Rupees, which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of annual financial statements of the Company as at and for the year ended September 30, 2014.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of 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 this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended September 30, 2014.

5. CHANGES IN ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on October 01, 2014 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in this condensed interim financial information.

6. PROPERTY, PLANT AND EQUIPMENT	Unaudited March 31, 2015 (Rupees in thousand)	Audited September 30, 2014	
Note			
Operating fixed assets - tangible	6.1	3,596,672	3,765,102
Capital work-in-progress	6.2	3,035,765	2,601,473
Stores held for capital expenditure		1,711	1,912
		<u>6,634,148</u>	<u>6,368,487</u>
6.1 Operating fixed assets - tangible			
Opening book value		3,765,102	
Additions during the period:			
- electric installations		1,174	
- office equipment		2,622	
- furniture and fixtures		450	
- vehicles:			
owned		188	
leased		4,349	
		8,783	
Book value of vehicle sold during the period		(4)	
Depreciation charge for the period		(177,209)	
Closing book value		<u>3,596,672</u>	
6.2 Capital work-in-progress			
Buildings on freehold land		435,627	
Plant and machinery	6.3	2,232,719	
Electric installations		188,997	
Vehicle		1,039	
Un-allocated capital expenditure - net	6.4	68,231	
Advance payments:			
- freehold land		421	
- buildings on freehold land		8,104	
- plant and machinery		100,515	
- electric installations		112	
		109,152	
		<u>3,035,765</u>	
6.3			
This balance includes mark-up aggregating Rs. 284.983 million on long term finances.			

6.4 Un-allocated capital expenditure	Unaudited March 31, 2015 (Rupees in thousand)	Audited September 30, 2014	
Note			
Salaries and benefits	56,071		
Fee for soil testing	750		
Consultancy fee for Ethanol Fuel Plant and other charges	7,383		
Damages to buildings, plant & machinery and stores due to riots - net of insurance claims amounting Rs.30 million	17,623		
Compensation paid to affectees	29,003		
Mark-up on short term borrowings	61,963		
Penalty imposed by the State Bank of Pakistan due to non-export of spirit - net	38,817		
Ethanol export sale expenses	18,088		
Other expenses	51,697		
	<u>281,395</u>		
Less: sale of spirit during trial run operations	213,164		
	<u>68,231</u>		
7. STOCK-IN-TRADE			
Finished goods			
- sugar	5,059,158	1,100,077	
- molasses	1,295,025	590,871	
Sugar-in-process	66,046	12,241	
	<u>6,420,229</u>	<u>1,703,189</u>	
8. TRADE DEBTS - Unsecured, considered good			
Period-end balance of trade debts includes a debt amounting Rs.22.300 million (September 30, 2014 Rs. 32.300 million); to secure this debt, the Company has executed a sale deed with the debtor whereby commercial property owned by him will be transferred to the Company if he fails to meet his commitment. The debtor, during the current period, has paid amounts aggregating Rs. 10 million to the Company.			
9. PREPAYMENTS AND OTHER RECEIVABLES			
Prepayments	256	2,454	
Sugar export subsidy receivable	9.1	308,690	146,889
Others	2,885	2,745	
	<u>311,831</u>	<u>152,088</u>	
9.1			
This represents subsidy receivable from the Ministry of Commerce, Government of Pakistan against export of sugar at the rates of Rs.1.75 and Re. 1 per Kg upto the financial year ended September 30, 2014. The rate of subsidy has been enhanced to Rs. 10 per Kg during the current period.			

		Unaudited March 31, 2015 (Rupees in thousand)	Audited September 30, 2014
10. TAX REFUNDS DUE FROM THE GOVERNMENT	Note		
Income tax refundable, advance tax and tax deducted at source		130,844	103,135
Sales tax refundable		259,439	192,441
		<u>390,283</u>	<u>295,576</u>
From banking companies			
Bank Alfalah Ltd. - Term finance - III		225,000	250,000
Bank Al-Habib Ltd.			
- Fixed loan		113,204	113,204
- Long term finance [(LTFF) - SBP]		364,810	364,810
		478,014	478,014
Faysal Bank Ltd. - Term finance		499,964	499,964
Soneri Bank Ltd.			
- Term finance		141,139	130,674
- LTFF (ERF)		345,580	240,595
		486,719	371,269
The Bank of Khyber - Demand finance		110,234	124,013
The Bank of Punjab			
- Demand finance		92,472	92,472
- LTFF		356,644	356,644
		449,116	449,116
		<u>2,249,047</u>	<u>2,172,376</u>
Less: current maturity grouped under current liabilities		231,494	144,968
		<u>2,017,553</u>	<u>2,027,408</u>
12. TRADE AND OTHER PAYABLES			
Creditors		2,782,311	252,101
Due to related parties	12.1	41,171	28,005
Accrued expenses		65,156	35,124
Retention money		23,171	21,616
Security deposits - interest free repayable on demand		1,063	743
Advance payments		190,852	4,498
Income tax deducted at source		745	814
Workers' (profit) participation fund		4,573	3,439
Workers' welfare fund		11,633	11,633
Unclaimed dividends		3,274	3,274
Due to employees		7,707	6,126
		<u>3,131,656</u>	<u>367,373</u>

		Unaudited March 31, 2015 (Rupees in thousand)	Audited September 30, 2014
12.1 This represents amounts due to:	Note		
The Holding Company			
- The Premier Sugar Mills & Distillery Company Ltd.		0	846
Associated Companies			
- Phipson & Co. Pakistan (Pvt.) Ltd.		185	185
- Syntronics Ltd.		40,823	26,897
- The Frontier Sugar Mills & Distillery Ltd.		163	77
		<u>41,171</u>	<u>28,005</u>
13. CURRENT MATURITY OF NON-CURRENT LIABILITIES			
Long term finances	11	231,494	144,968
Liabilities against assets subject to finance lease		9,885	10,029
		<u>241,379</u>	<u>154,997</u>
14. CONTINGENCIES AND COMMITMENTS			
14.1 There has been no significant change in the status of matters as reported in notes 25.2 and 25.3 to the audited financial statements of the Company for the year ended September 30, 2014.			
14.2 Commitments in respect of :			
- foreign letters of credit for purchase of plant and machinery		<u>120,000</u>	<u>0.000</u>
- in land letters of credit for capital expenditure		<u>0.000</u>	<u>100.755</u>
- capital expenditure other than for letters of credit		<u>48,441</u>	<u>97.612</u>
14.3 Also refer contents of taxation notes.			
15. OTHER INCOME			
Income for the current period includes sugar export subsidy aggregating Rs.161.800 million (March 31, 2014: Rs. 59.792 million) and seed sales aggregating Rs. 3.781 million (March 31, 2014: Rs. 2.934 million).			
16. TAXATION			
16.1 Except for the matters detailed in notes 16.3 and 16.4, there has been no significant change in the status of taxation matters as reported in note 24 to the audited financial statements of the Company for the year ended September 30, 2014.			
16.2 Provision made during the current period aggregating Rs 25.457 million represents tax due under sections 113 (minimum tax on turnover) and 154 (tax on export proceeds) of the Income Tax Ordinance, 2001 (the Ordinance). The required provision for the current period has been fully adjusted against preceding year's tax credit for investment in plant & machinery available under section 65B of the Ordinance.			

- 16.3** The Peshawar High Court (PHC), during the preceding year, had accepted the Company's appeal and the Department was restrained from tax audit under section 177 of the Ordinance for tax year 2009. The Department, however, has filed a petition before the Supreme Court of Pakistan against the judgment of PHC.
- 16.4** The Department for the tax year 2012 has passed order for recovery of workers' welfare fund demand of Rs. 3.310 million. The appeal was unsuccessful at Commissioner Inland Revenue - Appeals {CIR(A)} forum. The Company against the CIR(A)'s order has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which has accepted the said appeal.
- 16.5** The Company has filed a sales tax appeal before the CIR(A) against order passed by the Officer Inland Revenue for claiming input tax adjustment of Rs. 36.842 million. The appeal was partially succeeded and a liability of Rs. 8.779 million was vacated. For rest of the amount of Rs. 28.063 million, an appeal is being filed before the ATIR, Peshawar.
- 16.6** As at March 31, 2015, deferred tax asset amounting Rs.168.434 million on unused tax losses and Rs.38.253 million on minimum tax recoverable against normal tax charge in future years has not been recognised in the condensed interim financial information on the ground of prudence. The management intends to re-assess the recognition of deferred tax asset as at September 30, 2015. Deferred tax liability as at March 31, 2015 represents deferred tax on surplus on revaluation of property, plant and equipment and on tax credit available under section 65B of the Ordinance.

17. TRANSACTIONS WITH RELATED PARTIES

- 17.1** The Company has related party relationship with its Holding Company and Associated Companies, its directors, key management personnel and employee benefit plan. Transactions with related parties are carried-out on arm's length basis. There were no transactions with key management personnel other than under the terms of employment. Aggregate transactions with the Holding Company and Associated Companies during the period were as follows:

Unaudited
Half year ended
March 31, March 31,
2015 2014
(Rupees in thousand)

The Holding Company

- sale of goods	3,538	2,404
- purchase of store items	2,799	0
- mark-up expensed	15,879	15,813

Associated Companies

- purchase of goods	67,926	76,897
- mark-up expensed	8,502	8,795

- 17.2 (a)** Mark-up on loans obtained from related parties, during the period, was charged at the rates ranging from 9.76% to 11.71% (September 30, 2014: 10.44% to 11.67%) per annum.
- (b)** No return was charged on other balances of the Holding Company and Associated Companies as these have arisen due to normal trade dealings.
- 17.3** Loans and advances include due from Associated Companies aggregating Rs. 822 thousand (September 30, 2014: Rs. 19 thousand).

18. EVENT AFTER THE REPORTING PERIOD

The Government of Khyber Pakhtunkhwa, on April 21, 2015, has granted to the Company D-2 license to manufacture rectified spirit, denatured spirit, B-grade spirit, CO2, fuel oil, fuel ethanol and all distillery products at Ramak on provisional basis for a period of one year with requisite conditions.

19. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements of the Company as at and for the year ended September 30, 2014.

20. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on May 28, 2015 by the Board of Directors of the Company.

21. CORRESPONDING FIGURES

- 21.1** In order to comply with the requirements of IAS 34 'Interim Financial Reporting', the condensed interim balance sheet has been compared with the balances of annual audited financial statements of the preceding financial year, whereas, the condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.
- 21.2** Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; however, no significant re-classifications / re-statements have been made to this condensed interim financial information.

The Chief Executive is out of Pakistan and in his absence this condensed interim financial information has been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.


DIRECTOR


DIRECTOR