

Contents

- 02 Company Information
- 03 Directors' Review
- 05 Auditors' Report
- 06 Condensed Interim Balance Sheet
- 07 Condensed Interim Profit & Loss Account (Unaudited)
- 08 Condensed Interim Statement of Comprehensive Income (Unaudited)
- 09 Condensed Interim Cash Flow Statement (Unaudited)
- 10 Condensed Interim Statement of Changes in Equity (Unaudited)
- 11 Notes to the Condensed Interim Financial Statements (Unaudited)

Company Information

Board of Directors

| | |
|------------------------------------|-----------------|
| Mr. Maqbool H. H. Rahimtoola (NIT) | Chairman |
| Mr. Aslam Faruque | Chief Executive |
| Mr. Shehryar Faruque | Director |
| Mr. Arif Faruque | Director |
| Mr. Amer Faruque | Director |
| Mr. Tariq Faruque | Director |
| Mr. Samir Mustapha Chinoy | Director |
| Mr. Yasir Masood | Director |

Audit Committee

| | |
|------------------------------|----------|
| Mr. Yasir Masood | Chairman |
| Mr. Maqbool H. H. Rahimtoola | Member |
| Mr. Tariq 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 A. Vazir

Auditors

Kreston Hyder Bhimji & Co.
Chartered Accountants

Cost Auditors

UHY Hassan Naeem & Co.
Chartered Accountants

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

Al Baraka Bank (Pakistan) Ltd.
Allied Bank Ltd.
Askari Bank Ltd. - Islamic Banking
Bank Alfalah Ltd.
Bank Al Habib Ltd.
Dubai Islamic Bank Pakistan Ltd.
Habib Bank Ltd.
MCB Bank Ltd.
Meezan Bank Ltd.
National Bank of Pakistan
NIB Bank Ltd.
Samba Bank Ltd.
Soneri Bank Ltd.
United Bank Ltd.

Registered Office / Factory

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

Legal Advisor

K.M.S. Law Associates

Directors' Review

The Board of Directors presents the un-audited financial results of the Company, duly reviewed by the auditors, for the half year ended March 31, 2016.

Overview

The crushing season 2015/16 commenced on November 24, 2015 i.e. 14 days earlier than last year. The Sindh Government notified the price of sugarcane for the current crushing season at Rs.172 per maund. However, anticipated shortage of sugarcane crop in northern and southern parts of Sindh led to price competition among the sugar mills, which led to increase in costs of production as compared to the same time last year. For the season, sucrose recovery of the Company remained 10.82% as compared to 11.02% during the preceding period. During the season 2015/16, lower recoveries were seen across the country including Sindh. Thus considering the same, the recovery of MSM remained satisfactory.

Operational Highlights

| | 2015/16 | 2014/15 |
|-----------------------------|---------------|--------------|
| Season startup date | Nov. 24, 2015 | Dec. 7, 2014 |
| Sugarcane crushed (M. Tons) | 616,716 | 609,569 |
| Capacity utilization | 78% | 72% |
| Sugar produced (M. Tons) | 66,753 | 67,175 |
| Molasses produced (M. Tons) | 28,325 | 28,570 |
| Sucrose recovery (%) | 10.82% | 11.02% |
| Operational days | 106 | 113 |

Financial Performance

During the half year under review, there was 66% increase in the sales revenue of the Company from the corresponding period last year. The increase in sales turnover was attributable to rise in the quantity of sugar sold by the Company. During the period under review, the Company sold 21,794 metric tons of sugar against 13,540 metric tons sold at the same time last year. There was an increase in taxation due to application of deferred tax on undistributed reserve of associate and capitalization of assets by the Company. During the period under review, the Company earned other income of Rs.51.89 million from receipt of dividends from investments made in various shares and fair value adjustment of biological assets. The Company accounted for its one-third share of profit in Unicol Limited amounting to Rs.68.67 million and adjusted its investment in the associate by the same amount.

| | Mar. 31, 2016 | Mar. 31, 2015 |
|-------------------------------------|------------------|---------------|
| | (Rs. in million) | |
| Net sales | 1,090.76 | 656.24 |
| Cost of sales | (982.11) | (571.21) |
| Gross profit | 108.65 | 85.03 |
| Other income | 51.89 | 56.76 |
| Share of profit in an associate | 68.67 | 60.06 |
| Other expenses & taxes | (178.55) | (176.09) |
| Net profit | 50.66 | 25.76 |
| Earnings per share - basic (Rupees) | 4.13 | 2.10 |

The Economic Coordination Committee in its decision on December 7, 2015 had approved the export of 0.5 million metric tons of sugar until March 31, 2016. Furthermore, the Ministry of Commerce had approved an export rebate of Rs. 13 per kg. However, it linked the rebate with the price of Rs. 180 per maund to be paid to the grower for sugarcane. Out of the total quantity allowed for export, only 253,908 metric tons of sugar was registered for export with the State Bank of Pakistan. Although, the Federal government's policy for export of sugar was a good move for the industry, however, linking the same with the price of sugarcane paid to the growers created an inequality for sugar mills operating in Sindh where the notified price was lower than Punjab. This anomaly resulted in a disadvantage for growers and millers in Sindh; hence no export was made from most of the sugar mills in Sindh.

UniEnergy

We wish to report that UniEnergy Limited - a joint venture wind power project, has been granted Letter of Intent and 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 requirements for the project. In this regard, MSM has made an equity investment of Rs. 7.69 million following the approval of the shareholders. At present, work on technical studies is taking place on the project. Furthermore, the management of the company is in the process of getting approvals from various governmental agencies and is also in touch with financial institutions for funding of the project.

Bagasse based Power Generation Project:

In line with its vision for diversification and keeping in view the growing demand for electricity in the country, the Company has decided to invest up to Rs. 600 million in a Bagasse based Power Generation Company (to be incorporated). It will be a 100% owned subsidiary of MSM. The planned capacity of the power project is around 26 MW and it is expected to be commissioned in 30 months' time.

Future Prospects

Sugar prices continue to remain range bound due to supply glut and lower than anticipated export of sugar during the period. Being a highly regulated industry, there is always uncertainty in sugar production and carryover stocks by the mills. The sugar industry has repeatedly requested the government to review the price of sugarcane and link the same with the selling price of sugar to ensure adequate return for all stakeholders including sugar mills. Additionally, 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 2 years.

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

Karachi: May 26, 2016

Aslam Faruque
Chairman of the Meeting

Auditors' Report to the members on Review of Condensed Interim Financial Information

INTRODUCTION:

We have reviewed the accompanying condensed interim balance sheet of MIRPURKHAS SUGAR MILLS LIMITED as of March 31, 2016, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the "condensed interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with the approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account for quarters ended March 31, 2016 and March 31, 2015 have not been reviewed, as we were required to review only the cumulative figures for the half year ended March 31, 2016.

SCOPE OF REVIEW:

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed 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 condensed interim financial information as of and for the half year ended on March 31, 2016, is not prepared, in all material respects, in accordance with approved Accounting Standards as applicable in Pakistan.

Karachi: May 26, 2016

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS
Engagement partner: Mohammad Hanif Razzak

Condensed Interim Balance Sheet

as at March 31, 2016

| | Note | Mar. 31, 2016 (Unaudited) | Sep. 30, 2015 (Audited) |
|---|------|------------------------------|----------------------------|
| (Rupees in '000) | | | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 6 | 1,853,337 | 1,681,812 |
| Intangible asset | 7 | - | 367 |
| Long-term investments | 8 | 713,571 | 660,274 |
| Long-term deposits | | 3,479 | 4,581 |
| | | <u>2,570,387</u> | <u>2,347,034</u> |
| CURRENT ASSETS | | | |
| Stores, spare parts and loose tools | | 203,000 | 167,509 |
| Stock-in-trade | 9 | 2,500,842 | 387,049 |
| Biological assets | 10 | 22,321 | 28,362 |
| Trade debts | 11 | 60,388 | 34,609 |
| Loans and advances | | 223,821 | 107,413 |
| Trade deposits and short-term prepayments | | 6,371 | 2,750 |
| Other receivables | | 255,423 | 241,668 |
| Short-term investments | | 1,025,841 | 791,498 |
| Tax refunds due from the Government | | 99,383 | 72,460 |
| Cash and bank balances | | 51,727 | 56,156 |
| | | <u>4,449,117</u> | <u>1,889,474</u> |
| TOTAL ASSETS | | <u><u>7,019,504</u></u> | <u><u>4,236,508</u></u> |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Share capital | 12 | 122,682 | 122,682 |
| Reserves | | 1,794,603 | 1,566,899 |
| | | 1,917,285 | 1,689,581 |
| SURPLUS ON REVALUATION OF FIXED ASSETS | | | |
| | | 555,749 | 555,749 |
| NON-CURRENT LIABILITIES | | | |
| Long-term financing | | 615,000 | 540,000 |
| Deferred liabilities | | 269,117 | 233,235 |
| | | 884,117 | 773,235 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 1,496,931 | 548,469 |
| Accrued mark-up | | 43,139 | 21,784 |
| Short-term borrowings | 13 | 2,072,283 | 597,690 |
| Current portion of long-term financing | | 50,000 | 50,000 |
| | | 3,662,353 | 1,217,943 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 14 | | |
| TOTAL EQUITY AND LIABILITIES | | <u><u>7,019,504</u></u> | <u><u>4,236,508</u></u> |

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

ASLAM FARUQUE
Chief Executive

TARIQ FARUQUE
Director

Condensed Interim Profit and Loss Account (Unaudited)

for the half year ended March 31, 2016

| | Note | Half year ended | | Quarter ended | |
|-------------------------------------|------|-------------------|-------------------|-------------------|-------------------|
| | | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
| (Rupees in '000) | | | | | |
| Turnover - net | 16 | 1,090,761 | 656,242 | 407,386 | 205,358 |
| Cost of sales | 17 | (982,115) | (571,213) | (363,107) | (121,050) |
| Gross profit | | 108,646 | 85,029 | 44,279 | 84,308 |
| Distribution cost | | (3,898) | (3,558) | (2,383) | (2,477) |
| Administrative expenses | | (59,697) | (51,042) | (32,554) | (24,615) |
| Other operating expenses | | (2,926) | (38,707) | 438 | (32,539) |
| | | (66,521) | (93,307) | (34,499) | (59,631) |
| Other income | 18 | 51,888 | 56,756 | 19,088 | 45,703 |
| Operating Profit | | 94,013 | 48,478 | 28,868 | 70,380 |
| Finance cost | | (61,510) | (72,221) | (39,260) | (45,607) |
| | | 32,503 | (23,743) | (10,392) | 24,773 |
| Share of profit in an associate | | 68,667 | 60,058 | 41,306 | 17,908 |
| Profit before taxation | | 101,170 | 36,315 | 30,914 | 42,681 |
| Taxation | | (50,513) | (10,557) | (30,541) | (4,492) |
| Profit for the period | | 50,657 | 25,758 | 373 | 38,189 |
| Earnings per share - basic (Rupees) | 19 | 4.13 | 2.10 | 0.03 | 3.11 |

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

ASLAM FARUQUE
Chief Executive

TARIQ FARUQUE
Director

Condensed Interim Statement of Comprehensive Income (Unaudited)

for the half year ended March 31, 2016

| | Half year ended | | Quarter ended | |
|---|------------------|----------------|----------------|----------------|
| | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
| | (Rupees in '000) | | | |
| Profit for the Period | 50,657 | 25,758 | 373 | 38,189 |
| Other Comprehensive income | | | | |
| Items that may be reclassified subsequently to profit and loss account | | | | |
| Fair value gain on available-for-sale securities | 219,986 | 279,997 | 59,928 | 8,719 |
| Total comprehensive income for the Period | <u>270,643</u> | <u>305,755</u> | <u>60,301</u> | <u>46,908</u> |

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

ASLAM FARUQUE
Chief Executive

TARIQ FARUQUE
Director

Condensed Interim Cash Flow Statement (Unaudited)

for the half year ended March 31, 2016

| | Mar. 31, 2016 | Mar. 31, 2015 |
|---|------------------|---------------|
| | (Rupees in '000) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 101,170 | 36,315 |
| Adjustments for: | | |
| Depreciation | 29,275 | 30,592 |
| Amortization | 367 | 550 |
| Provision for market committee fee | 6,167 | 6,097 |
| Fair value adjustment of biological assets | (5,457) | 36,955 |
| Dividend income from related parties | (34,328) | (13,010) |
| Share of profit in an associate | (68,667) | (60,058) |
| Gain on disposal of operating property, plant and equipment | (1,240) | (42,665) |
| Finance cost | 61,510 | 72,221 |
| | (12,373) | 30,682 |
| | 88,797 | 66,997 |
| Working capital changes : | | |
| (Increase) / decrease in current assets: | | |
| Stores, spare parts and loose tools | (35,491) | (10,630) |
| Stock-in-trade | (2,113,793) | (2,359,778) |
| Biological assets | 11,498 | 19,420 |
| Trade debts | (25,779) | 8,746 |
| Loans and advances | (116,408) | (7,746) |
| Short-term prepayments | (3,621) | (2,970) |
| Other receivables | (13,755) | (10,692) |
| | (2,297,349) | (2,363,650) |
| Increase in current liabilities: | | |
| Trade and other payables | 977,428 | 461,873 |
| Cash used in operations | (1,231,124) | (1,834,780) |
| Income tax paid - net | (47,721) | (30,443) |
| Net cash used in operating activities | (1,278,845) | (1,865,223) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Additions to property, plant and equipment | (202,262) | (6,327) |
| Sale proceeds of operating property, plant and equipment | 2,702 | 43,977 |
| Short-term investments | (14,357) | (50,000) |
| Long-term investments | 15,370 | - |
| Long-term deposits | 1,102 | (9) |
| Dividend received from related parties | 34,328 | 13,010 |
| Net cash (used in) / generated from investing activities | (163,117) | 651 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Finance cost paid | (40,155) | (49,736) |
| Short-term borrowings | 1,474,593 | 1,984,627 |
| Long-term financing-net | 75,000 | (75,000) |
| Payment of dividend | (71,905) | (13) |
| Net cash generated from financing activities | 1,437,533 | 1,859,878 |
| Net decrease in cash and cash equivalents | (4,429) | (4,694) |
| Cash and cash equivalents at the beginning of the period | 56,156 | 20,339 |
| Cash and cash equivalents at the end of the period | 51,727 | 15,645 |

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

ASLAM FARUQUE
Chief Executive

TARIQ FARUQUE
Director

Condensed Interim Statement of Changes in Equity (Unaudited)

for the half year ended March 31, 2016

| | Issued subscribed and paid-up capital | Reserves | | | | Total reserves | Total |
|--|---------------------------------------|------------------|-----------------------|--|--|----------------|-----------|
| | | General reserves | Unappropriated profit | Actuarial gain on defined benefit plan | Fair value gain on available-for-sale securities | | |
| (Rupees in '000') | | | | | | | |
| Balance as on October 01, 2014 | 122,682 | 34,250 | 620,473 | 41,117 | 260,873 | 956,713 | 1,079,395 |
| Profit for the Period | - | - | 25,758 | - | - | 25,758 | 25,758 |
| Other comprehensive income | - | - | - | - | 279,997 | 279,997 | 279,997 |
| Total comprehensive income | - | - | 25,758 | - | 279,997 | 305,755 | 305,755 |
| Balance as at March 31, 2015 | 122,682 | 34,250 | 646,231 | 41,117 | 540,870 | 1,262,468 | 1,385,150 |
| Balance as at October 01, 2015 | 122,682 | 34,250 | 709,555 | 117,330 | 705,764 | 1,566,899 | 1,689,581 |
| Profit for the Period | - | - | 50,657 | - | - | 50,657 | 50,657 |
| Other comprehensive income | - | - | - | - | 219,986 | 219,986 | 219,986 |
| Total comprehensive income | - | - | 50,657 | - | 219,986 | 270,643 | 270,643 |
| 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 March 31, 2016 | 122,682 | 34,250 | 717,273 | 117,330 | 925,750 | 1,794,603 | 1,917,285 |

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

ASLAM FARUQUE
Chief Executive

TARIQ FARUQUE
Director

Notes to the Condensed Interim Financial Statements (Unaudited)

for the half year ended March 31, 2016

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 condensed interim financial statements of the Company for the six months period ended March 31, 2016 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

- 3.1 These condensed interim financial statements are un-audited but subject to limited scope review by auditors and are being submitted to the shareholders in accordance with Section 245 of the Companies Ordinance, 1984. These 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, 2015.
- 3.2 The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended March 31, 2016 and March 31, 2015 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half years ended March 31, 2016 & March 31, 2015.

4. ACCOUNTING POLICIES

These 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, 2015 except as follows:

The Company has adopted the following standards which became effective during the period:

IFRS 10 - Consolidated Financial Statements
IFRS 11 - Joint Arrangements
IFRS 12 - Disclosure of Interest in Other Entities
IFRS 13 - Fair Value Measurement

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

5. 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% of turnover tax, calculated at applicable tax rates under section 113 of the Income Tax Ordinance, 2001, alternate corporate tax calculated 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.

6. PROPERTY, PLANT AND EQUIPMENT

| | | Mar. 31, 2016 | Sep. 30, 2015 (Audited) |
|--|-----|------------------|----------------------------|
| (Rupees in '000) | | | |
| Opening book value | | 1,540,282 | 1,593,974 |
| Additions during the period / year | 6.1 | 15,599 | 28,010 |
| | | 1,555,881 | 1,621,984 |
| Disposals during the period / year at book value | 6.1 | (1,462) | (1,667) |
| Depreciation charged during the period / year | | (29,275) | (61,769) |
| Reversal of revaluation of freehold land - sold | 6.1 | - | (18,266) |
| | | 1,525,144 | 1,540,282 |
| Capital work in progress | 6.2 | 328,193 | 141,530 |
| | | 1,853,337 | 1,681,812 |

6.1 Additions and disposals to Property, Plant and Equipment

| | Additions/ Revaluation | | Disposals at book value | |
|----------------------------|------------------------|-------------------------------|-------------------------|-------------------------------|
| | Mar. 31, 2016 | Sep. 30, 2015 (Audited) | Mar. 31, 2016 | Sep. 30, 2015 (Audited) |
| (Rupees in '000) | | | | |
| Free hold land | - | - | - | 19,485 |
| Plant and machinery | - | 22,629 | - | - |
| Vehicles | 14,980 | 4,467 | 1,462 | 448 |
| Office and other equipment | 157 | 164 | - | - |
| Computers & accessories | 462 | 750 | - | - |
| | 15,599 | 28,010 | 1,462 | 19,933 |

6.2 Capital work-in-progress

| | Mar. 31, 2016 | Sep. 30, 2015 (Audited) |
|--------------------------------|------------------|----------------------------|
| (Rupees in '000) | | |
| Plant and machinery | 326,193 | 140,430 |
| Stores held for capitalisation | 2,000 | 1,100 |
| | 328,193 | 141,530 |

6.3 Movement in Capital work in progress

| | | |
|--|---------|----------|
| Opening | 141,530 | 19,060 |
| Add: Addition during the period / year | 186,663 | 145,099 |
| | 328,193 | 164,159 |
| Less: Transferred during the period / year | - | (22,629) |
| | 328,193 | 141,530 |

7. INTANGIBLE ASSET

| | | |
|---|-------|---------|
| Opening book value | 367 | 1,467 |
| Amortization charged during the period / year | (367) | (1,100) |
| | - | 367 |

8. LONG-TERM INVESTMENT

| | | |
|---------------------------------------|----------|---------|
| Unicol Limited | | |
| As at October 1, | 660,274 | 558,396 |
| Dividend received | (23,060) | - |
| | 637,214 | 558,396 |
| Share of profit for the period / year | 68,667 | 101,878 |
| | 705,881 | 660,274 |
| UniEnergy Limited | | |
| | 7,690 | - |
| | 713,571 | 660,274 |

- 8.1 The Company holds 33.33 percent (Sep. 2015: 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 the profit and loss account in accordance with the accounting policy as mentioned in note no.3.6(a) to the annual audited financial statements for the year ended September 30, 2015. The share of Company in the net assets has been determined on the basis of the un-audited financial statements for the half year ended March 31, 2016.
- 8.2 During the period, the Company has invested Rs. 7.69 million in 768,999 shares having face value of Rs.10/- each representing shareholding of 7.69% (Sep. 30, 2015: Nil) of UniEnergy Limited, a public Limited (Un-quoted) company. UniEnergy is a joint venture wind power project, which is in the process of implementation. This investment in UniEnergy Limited will be accounted for using the Equity method.

9. STOCK-IN-TRADE

| | Mar. 31, 2016 | Sep. 30, 2015 (Audited) |
|------------------|------------------|----------------------------|
| | (Rupees in '000) | |
| Sugar | 2,433,956 | 384,180 |
| Sugar in process | 3,335 | 2,869 |
| Molasses | 63,551 | - |
| | <u>2,500,842</u> | <u>387,049</u> |

10. BIOLOGICAL ASSETS

| | | |
|-----------|---------------|---------------|
| Sugarcane | 17,455 | 25,701 |
| Others | 4,866 | 2,661 |
| | <u>22,321</u> | <u>28,362</u> |

Movement during the period:

| | | |
|---|---------------|---------------|
| As at October 01 | 28,362 | 72,150 |
| Addition due to cultivation | 24,128 | 47,405 |
| Gain / loss arising from initial recognition of standing crop less cost to sell | 5,457 | (36,905) |
| Decrease due to harvest sale | (35,626) | (54,288) |
| | <u>22,321</u> | <u>28,362</u> |

11. TRADE DEBTS - unsecured, considered good

| | | |
|----------------|------|---------------|
| Related party: | | |
| Unicol Limited | 11.1 | 2,047 |
| Others | | 32,562 |
| | | <u>60,388</u> |
| | | <u>60,388</u> |
| | | <u>34,609</u> |

11.1 Trade receivable are non-interest bearing and aging analysis of trade debts is as follows:

| | | |
|--|---|-------|
| Past due but not impaired-within 30 days | - | 2,047 |
|--|---|-------|

12. SHARE CAPITAL

12.1 Authorized capital

| Mar. 31, 2016 | Sep. 30, 2015 (Audited) | | Mar. 31, 2016 | Sep. 30, 2015 (Audited) |
|------------------|-------------------------------|---------------------------------|------------------|-------------------------------|
| Number of shares | | | (Rupees in '000) | |
| 50,000,000 | 15,000,000 | Ordinary shares of Rs.10/- each | 500,000 | 150,000 |

12.2 Issued subscribed and paid-up capital

| | | | | |
|-------------------|-------------------|------------------------------------|----------------|----------------|
| 1,770,000 | 1,770,000 | Issued for cash | 17,700 | 17,700 |
| | | Issued as fully paid bonus shares: | | |
| 10,498,219 | 10,498,219 | -Opening balance | 104,982 | 104,982 |
| - | - | -Issued during the period / year | - | - |
| 10,498,219 | 10,498,219 | | 104,982 | 104,982 |
| | | | <u>122,682</u> | <u>122,682</u> |
| <u>12,268,219</u> | <u>12,268,219</u> | | | |

13. SHORT-TERM BORROWINGS - SECURED

These represent utilized portion of seasonal/ non-seasonal financing facilities from various commercial banks. These facilities are secured against registered first pari passu hypothecation charge over various assets of the Company.

14. CONTINGENCIES AND COMMITMENTS

The status of contingencies as at Mar.31, 2016 is the same as reported in the annual financial statements for the year ended September 30, 2015.

| Mar. 31, 2016 | Sep. 30, 2015 (Audited) |
|------------------|-------------------------------|
| (Rupees in '000) | |
| 34,680 | 64,202 |

14.1 Letter of credit issued by commercial banks

15. 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.

| | Half year ended | | Quarter ended | |
|---|------------------|------------------|------------------|------------------|
| | Mar. 31, 2016 | Mar. 31, 2015 | Mar. 31, 2016 | Mar. 31, 2015 |
| (Rupees in '000) | | | | |
| 16. TURNOVER-NET | | | | |
| Local sales | 1,178,022 | 695,100 | 439,977 | 221,788 |
| Less: federal excise duty | (87,261) | (38,858) | (32,591) | (16,430) |
| | <u>1,090,761</u> | <u>656,242</u> | <u>407,386</u> | <u>205,358</u> |
| 17. COST OF SALES | | | | |
| Opening stock finished goods | 384,180 | 271,299 | 824,535 | 522,643 |
| Cost of goods manufactured / purchased | 3,031,891 | 2,890,020 | 1,972,528 | 2,188,513 |
| | <u>3,416,071</u> | <u>3,161,319</u> | <u>2,797,063</u> | <u>2,711,156</u> |
| Closing stock finished goods | (2,433,956) | (2,590,106) | (2,433,956) | (2,590,106) |
| | <u>982,115</u> | <u>571,213</u> | <u>363,107</u> | <u>121,050</u> |
| 18. OTHER INCOME | | | | |
| Income from Financial Assets | | | | |
| Dividend income from a related party | 34,328 | 13,010 | 10,180 | 2,735 |
| Profit on PLS accounts with banks | 555 | 434 | 442 | 249 |
| Mark-up on growers' loan | 630 | 324 | 84 | 129 |
| | <u>35,513</u> | <u>13,768</u> | <u>10,706</u> | <u>3,113</u> |
| Income from non-financial assets | | | | |
| Gain on disposal of operating property, plant and equipment | 1,240 | 42,665 | 257 | 42,633 |
| Gain on fair value adjustment of biological assets | 15,012 | - | 8,070 | - |
| Others | | | | |
| Miscellaneous | 123 | 323 | 55 | (43) |
| | <u>51,888</u> | <u>56,756</u> | <u>19,088</u> | <u>45,703</u> |

19. EARNINGS PER SHARE- Basic

| | Half year ended | | Quarter ended | |
|--|------------------|---------------|---------------|---------------|
| | Mar. 31, 2016 | Mar. 31, 2015 | Mar. 31, 2016 | Mar. 31, 2015 |
| | (Rupees in '000) | | | |
| Profit after taxation (Rs.'000) | 50,657 | 25,758 | 373 | 38,189 |
| Weighted average no. of ordinary shares in issue | 12,268,219 | 12,268,219 | 12,268,219 | 12,268,219 |
| Earnings per share-basic (Rupees.) | 4.13 | 2.10 | 0.03 | 3.11 |

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

20. 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 | Half year ended | | Quarter ended | |
|--------------------------|---|------------------|---------------|---------------|---------------|
| | | Mar. 31, 2016 | Mar. 31, 2015 | Mar. 31, 2016 | Mar. 31, 2015 |
| | | (Rupees in '000) | | | |
| Group companies | Goods purchased | 23,897 | 48,921 | 14,209 | 29,059 |
| | Services received | 4,151 | 3,487 | 1,892 | 1,888 |
| | Sales made | 188,969 | 261,681 | 144,237 | 229,881 |
| | Dividend received | 57,388 | 13,010 | 33,240 | 2,735 |
| | Dividend paid | 33,323 | - | 18,811 | - |
| | Investment made | 22,047 | 50,000 | 7,690 | - |
| Other related parties | Charge for staff provident and gratuity funds | 3,671 | 3,221 | 1,845 | 1,635 |
| Key management personnel | Remuneration | 31,264 | 30,493 | 15,632 | 16,620 |

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.

21. DATE OF AUTHORIZATION

These condensed interim financial statements have been authorized for issue on 26 May, 2016 by the Board of Directors of the Company.

22. EVENT AFTER THE BALANCE SHEET DATE

On April 27, 2016, the Board of Directors of the Company resolved to invest an amount up to Rs. 600 million in a bagasse-based power generation project by forming a new company. It will be a 100% owned subsidiary of Mirpurkhas Sugar Mills Limited. The project is expected to be commissioned in 30 months' time.

23. GENERAL

23.1 Provisions of Workers' Profit Participation Fund, Workers' Welfare Fund, Income Tax and Deferred Tax (where applicable) are interim and final liability will be determined on the basis of annual results.

23.2 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

ASLAM FARUQUE
Chief Executive

TARIQ FARUQUE
Director