

## Contents

02	Company Information
03	Directors' Review
05	Unconsolidated Condensed Interim Balance Sheet (Un-audited)
06	Unconsolidated Condensed Interim Profit And Loss Account (Un-audited)
07	Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)
08	Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)
09	Unconsolidated Condensed Interim Statement of Changes In Equity (Un-audited)
10	Notes To The Unconsolidated Condensed Interim Financial Statements (Un-audited)
17	Consolidated Condensed Interim Balance Sheet (Un-audited)
18	Consolidated Condensed Interim Profit And Loss Account (Un-audited)
19	Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)
20	Consolidated Condensed Interim Cash Flow Statement (Un-audited)
21	Consolidated Condensed Interim Statement of Changes In Equity (Un-audited)
22	Notes To The Consolidated Condensed Interim Financial Statements (Un-audited)

## Company Information

### Board of Directors

Mr. Shehryar Faruque	Chairman
Mr. Aslam Faruque	Chief Executive
Mr. Arif Faruque	Director
Mr. Amer Faruque	Director
Mr. Tariq Faruque	Director
Mr. Samir Mustapha Chinoy	Director
Mr. Yasir Masood	Director
Mr. Engr. Mahfuz-ur-Rehman Pasha (NIT)	Director

### Audit Committee

Mr. Yasir Masood	Chairman
Mr. Shehryar Faruque	Member
Mr. Samir Mustapha Chinoy	Member

### Human Resource and Remuneration Committee

Mr. Arif Faruque	Chairman
Mr. Aslam Faruque	Member
Mr. Amer Faruque	Member

### Executive Director & Chief Financial Officer

Mr. Wasif Khalid

### Executive Director & Company Secretary

Mr. Abid Vazir

### Head of Internal Audit

Mr. Omer Nabeel

### Share Registrar

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block-B, S.M.C.H.S.,  
Main Shahrah-e-Faisal, Karachi-74400

### Bankers (Conventional)

Allied Bank Ltd.  
Bank Alfalah Ltd.  
Bank Al Habib Ltd.  
Habib Bank Ltd.  
MCB Bank Ltd.  
National Bank of Pakistan  
NIB Bank Ltd.  
Samba Bank Ltd.  
Soneri Bank Ltd.  
United Bank Ltd.

### Bankers (Islamic)

Askari Bank Ltd.  
Al Baraka Bank (Pakistan) Ltd.  
Bank Alfalah Ltd.  
Dubai Islamic Bank Pakistan Ltd.  
Meezan Bank Ltd.

### Registered Office / Factory

Sub Post Office Sugar Mill  
Jamroo, Umerkot Road  
Mirpurkhas, Sindh

### Auditors

Kreston Hyder Bhimji & Co.  
Chartered Accountants

### Cost Auditors

UHY Hassan Naeem & Co.  
Chartered Accountants

### Legal Advisor

K.M.S. Law Associates

## Directors' Review

The Board of Directors presents the un-audited financial results of the company for the period ended June 30, 2017.

### Production Overview

During the crushing season 2016/17, which started on 15 November 2016, the plant operated for 131 days compared to 106 days last season. The factory crushed 738,378 metric tons of sugarcane to produce 78,897 metric tons of sugar during this period as compared to 616,716 metric tons of sugarcane crushed to produce 66,753 metric tons of sugar during the corresponding period last year. The company also produced 34,860 metric tons of molasses during the period as compared to 28,325 metric tons from last year. The sucrose recovery was 10.68% compared to 10.82% last season. This was in line with lower recoveries witnessed in Sindh and across Pakistan.

### Financial Performance

During the period under review, the company turnover is Rs. 2,333.39 million against Rs. 2,297.81 at the same time last year. The current period sales include Rs. 1,057.48 million of sugar exported by the company after the Economic Coordination Committee (ECC) in its decision dated December 28, 2016 allowed the sugar mills to export 225,000 metric tons of sugar. Although the Sindh Government had notified the price of sugarcane at Rs 182 per maund for the season 2016/17, an early start of the season, enhanced crushing capacities of other mills and slow harvesting of sugarcane resulted in a price competition, which increased the cost of sugarcane. During the period, the company exported 20,076 metric tons of sugar, which led to increase in distribution cost mainly consisting of transportation and other export related charges. During the current quarter prices of sugar have significantly weakened locally and internationally. The decline in sugar price has resulted in valuing the current sugar inventory at net realizable value (NRV) that resulted in loss reported for the current period. The company earned other income of Rs. 51.13 million from receipt of dividends from investments made in various shares and fair value adjustment of biological assets during the period. The company accounted for its one-third share of profit in Unicol Limited amounting to Rs. 79.72 million and adjusted its investment in the associate by the same amount. For the nine months ended June 30, 2017 the company recorded an after tax loss of Rs.117.46 million.

	June 30, 2017	June 30, 2016
	(Rs. in million)	
Net sales	2,333.39	2,297.81
Cost of sales	(2,306.31)	(2,069.87)
Gross profit	27.08	227.94
Other income	51.13	47.29
Share of profit in associate	79.72	96.01
Other expenses & taxes	(275.39)	(270.16)
Net (Loss) / profit	(117.46)	101.08

### Unicol Limited

Unicol continues to contribute positively. The capacity enhancement in Co2 is expected to further contribute towards the future profitability of the company. Unicol intends to go public by listing its shares through Pakistan Stock Exchange (PSX). As a shareholder in Unicol, the company has appointed the consultants and bankers for the transaction.

### UniEnergy

UniEnergy Limited - a joint venture wind power project, has been granted the Letter of Intent (LOI) and has been formally allotted land for setting up the project at Jhimpir, district Thatta. The JV partners have made initial equity investment in the company to meet the ongoing financial requirement for the project. In this regard, MSM has made an equity investment of Rs. 7.69 million following the approval of the shareholders. Work on various approvals, including financing arrangements and studies is progressing steadily, and land acquired has been registered in the name of the company.

#### **Mirpurkhas Energy - Bagasse based Power Generation Project**

Mirpurkhas Energy Limited, which is a wholly owned subsidiary of MSM, has received the Letter of Intent (LOI), Generation License and consent for power supply to the national grid successfully. Further, it has applied for the upfront tariff with National Electric and Power Regulatory Authority (NEPRA). The decision from NEPRA on tariff is still awaited. The company is also engaged in the process of assessing EPC contractors and making financing arrangements for the project, which is expected to be commissioned in 24 months' time from the date of the award of up-front tariff.

#### **Industry Update**

Pakistan's sugar production for 2016/17 was 7.20 million tons, which is in excess of domestic requirement of 5.50 million tons plus one month strategic stock of 0.5 million tons. Due to the surplus stock of 1.20 million tons in the country, the retail price of sugar has declined significantly, which makes it financially challenging for the mills to operate. Sugar industry remains one of the most regulated industries in the country. Due to the short time frame given by the government, the industry was not able to export the entire quantity of sugar at higher international prices. These prices have since been constantly declining till to date.

The Government of Pakistan vide its ECC decisions dated December 28, 2016 and March 28, 2017 has allowed export of sugar in 2 tranches of 225,000 and 200,000 metric tons respectively. However, the final modalities allowed a limited time period of 45 days and 60 days respectively to complete the exports. On the request of sugar industry the last shipment dates were further extended till April 2017 and July 2017 respectively for the export permissions already allowed by SBP. No subsidy/rebate was offered. However, considering the highest sugar production in Pakistan's history, Pakistan Sugar Mills Association (PSMA) has repeatedly requested the Government to further allow open ended exports of up to 1.0 million tons without any restrictions by government institutions.

The sugar industry has also requested the government to review the price of sugarcane and link the same with the selling price of sugar to ensure adequate return to all stakeholders including sugar mills. The government is also requested to immediately release freight subsidy on export of sugar done in the past to help sugar mills improve their financial position, which has been outstanding for over 3 years. Government is further requested to review the base price of sales tax that was earlier fixed at Rs.60 per kg. It requires downward revision in view of consistent decline in sugar prices in local market which have crashed even below the cost of production.

#### **Future Prospects**

Pakistan is heading towards another bumper crop for the year 2017/18. In absence of a favorable export policy offering rebate/subsidy, it is extremely difficult for the industry to operate while incurring losses. It is requested that the government should devise a strategy in consultation with the Sugar industry for timely exports, and allow financial relief to the sugar industry in form of export rebates/subsidies to help the domestic industry in these challenging times. It is also requested to link the sugarcane price with the selling price of sugar to ensure adequate return to all stakeholders of the industry.

#### **Acknowledgment**

The management of the company would like to thank all the financial institutions, individuals, staff members and shareholders who have been associated with the company for their continued support and cooperation.

On behalf of the Board of Directors

**Shehryar Faruque**  
Chairman

Karachi: July 26, 2017



## Unconsolidated Condensed Interim Balance Sheet

as at June 30, 2017

	Note	Jun. 30, 2017 (Unaudited)	Sep. 30, 2016 (Audited)
(Rupees in '000)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	2,083,239	2,036,694
Intangible asset		2,048	-
Long-term investments	8	842,211	749,993
Long-term deposits		2,007	2,883
		<u>2,929,505</u>	<u>2,789,570</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		193,853	180,442
Stock-in-trade	9	2,429,095	218,560
Biological assets		58,284	61,319
Trade debts		62,650	58,949
Loans and advances		243,184	183,568
Trade deposits and short-term prepayments		5,184	2,736
Other receivables		364,108	318,516
Short-term investments		1,381,126	1,308,325
Tax refunds due from the Government		189,814	119,446
Cash and bank balances		36,904	21,033
		<u>4,964,202</u>	<u>2,472,894</u>
<b>TOTAL ASSETS</b>		<u><u>7,893,707</u></u>	<u><u>5,262,464</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	10	122,682	122,682
Reserves		<u>2,156,225</u>	<u>2,262,222</u>
		2,278,907	2,384,904
<b>SURPLUS ON REVALUATION OF FIXED ASSETS</b>		555,749	555,749
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing		<u>1,031,786</u>	<u>590,000</u>
Deferred liabilities		<u>252,958</u>	<u>266,347</u>
		1,284,744	856,347
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<u>836,165</u>	<u>670,096</u>
Accrued mark-up		<u>48,517</u>	<u>21,525</u>
Short-term borrowings		<u>2,758,911</u>	<u>723,843</u>
Current portion of long-term financing		<u>130,714</u>	<u>50,000</u>
		3,774,307	1,465,464
<b>CONTINGENCIES AND COMMITMENTS</b>	11		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>7,893,707</u></u>	<u><u>5,262,464</u></u>

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

**Aslam Faruque**  
Chief Executive

**Tariq Faruque**  
Director

June 30, 2017

05

## Unconsolidated Condensed Interim Profit And Loss Account (Un-audited)

for the period ended June 30, 2017

	Note	Period ended		Quarter Ended	
		Jun. 30, 2017	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016
		(Rupees in '000)			
Turnover - net	13	2,333,390	2,297,806	517,583	1,207,045
Cost of sales	14	(2,306,305)	(2,069,870)	(693,855)	(1,087,755)
Gross profit / (loss)		27,085	227,936	(176,272)	119,290
Distribution cost		(50,630)	(5,959)	(3,326)	(2,061)
Administrative expenses		(92,859)	(78,167)	(32,214)	(18,470)
Other operating expenses		(724)	(6,531)	3,680	(3,605)
		(144,213)	(90,657)	(31,860)	(24,136)
Other income	15	51,126	47,286	1,250	(4,602)
Operating (loss) / profit		(66,002)	184,565	(206,882)	90,552
Finance cost		(156,352)	(106,111)	(66,719)	(44,601)
		(222,354)	78,454	(273,601)	45,951
Share of profit in associates		79,719	96,013	23,012	27,346
(Loss) / profit before taxation		(142,635)	174,467	(250,589)	73,297
Taxation		25,178	(73,382)	56,950	(22,869)
(Loss) / profit after taxation		(117,457)	101,085	(193,639)	50,428
Earnings per share - basic (Rupees)	16	(9.57)	8.24	(15.78)	4.11

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

**Aslam Faruque**  
Chief Executive

**Tariq Faruque**  
Director

## Unconsolidated Condensed Interim Statement Of Comprehensive Income (Un-audited)

for the period ended June 30, 2017

	Period ended		Quarter Ended	
	Jun. 30, 2017	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016
	(Rupees in '000)			
(Loss) / profit after taxation	(117,457)	101,085	(193,639)	50,428
Other Comprehensive income / (loss)				
Items that may be reclassified subsequently to profit and loss account				
Fair value gain / (loss) on available-for-sale securities	72,801	386,473	(158,010)	166,487
<b>Total comprehensive income / (loss) for the period</b>	<b>(44,656)</b>	<b>487,558</b>	<b>(351,649)</b>	<b>216,915</b>

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

**Aslam Faruque**  
Chief Executive

**Tariq Faruque**  
Director

June 30, 2017

07

## Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)

for the period ended June 30, 2017

	Jun. 30, 2017	Jun. 30, 2016
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / profit before taxation	(142,635)	174,467
Adjustments for :		
Depreciation	54,196	46,084
Amortization	108	367
Provision for market committee fee	7,384	6,167
Fair value adjustment of biological assets	16,607	(7,721)
Dividend income from related parties	(32,718)	(34,328)
Share of profit in associates	(79,719)	(96,013)
Gain on disposal of property, plant and equipment	(1,209)	(1,240)
Finance cost	156,352	106,111
	121,001	19,427
	(21,634)	193,894
<b>Working capital changes :</b>		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(13,411)	(25,251)
Stock-in-trade	(2,210,535)	(1,065,138)
Biological assets	(13,572)	1,725
Trade debts	(3,701)	(24,492)
Loans and advances	(59,616)	(110,072)
Short-term prepayments	(2,448)	(1,443)
Other receivables	(45,592)	(51,192)
	(2,348,875)	(1,275,863)
<b>Increase in current liabilities:</b>		
Trade and other payables	164,181	655,193
<b>Cash used in operations</b>	(2,206,328)	(426,776)
Income tax paid	(65,963)	(72,228)
<b>Net cash used in operating activities</b>	(2,272,291)	(499,004)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(102,277)	(276,230)
Additions to Intangible asset	(2,156)	-
Sale proceeds of property, plant and equipment	2,745	2,702
Short-term investments in related party	-	(14,357)
Long-term investments in subsidiary and others	(12,499)	15,370
Long-term deposits	876	1,400
Dividend received from related parties	32,718	34,328
<b>Net cash used in investing activities</b>	(80,593)	(236,787)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Finance cost paid	(129,360)	(79,131)
Short-term borrowings	2,035,068	829,105
Long-term financing obtained	900,000	-
Long-term financing repaid	(377,500)	62,500
Payment of dividend	(59,453)	(72,164)
<b>Net cash generated from financing activities</b>	2,368,755	740,310
<b>Net increase in cash and cash equivalents</b>	15,871	4,519
<b>Cash and cash equivalents at the beginning of the period</b>	21,033	56,156
<b>Cash and cash equivalents at the end of the period</b>	36,904	60,675

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

**Aslam Faruque**  
Chief Executive

**Tariq Faruque**  
Director

## Unconsolidated Condensed Interim Statement Of Changes In Equity (Un-audited)

for the period ended June 30, 2017

Description	Issued subscribed and paid-up capital	Reserves					Total
		General reserves	Unapp- ropriated profit	Actuarial gain on defined benefit plan	Fair value gain on available- for-sale securities	Total reserves	
(Rupees in '000')							
Balance as at October 01, 2015	122,682	34,250	709,555	117,330	705,764	1,566,899	1,689,581
Profit after taxation for the period	-	-	101,085	-	-	101,085	101,085
Other comprehensive income for the period	-	-	-	-	386,473	386,473	386,473
Total comprehensive income	-	-	101,085	-	386,473	487,558	487,558
Transaction with owners							
Final cash dividend for the year ended September 30, 2015 @ Rs. 3.50 per share	-	-	(42,939)	-	-	(42,939)	(42,939)
Balance as at June 30, 2016	122,682	34,250	767,701	117,330	1,092,237	2,011,518	2,134,200
Balance as at October 01, 2016	122,682	34,250	816,685	203,053	1,208,234	2,262,222	2,384,904
Loss after taxation for the period	-	-	(117,457)	-	-	(117,457)	(117,457)
Other comprehensive income for the period	-	-	-	-	72,801	72,801	72,801
Total comprehensive income / (loss)	-	-	(117,457)	-	72,801	(44,656)	(44,656)
Transaction with owners							
Final cash dividend for the year ended September 30, 2016 @ Rs. 5/- per share	-	-	(61,341)	-	-	(61,341)	(61,341)
Balance as at June 30, 2017	122,682	34,250	637,887	203,053	1,281,035	2,156,225	2,278,907

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

**Aslam Faruque**  
Chief Executive

**Tariq Faruque**  
Director

June 30, 2017

09

## Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

for the period ended June 30, 2017

### 1. STATUS AND NATURE OF THE BUSINESS

The Company was incorporated in Pakistan on May 27, 1964 as a public limited company and its shares are quoted at Pakistan Stock Exchange. Principal activity of the Company is manufacturing and selling of sugar. The registered office of the Company is situated at Sub Post Office Sugar Mill Jamrao, Umerkot Road Mirpurkhas, Sindh.

### 2. STATEMENT OF COMPLIANCE

These unconsolidated condensed interim financial statements of the Company for the nine months period ended June 30, 2017 have been prepared in accordance with the requirements of the International accounting Standards 34- Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

### 3. BASIS OF PRESENTATION

These unconsolidated condensed interim financial statements are un-audited and are being submitted to the shareholders in accordance with Section 245 of the Companies Ordinance, 1984. These unconsolidated condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended September 30, 2016.

### 4. ACCOUNTING POLICIES

These unconsolidated condensed interim financial statements have been prepared using the same accounting policies which were applied in the preparation of the annual financial statements of the Company for the year ended September 30, 2016 except that the Company has adopted the following IFRSs which became effective during the period:

- IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests on Other Entities and IAS 27 Separate Financial Statement: Investment Entities: Applying the Consolidation Exception (Amendment)
- IFRS 11 - Joint Arrangements: Accounting for Acquisition of Interest in Joint Operation (Amendment)
- IAS 1 - Presentation of Financial Statements: Disclosure Initiative (Amendment)
- IAS 16 - Property, Plant & Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
- IAS 16 - Property, Plant & Equipment and IAS 41 Agriculture: 'Agriculture-Bearer Plants (Amendment)
- IAS 27 - Separate Financial Statements: Equity method in Separate ' Financial Statement (Amendment)

The adoption of the above standards did not have any material effect on the unconsolidated condensed interim financial statements.

### 5. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these unconsolidated condensed interim financial statements in conformity with the approved accounting standards as applicable in Pakistan for interim reporting requires management to make estimates, assumptions and use judgement that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates assumptions and judgement are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are same as those applied to financial statements as at and for the year ended September 30, 2016.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended September 30, 2016.

## 6. TAXATION

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The tax charge as calculated above is compared with 1.25% of turnover tax, calculated at applicable tax rates under section 113 and alternate corporate tax under section 113C of the Income Tax Ordinance, 2001 and under final tax regime, whichever is higher is provided in the unconsolidated condensed interim financial statements. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years

7. PROPERTY, PLANT AND EQUIPMENT	Note	Jun. 30, 2017	Sep. 30, 2016 (Audited)
		(Rupees in '000)	
Opening book value		2,036,694	1,681,812
Additions during the period / year	7.1	404,348	169,215
		2,441,042	1,851,027
Disposals during the period / year at book value	7.1	(1,536)	(1,776)
Depreciation charged during the period / year		(54,196)	(63,325)
Addition to / transfer from capital work in progress-net		(302,071)	250,768
		2,083,239	2,036,694

### 7.1 Additions & disposals in property, plant and equipment

	Additions at cost		Disposals at book value	
	Jun. 30, 2017	Sep. 30, 2016 (Audited)	Jun. 30, 2017	Sep. 30, 2016 (Audited)
	(Rupees in '000)			
Free hold land	10,320	2,942	-	-
Building on free hold land - Non factory	-	3,147	-	-
Plant and machinery	372,919	129,395	-	-
Vehicles	15,208	31,578	1,535	1,776
Furniture & fixture	-	95	-	-
Office and other equipment	1,382	1,140	-	-
Computers & accessories	4,519	918	1	-
	404,348	169,215	1,536	1,776

7.2 Capital work in progress:	Note	Jun. 30, 2017	Sep. 30, 2016 (Audited)
		(Rupees in '000)	
Plant and machinery		88,972	391,198
Building on free hold Land		153	-
Stores held for capitalization		1,100	1,100
	7.3	90,225	392,298
7.3 Movement in Capital work in progress			
Opening		392,298	141,530
Add: Addition / removal during the period / year		38,727	340,577
		431,025	482,107
Less: Transferred during the period / year		(340,800)	(89,809)
		90,225	392,298

		Jun. 30, 2017	Sep. 30, 2016 (Audited)
		(Rupees in '000)	
<b>8. LONG-TERM INVESTMENT</b>	<b>Note</b>		
<b>In Associates</b>			
<b>Unicol Limited</b>			
Opening balance	8.1	742,302	660,274
Dividend received		-	(23,060)
		742,302	637,214
Share of profit for the period		79,728	105,088
		822,030	742,302
<b>UniEnergy Limited</b>	8.2	7,690	7,690
Share of (loss) for the period		(9)	-
		7,681	7,690
<b>In Subsidiary</b>			
<b>Mirpurkhas Energy Limited</b>	8.3	11,000	1
<b>In Term Deposit</b>			
<b>Commercial Bank</b>		1,500	-
		842,211	749,993

- 8.1** The Company holds 33.33 percent (Sep. 2016: 33.33 percent) interest in Unicol Limited, which is a public limited (Un-quoted) company. Share of profit / (loss) arising from the associate has been taken to profit and loss account in accordance with the accounting policy as mentioned in note no.3.6(b) to the annual audited financial statements for the year ended September 30, 2016. The share of Company in the net assets has been determined on the basis of the un-audited financial statements for the period ended June 30, 2017. The Board of Directors of the Investee Company and Board of Directors of the Company has decided to list the shares of Unicol Limited on Pakistan Stock Exchange (PSX). In this regard, steps will be taken to procure listing for the shares in accordance with the rules and regulations of the PSX and Securities & Exchange Commission of Pakistan.

Furthermore, for the purpose of procuring this listing, the Company has been authorized by the Board of Directors to divest up to 12.50 million shares of Unicol Limited held by it representing 8.33% of the paid-up and issued shares of the Investee Company at the strike price determined via Book Building mechanism in accordance with the rules and regulations of the PSX & SECP. Further, it was decided by the Board of Directors to appoint Lead managers & arranger for the purpose of this offer for sale of shares on behalf of the Company.

- 8.2** The Company has invested Rs. 7.69 million in 768,999 shares having face value of Rs.10/- each representing shareholding of 7.69% (2016: 7.69%) of UniEnergy Limited, a public Limited (Un-quoted) company. UniEnergy is a joint venture 50MW wind power project. The Company is in process of taking various regulatory approvals. This investment in UniEnergy Limited has been accounted for using the Equity method.
- 8.3** The Company was incorporated on August 4, 2016 as a public limited (Un-quoted) Company and is a wholly owned subsidiary of Mirpurkhas Sugar Mills Limited. Principal activity of the company is to establish and operate a 26 MW bagasse based power plant and thereafter sale of electricity. The company is in process of taking various regulatory approvals. The expected time for commissioning of the project is approximately 24 months from the award of Up-front Tariff.

	Jun. 30, 2017	Sep. 30, 2016 (Audited)
	(Rupees in '000)	
<b>9. STOCK-IN-TRADE</b>		
Sugar	2,425,895	214,982
Sugar in process	2,625	3,578
Molasses	575	-
	2,429,095	218,560



## 10. SHARE CAPITAL

### 10.1 Authorized capital

Jun. 30, 2017	Sep. 30, 2016 (Audited)		Jun. 30, 2017	Sep. 30, 2016 (Audited)
Number of shares			(Rupees in '000)	
50,000,000	50,000,000	Ordinary shares of Rs.10/- each	500,000	500,000

### 10.2 Issued subscribed and paid-up capital Fully paid ordinary shares of Rs.10/-each

1,770,000	1,770,000	Issued for cash	17,700	17,700
10,498,219	10,498,219	Issued as fully paid bonus shares	104,982	104,982
12,268,219	12,268,219		122,682	122,682

## 11. CONTINGENCIES AND COMMITMENTS

Letter of credit issued by commercial banks

-

3,179

Letter of guarantee issued by commercial bank

1,147

-

The status of other contingencies as at June 30, 2017 is same as reported in the annual financial statements for the year ended September 30, 2016.

## 12. SEASONAL PRODUCTION

Due to the seasonal availability of sugarcane, the production of sugar is carried out during the period of availability of sugarcane and costs incurred / accrued up to the reporting date have been accounted for. Accordingly, the costs incurred / accrued after the reporting date will be reported in the subsequent annual financial statements.

## 13. TURNOVER-NET

	Period ended		Quarter ended	
	Jun. 30, 2017	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016
	(Rupees in '000)			
Local sales	1,342,077	2,481,630	401,541	1,303,608
Less: Duties & taxes	(66,164)	(183,824)	(23,802)	(96,563)
	1,275,913	2,297,806	377,739	1,207,045
Export sales	1,057,477	-	139,844	-
	2,333,390	2,297,806	517,583	1,207,045

## 14. COST OF SALES

Opening stock finished goods	214,982	384,180	3,019,161	2,433,955
Cost of goods manufactured / purchased	4,517,218	3,134,430	100,589	102,540
	4,732,200	3,518,610	3,119,750	2,536,495
Closing stock finished goods	(2,425,895)	(1,448,740)	(2,425,895)	(1,448,740)
	2,306,305	2,069,870	693,855	1,087,755

#### 15. OTHER INCOME

##### Income from Financial Assets

Dividend income from related parties	32,718	34,328	-	-
Profit on PLS accounts with banks	640	780	139	-
Mark-up on growers' loan	528	630	3	225
	<u>33,886</u>	<u>35,738</u>	<u>142</u>	<u>225</u>

##### Income / (loss) from non-financial assets

Gain on disposal of operating property, plant and equipment	1,209	1,240	68	-
Fair value adjustment of biological assets	10,221	10,061	(1,162)	(4,951)
Exchange gain on Export sales	3,537	-	-	-
	<u>14,967</u>	<u>11,301</u>	<u>(1,094)</u>	<u>(4,951)</u>

##### Others

Miscellaneous	2,273	247	2,202	124
	<u>51,126</u>	<u>47,286</u>	<u>1,250</u>	<u>(4,602)</u>

#### 16. EARNINGS PER SHARE- Basic

(Loss) / Profit after taxation (Rs.'000)	(117,458)	101,085	(193,640)	50,428
Weighted average no. of ordinary shares in issue	<u>12,268,219</u>	<u>12,268,219</u>	<u>12,268,219</u>	<u>12,268,219</u>
Earnings / (loss) per share-basic (Rupees.)	<u>(9.57)</u>	<u>8.24</u>	<u>(15.78)</u>	<u>4.11</u>

There is no dilutive effect on basic earnings per share of the Company.

#### 17. FAIR VALUES / MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

A number of the Company's accounting policies and disclosure require the measurement of fair values, for both financial, if any and non-financial assets and financial liabilities. When measuring the fair value of an asset or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the management recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

Management assessed that the fair values of cash & cash equivalent and short term deposits, other receivable, trade receivables, trade payables, short term borrowing and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. For long term deposit asset and long term liabilities, management considers that their carrying values approximates fair value.

The fair value of land is a level 3 recurring fair value measurement. Management engages an independent external expert / valuator to carry out periodic valuation of its non-financial assets (i.e. Land) and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained by the valuer.

Land The valuation is considered on the factors of location, need of the buyers, the overall prevailing market situation and other considerations linked with this.

## 18. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of related group companies, associated companies, key management personnels and staff retirement funds. The Company in the normal course of business carries out transactions with various related parties.

Relationship	Nature of Transaction	Period ended		Quarter ended	
		Jun. 30, 2017	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016
(Rupees in '000)					
Group companies	Goods purchased	36,006	24,653	365	756
	Services received	7,361	6,091	2,594	1,940
	Sales made	335,579	261,568	76,178	72,599
	Dividend received	32,718	57,388	-	-
	Dividend paid	28,186	33,323	-	-
	Investment made in related party	-	14,357	-	-
	Investment made in associate	-	7,690	-	-
	Investment made in subsidiary	11,000	-	-	-
	Reimbursement of expense to subsidiary	1,082	-	77	-
	Advance to subsidiary	5,564	-	73	-
Other related parties	Charge for staff provident and gratuity funds	6,292	5,435	2,090	1,764
Key management personnel	Remuneration	52,317	52,431	17,156	21,167

In addition, certain actual administrative expenses are being shared amongst the group companies. Transactions with related parties are based on the policy that all transactions between the Company and the related parties are carried out at arm's length.

Outstanding balances, as at balance sheet date, are disclosed as follows:

	Jun. 30, 2017 (Un-audited)	Sep. 30, 2016 (Audited)
(Rupees in '000)		
<b>Subsidiary Company</b>		
Loan and advances	5,564	-
<b>Associated Company</b>		
Trade and other payables	11,102	1,453

## 19. DATE OF AUTHORIZATION

These Unconsolidated condensed interim financial statements have been authorized for issue on July 26, 2017 by the Board of Directors of the Company.

## 20. GENERAL

Figures presented in these unconsolidated condensed interim financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated.

**Aslam Faruque**  
Chief Executive

**Tariq Faruque**  
Director

Consolidated Condensed  
Interim Financial Statements  
June 30, 2017

## Consolidated Condensed Interim Balance Sheet

as at June 30, 2017

	Note	Jun. 30, 2017 (Unaudited)	Sep. 30, 2016 (Audited)
(Rupees in '000)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	2,091,181	2,036,694
Intangible asset		2,048	-
Long-term investments	8	831,211	749,993
Long-term deposits		2,007	2,883
		<u>2,926,447</u>	<u>2,789,570</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		193,853	180,442
Stock-in-trade	9	2,429,095	218,560
Biological assets		58,284	61,319
Trade debts		62,650	58,949
Loans and advances		237,620	183,568
Trade deposits and short-term prepayments		5,184	2,736
Other receivables		364,108	318,516
Short-term investments		1,381,126	1,308,325
Tax refunds due from the Government		189,814	119,446
Cash and bank balances		44,444	21,033
		<u>4,966,178</u>	<u>2,472,894</u>
<b>TOTAL ASSETS</b>		<u><b>7,892,625</b></u>	<u><b>5,262,464</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	10	122,682	122,682
Reserves		<u>2,155,143</u>	<u>2,262,222</u>
		2,277,825	2,384,904
<b>SURPLUS ON REVALUATION OF FIXED ASSETS</b>			
		555,749	555,749
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing		<u>1,031,786</u>	<u>590,000</u>
Deferred liabilities		252,958	266,347
		1,284,744	856,347
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<u>836,165</u>	<u>670,096</u>
Accrued mark-up		48,517	21,525
Short-term borrowings		2,758,911	723,843
Current portion of long-term financing		<u>130,714</u>	<u>50,000</u>
		3,774,307	1,465,464
<b>CONTINGENCIES AND COMMITMENTS</b>			
	11		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>7,892,625</b></u>	<u><b>5,262,464</b></u>

The annexed notes from 1 to 20 form an integral part of these consolidated condensed interim financial statements.

**Aslam Faruque**  
Chief Executive

**Tariq Faruque**  
Director

June 30, 2017

17

## Consolidated Condensed Interim Profit And Loss Account (Un-audited)

for the period ended June 30, 2017

	Note	Period ended		Quarter Ended	
		Jun. 30, 2017	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016
		(Rupees in '000)			
Turnover - net	13	2,333,390	2,297,806	517,583	1,207,045
Cost of sales	14	(2,306,305)	(2,069,870)	(693,855)	(1,087,755)
Gross profit / (loss)		27,085	227,936	(176,272)	119,290
Distribution cost		(50,630)	(5,959)	(3,326)	(2,061)
Administrative expenses		(93,941)	(78,167)	(32,291)	(18,470)
Other operating expenses		(724)	(6,531)	3,680	(3,605)
		(145,295)	(90,657)	(31,937)	(24,136)
Other income	15	51,126	47,286	1,250	(4,602)
Operating (loss) / profit		(67,084)	184,565	(206,959)	90,552
Finance cost		(156,352)	(106,111)	(66,719)	(44,601)
		(223,436)	78,454	(273,678)	45,951
Share of profit in associates		79,719	96,013	23,012	27,346
(Loss) / profit before taxation		(143,717)	174,467	(250,666)	73,297
Taxation		25,178	(73,382)	56,950	(22,869)
(Loss) / profit after taxation		(118,539)	101,085	(193,716)	50,428
Earnings per share - basic (Rupees)	16	(9.66)	8.24	(15.79)	4.11

The annexed notes from 1 to 20 form an integral part of these consolidated condensed interim financial statements.

**Aslam Faruque**  
Chief Executive

**Tariq Faruque**  
Director

## Consolidated Condensed Interim Statement Of Comprehensive Income (Un-audited)

for the period ended June 30, 2017

	Period ended		Quarter Ended	
	Jun. 30, 2017	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016
	(Rupees in '000)			
<b>(Loss) / profit after taxation</b>	(118,539)	101,085	(193,716)	50,428
<b>Other Comprehensive income / (loss)</b>				
<b>Items that may be reclassified subsequently to profit and loss account</b>				
Fair value gain / (loss) on available-for-sale securities	72,801	386,473	(158,010)	166,487
<b>Total comprehensive (loss) / income for the period</b>	<u>(45,738)</u>	<u>487,558</u>	<u>(351,726)</u>	<u>216,915</u>

The annexed notes from 1 to 20 form an integral part of these consolidated condensed interim financial statements.

**Aslam Faruque**  
Chief Executive

**Tariq Faruque**  
Director

June 30, 2017

19

## Consolidated Condensed Interim Cash Flow Statement (Un-audited)

for the period ended June 30, 2017

### CASH FLOWS FROM OPERATING ACTIVITIES

	Jun. 30, 2017	Jun. 30, 2016
	(Rupees in '000)	
<b>(Loss) / profit before taxation</b>	(143,717)	174,467
<b>Adjustments for :</b>		
Depreciation	54,196	46,084
Amortization	108	367
Provision for market committee fee	7,384	6,167
Fair value adjustment of biological assets	16,607	(7,721)
Dividend income from related parties	(32,718)	(34,328)
Share of profit in associates	(79,719)	(96,013)
Gain on disposal of property, plant and equipment	(1,209)	(1,240)
Finance cost	156,352	106,111
	121,001	19,427
	(22,716)	193,894
<b>Working capital changes :</b>		
<b>(Increase) / decrease in current assets:</b>		
Stores, spare parts and loose tools	(13,411)	(25,251)
Stock-in-trade	(2,210,535)	(1,065,138)
Biological assets	(13,572)	1,725
Trade debts	(3,701)	(24,492)
Loans and advances	(54,052)	(110,072)
Short-term prepayments	(2,448)	(1,443)
Other receivables	(45,592)	(51,192)
	(2,343,311)	(1,275,863)
<b>Increase in current liabilities:</b>		
Trade and other payables	164,182	655,193
<b>Cash (used in) operations</b>	(2,201,845)	(426,776)
Income tax paid	(65,963)	(72,228)
<b>Net cash (used in) operating activities</b>	(2,267,808)	(499,004)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(110,219)	(276,230)
Additions to Intangible asset	(2,156)	-
Sale proceeds of property, plant and equipment	2,745	2,702
Short-term investments in related party	-	(14,357)
Long-term investments in subsidiary and others	(1,500)	15,370
Long-term deposits	876	1,400
Dividend received from related parties	32,718	34,328
<b>Net cash (used in) investing activities</b>	(77,536)	(236,787)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Finance cost paid	(129,360)	(79,131)
Short-term borrowings	2,035,068	829,105
Long-term financing obtained	900,000	-
Long-term financing repaid	(377,500)	62,500
Payment of dividend	(59,453)	(72,164)
<b>Net cash generated from financing activities</b>	2,368,755	740,310
<b>Net increase in cash and cash equivalents</b>	23,411	4,519
<b>Cash and cash equivalents at the beginning of the period</b>	21,033	56,156
<b>Cash and cash equivalents at the end of the period</b>	44,444	60,675

The annexed notes from 1 to 20 form an integral part of these consolidated condensed interim financial statements.

**Aslam Faruque**  
Chief Executive

**Tariq Faruque**  
Director



## Consolidated Condensed Interim Statement Of Changes In Equity (Un-audited)

for the period ended June 30, 2017

Description	Issued subscribed and paid-up capital	Reserves				Total reserves	Total
		General reserves	Unapp- ropriated profit	Actuarial gain on defined benefit plan	Fair value gain on available- for-sale securities		
(Rupees in '000')							
Balance as at October 01, 2015	122,682	34,250	709,555	117,330	705,764	1,566,899	1,689,581
Profit after taxation for the period	-	-	101,085	-	-	101,085	101,085
Other comprehensive income for the period	-	-	-	-	386,473	386,473	386,473
Total comprehensive income	-	-	101,085	-	386,473	487,558	487,558
Transaction with owners							
Final cash dividend for the year ended September 30, 2015 @ Rs. 3.50 per share	-	-	(42,939)	-	-	(42,939)	(42,939)
Balance as at June 30, 2016	122,682	34,250	767,701	117,330	1,092,237	2,011,518	2,134,200
Balance as at October 01, 2016	122,682	34,250	816,685	203,053	1,208,234	2,262,222	2,384,904
Loss after taxation for the period	-	-	(118,539)	-	-	(118,539)	(118,539)
Other comprehensive income for the period	-	-	-	-	72,801	72,801	72,801
Total comprehensive income / (loss)	-	-	(118,539)	-	72,801	(45,738)	(45,738)
Transaction with owners							
Final cash dividend for the year ended September 30, 2016 @ Rs. 5/- per share	-	-	(61,341)	-	-	(61,341)	(61,341)
Balance as at June 30, 2017	122,682	34,250	636,805	203,053	1,281,035	2,155,143	2,277,825

The annexed notes from 1 to 20 form an integral part of these consolidated condensed interim financial statements.

**Aslam Faruque**  
Chief Executive

**Tariq Faruque**  
Director

June 30, 2017

21

## Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

for the period ended June 30, 2017

### 1. GROUP AND ITS OPERATIONS

The group consists of Mirpurkhas Sugar Mills Limited ("the Holding Company) and its subsidiary company Mirpurkhas Energy Limited. Brief profiles of Holding company and its subsidiary company are as follows:

#### 1.1 Mirpurkhas Sugar Mills Limited

The Holding Company was incorporated in Pakistan on May 27, 1964 as a public limited company and its shares are quoted at Pakistan Stock Exchange. Principal activity of the Company is manufacturing and selling of sugar. The registered office of the Company is situated at Sub Post Office Sugar Mill Jamrao, Umerkot Road Mirpurkhas, Sindh.

#### 1.2 Mirpurkhas Energy Limited

The Company was incorporated on August 4, 2016 as a public limited (Un-quoted) Company and is a wholly owned subsidiary of Mirpurkhas Sugar Mills Limited. Principal activity of the company is to establish and operate a 26MW bagasse based power plant and thereafter sale of electricity.

The Company is in process of taking various regulatory approvals. The expected time for commissioning of the project is 24 months from the award of Up-front Tariff.

The registered office of the Company is situated at Sub post office Sugar Mill Jamrao, Umerkot Road Mirpurkhas Sindh, Pakistan.

### 2. STATEMENT OF COMPLIANCE

These consolidated condensed interim financial statements of the Company for the period ended June 30, 2017 have been prepared in accordance with the requirements of the International accounting Standards 34- Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

### 3. BASIS OF PRESENTATION

These consolidated condensed interim financial statements are un-audited and are being submitted to the shareholders in accordance with Section 245 of the Companies Ordinance, 1984. These consolidated condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended September 30, 2016.

### 4. ACCOUNTING POLICIES

These consolidated condensed interim financial statements have been prepared using the same accounting policies which were applied in the preparation of the annual financial statements of the Company for the year ended September 30, 2016 except that the Company has adopted the following IFRSs which became effective during the period:

- IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests on Other Entities and IAS 27 Separate Financial Statement: Investment Entities: Applying the Consolidation Exception (Amendment)
- IFRS 11 - Joint Arrangements: Accounting for Acquisition of Interest in Joint Operation (Amendment)
- IAS 1 - Presentation of Financial Statements: Disclosure Initiative (Amendment)
- IAS 16 - Property, Plant & Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
- IAS 16 - Property, Plant & Equipment and IAS 41 Agriculture: 'Agriculture-Bearer Plants (Amendment)
- IAS 27 - Separate Financial Statements: Equity method in Separate ' Financial Statement (Amendment)

The adoption of the above standards did not have any material effect on the consolidated condensed interim financial statements.

## 5. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these consolidated condensed interim financial statements in conformity with the approved accounting standards as applicable in Pakistan for interim reporting requires management to make estimates, assumptions and use judgement that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates assumptions and judgement are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of these consolidated condensed interim financial statements are same as those applied to financial statements as at and for the year ended September 30, 2016.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended September 30, 2016.

## 6. TAXATION

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The tax charge as calculated above is compared with 1.25% of turnover tax, calculated at applicable tax rates under section 113 and alternate corporate tax under section 113C of the Income Tax Ordinance, 2001 and under final tax regime, whichever is higher is provided in the condensed interim financial statements. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

	Note	Jun. 30, 2017	Sep. 30, 2016 (Audited)
(Rupees in '000)			
7. PROPERTY, PLANT AND EQUIPMENT			
Opening book value		2,036,694	1,681,812
Additions during the period / year	7.1	404,348	169,215
		2,441,042	1,851,027
Disposals during the period / year at book value	7.1	(1,536)	(1,776)
Depreciation charged during the period / year		(54,196)	(63,325)
Addition to / transfer from capital work in progress-net		(294,129)	250,768
		2,091,181	2,036,694

### 7.1 Additions & disposals in property, plant and equipment

	Additions		Disposals at book value	
	Jun. 30, 2017	Sep. 30, 2016 (Audited)	Jun. 30, 2017	Sep. 30, 2016 (Audited)
(Rupees in '000)				
Free hold land	10,320	2,942	-	-
Building on free hold land - Non factory	-	3,147	-	-
Plant and machinery	372,919	129,395	-	-
Vehicles	15,208	31,578	1,535	1,776
Office and other equipment	1,382	95	-	-
Furniture & fixture	-	1,140	-	-
Computers & accessories	4,519	918	1	-
	404,348	169,215	1,536	1,776

	Note	Jun. 30, 2017	Sep. 30, 2016 (Audited)
		(Rupees in '000)	
<b>7.2 Capital work in progress:</b>			
Plant and machinery		96,914	391,198
Building on free hold Land		153	-
Stores held for capitalization		1,100	1,100
	7.3	<u>98,167</u>	<u>392,298</u>
<b>7.3 Movement in Capital work in progress</b>			
Opening		392,298	141,530
Add: Addition during the period / year		46,669	340,577
		<u>438,967</u>	<u>482,107</u>
Less: Transferred during the period / year		(340,800)	(89,809)
		<u>98,167</u>	<u>392,298</u>
<b>8. LONG-TERM INVESTMENT</b>			
<b>In Associates</b>			
<b>Unicol Limited</b>			
Opening balance	8.1	742,302	660,274
Dividend received		-	(23,060)
		<u>742,302</u>	<u>637,214</u>
Share of profit for the period		79,728	105,088
		<u>822,030</u>	<u>742,302</u>
<b>UniEnergy Limited</b>	8.2	7,690	7,690
Share of loss for the period		(9)	-
		<u>7,681</u>	<u>7,690</u>
<b>In Term Deposit</b>			
<b>Commercial Bank</b>			
		1,500	-
		<u>831,211</u>	<u>749,992</u>

**8.1** The Company holds 33.33 percent (Sep. 2016: 33.33 percent) interest in Unicol Limited, which is a public limited (Un-quoted) company. Share of profit / (loss) arising from the associate has been taken to profit and loss account in accordance with the accounting policy as mentioned in note no.3.6(b) to the annual audited financial statements for the year ended September 30, 2016. The share of Company in the net assets has been determined on the basis of the un-audited financial statements for the period ended June 30, 2017. The board of Directors has decided to list the shares of Unicol Limited on Pakistan Stock Exchange (PSX). In this regard, steps will be taken to procure listing for the shares in accordance with the rules and regulations of the PSX and Securities & Exchange commission of Pakistan.

Furthermore, for the purpose of procuring this listing, the Company has been authorized by the Board of Directors to sell up to 12.50 million shares of Unicol Limited held by it representing 8.33% of the paid-up and issued shares of the Company at the strike price determined via Book Building mechanism in accordance with the rules and regulations of the PSX & SECP. Further, it was decided by the Board of Directors to appoint Bank Alfalah Limited as the Lead manager & arranger for the purpose of this offer for sale of shares on behalf of the Company.

**8.2** During the year, the Company has invested Rs. 7.69 million in 768,999 shares having face value of Rs.10/- each representing shareholding of 7.69% (2016: 7.69%) of UniEnergy Limited, a public Limited (Un-quoted) company. UniEnergy is a joint venture 50MW wind power project. The Company is in process of taking various regulatory approvals This investment in UniEnergy Limited has been accounted for using the Equity method.

	Jun. 30, 2017	Sep. 30, 2016 (Audited)
	(Rupees in '000)	
<b>9. STOCK-IN-TRADE</b>		
Sugar	2,425,895	214,982
Sugar in process	2,625	3,578
Molasses	575	-
	<u>2,429,095</u>	<u>218,560</u>

## 10. SHARE CAPITAL

### 10.1 Authorized capital

Jun. 30, 2017	Sep. 30, 2016 (Audited)		Jun. 30, 2017	Sep. 30, 2016 (Audited)
Number of shares			(Rupees in '000)	
50,000,000	50,000,000	Ordinary shares of Rs.10/- each	500,000	500,000

### 10.2 Issued subscribed and paid-up capital Fully paid ordinary shares of Rs.10/- each

1,770,000	1,770,000	Issued for cash	17,700	17,700
10,498,219	10,498,219	Issued as fully paid bonus shares	104,982	104,982
12,268,219	12,268,219		122,682	122,682

## 11. CONTINGENCIES AND COMMITMENTS

Letter of credit issued by commercial banks	-	3,179
Letter of guarantee issued by commercial bank	1,147	-

The status of other contingencies as at June 30, 2017 is same as reported in the annual financial statements for the year ended September 30, 2016.

## 12. SEASONAL PRODUCTION

Due to the seasonal availability of sugarcane, the production of sugar is carried out during the period of availability of sugarcane and costs incurred / accrued up to the reporting date have been accounted for. Accordingly, the costs incurred / accrued after the reporting date will be reported in the subsequent annual financial statement.

## 13. TURNOVER-NET

	Period ended		Quarter ended	
	Jun. 30, 2017	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016
	(Rupees in '000)			
Local sales	1,342,077	2,481,630	401,541	1,303,608
Less: Duties & taxes	(66,164)	(183,824)	(23,802)	(96,563)
	1,275,913	2,297,806	377,739	1,207,045
Export sales	1,057,477	-	139,844	-
	2,333,390	2,297,806	517,583	1,207,045

## 14. COST OF SALES

Opening stock finished goods	214,982	384,180	3,019,161	2,433,955
Cost of goods manufactured / purchased	4,517,218	3,134,430	100,589	102,540
	4,732,200	3,518,610	3,119,750	2,536,495
Closing stock finished goods	(2,425,895)	(1,448,740)	(2,425,895)	(1,448,740)
	2,306,305	2,069,870	693,855	1,087,755

-up

## 15. OTHER INCOME

### Income from Financial Assets

Dividend income from related parties	32,718	34,328	-	-
Profit on PLS accounts with banks	640	780	139	-
Mark-up on growers' loan	528	630	3	225
	<u>33,886</u>	<u>35,738</u>	<u>142</u>	<u>225</u>

### Income / (loss) from non-financial assets

Gain on disposal of operating property, plant and equipment	1,209	1,240	68	-
Fair value adjustment of biological assets	10,221	10,061	(1,162)	(4,951)
Exchange gain on Export sales	3,537	-	-	-
	<u>14,967</u>	<u>11,301</u>	<u>(1,094)</u>	<u>(4,951)</u>

### Others

Miscellaneous	2,273	247	2,202	124
	<u>51,126</u>	<u>47,286</u>	<u>1,250</u>	<u>(4,602)</u>

## 16. EARNINGS PER SHARE- Basic

Profit / (loss) after taxation (Rs.'000)	(118,539)	101,085	(193,716)	50,428
--	-----------	---------	-----------	--------

Weighted average no. of ordinary shares in issue	<u>12,268,219</u>	<u>12,268,219</u>	<u>12,268,219</u>	<u>12,268,219</u>
--	-------------------	-------------------	-------------------	-------------------

Earnings /(loss) per share-basic (Rupees.)	<u>(9.66)</u>	<u>8.24</u>	<u>(15.79)</u>	<u>4.11</u>
--	---------------	-------------	----------------	-------------

16.1 There is no dilutive effect on basic earnings per share of the Company.

## 17. FAIR VALUES / MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

A number of the Company's accounting policies and disclosure require the measurement of fair values, for both financial, if any and non-financial assets and financial liabilities. When measuring the fair value of an asset or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the management recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

Management assessed that the fair values of cash & cash equivalent and short term deposits, other receivable, trade receivables, trade payables, short term borrowing and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. For long term deposit asset and long term liabilities, management considers that their carrying values approximates fair value.

The fair value of land is a level 3 recurring fair value measurement. Management engages an independent external expert / valuator to carry out periodic valuation of its non-financial assets (i.e. Land) and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained by the valuer.

Land The valuation is considered on the factors of location, need of the buyers, the overall prevailing market situation and other considerations linked with this.

## 18. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of related group companies, associated companies, key management personnels and staff retirement funds. The Company in the normal course of business carries out transactions with various related parties.

Relationship	Nature of Transaction	Period ended		Quarter ended	
		Jun. 30, 2017	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016
(Rupees in '000)					
Group companies	Goods purchased	36,006	24,653	365	756
	Services received	7,361	6,091	2,594	1,940
	Sales made	335,579	261,568	76,178	72,599
	Dividend received	32,718	57,388	-	-
	Dividend paid	28,186	33,323	-	-
	Investment made in related party	-	14,357	-	-
	Investment made in associate	-	7,690	-	-
Other related parties	Charge for staff provident and gratuity funds	6,292	5,435	2,090	1,764
Key management personnel	Remuneration	52,317	52,431	17,156	21,167

In addition, certain actual administrative expenses are being shared amongst the group companies. Transactions with related parties are based on the policy that all transactions between the Company and the related parties are carried out at arm's length.

Outstanding balances, as at balance sheet date, are disclosed as follows:

	Jun. 30, 2017 (Un-audited)	Sep. 30, 2016 (Audited)
(Rupees in '000)		
Associated Company		
Trade and other payables	11,102	1,453

## 19. DATE OF AUTHORIZATION

These consolidated condensed interim financial statements have been authorized for issue on July 26, 2017 by the Board of Directors of the Company.

## 20. GENERAL

Figures presented in these consolidated condensed interim financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated.

**Aslam Faruque**  
Chief Executive

**Tariq Faruque**  
Director