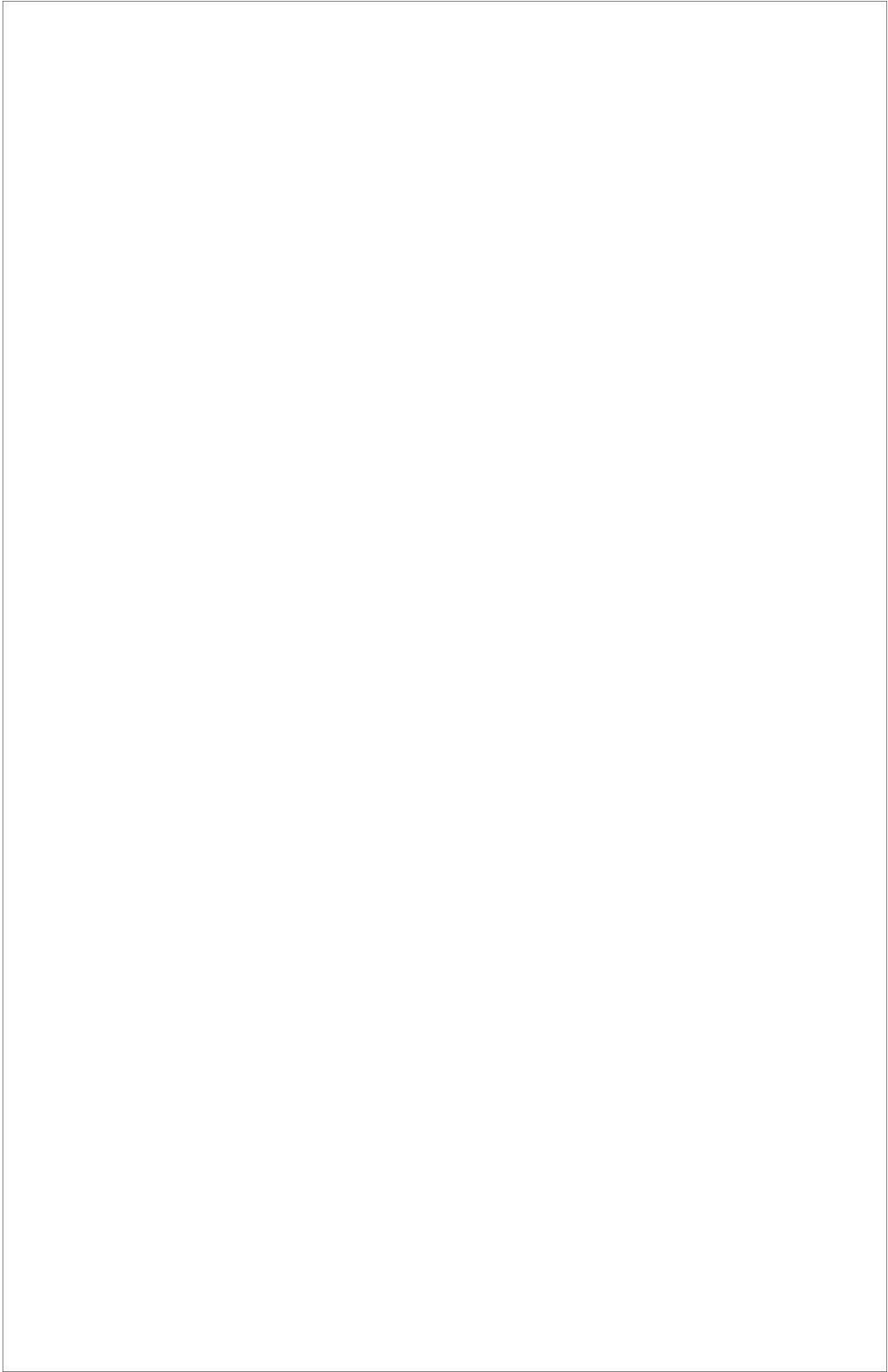


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Company Information

BOARD OF DIRECTORS

Mr. Mahmood Faruque	Chairman
Mr. Aslam Faruque	Chief Executive
Mr. Mohammed Faruque	Director
Mr. Akbarali Pesnani	Director
Mr. Arif Faruque	Director
Mr. Tariq Faruque	Director
Mr. Maqbool H.H. Rahimtoola (NIT)	Director
Mr. Muhammad Iqbal Hussain (NIT)	Director
Mr. Naeemuddin Butt	Director

AUDIT COMMITTEE

Mr. Akbarali Pesnani	Chairman
Mr. Arif Faruque	Member
Mr. Tariq Faruque	Member

CHIEF FINANCIAL OFFICER

Mr. Wasif Khalid

COMPANY SECRETARY

Mr. Abid A. Vazir

AUDITORS

Hyder Bhimji & Co.
Chartered Accountants

LEGAL ADVISOR

K.M.S. Law Associates

SHARE REGISTRAR

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

BANKERS

Allied Bank Ltd.
Bank Alfalah Ltd.
Bank AL-Habib Ltd.
Habib Bank Ltd.
MCB Bank Ltd.
Meezan Bank Ltd.
National Bank of Pakistan
NIB Bank Ltd.
Soneri Bank Ltd.
United Bank Ltd.

REGISTERED OFFICE

Modern Motors House
Beaumont Road
Karachi-75530

FACTORY

Post Office Jamrao
District Mirpurkhas.

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, 2010.

Production

Crushing for the season 2009/10 commenced on November 12, 2009 as the plant operated for 121 days during the season as against 115 days last year. During the six months under review, the company crushed 455,129 metric tons of sugar cane to produce 48,202 metric tons of sugar with a sucrose recovery 10.59% compared to 435,690 metric tons of sugar cane crushed during the corresponding period last year to produce 46,235 metric tons sugar with a sucrose recovery of 10.61%. The production of molasses remained 22,180 metric tons as against 22,509 metric tons last year.

Financial Performance

There was an increase of Rs. 595.14 million in the sales revenue of the company compared to the same period last year as reflected in the table below. The rise in revenue was on account of increase in the quantity of sugar sold during the six months under review as against last year and adjustment in selling prices of sugar necessitated by exorbitant increase in the cost of production because of high rate of sugar cane fixed by the government and competition for cane amongst sugar mills. The company managed to sell 24,561 metric tons of sugar compared with 21,968 metric tons sold in the corresponding period. The company also accounted for its one-third share of profit in the joint venture distillery - Unicol Limited amounting to Rs. 8.51 million and adjusted its investment in the associate by the same amount. After taking into consideration above factors along with various other expenses, the after tax profit comes to Rs. 21.71 million for the half year under review.

	March 31, 2010	March 31, 2009
	(Rs. in million)	
Net sales	1,161.57	566.43
Cost of sales	(1,068.40)	(512.70)
Gross profit	93.17	53.73
Other income	1.02	2.50
Share of profit in an associate	8.51	22.79
Other expenses & taxes	(80.99)	(64.87)
Net profit	21.71	14.15

Future Prospects

Lower availability of sugar cane and its high price fixed by the Sind Government for the season 2009/10 led to severe competition amongst the sugar mills. This resulted in substantial increase in price of sugar cane and hence the cost of production.

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 20, 2010


Mahmood Faruque
Chairman



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, 2010 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 notes forming part thereof (hereinafter referred to as the 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 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 condensed interim profit and loss account for the quarters ended March 31, 2009 and 2010 have not been reviewed, as we were required to review only the cumulative figures for the half year ended March 31, 2010.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410. "Review of Interim Financial Information performed by the Independent Auditor of the Entity. "A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedure. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing as applicable in Pakistan 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 March 31, 2010 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan.

Karachi : May 20, 2010

Hyder Bhimji & Co.

HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS
ENGAGEMENT PARTNER: HYDER ALI BHIMJI - FCA

Condensed Interim Balance Sheet

As at March 31, 2010

	Note	Mar. 31, 2010 (Un-audited)	Sep. 30, 2009 (Audited)
ASSETS			
NON-CURRENT ASSETS			
----- (Rupees `000) -----			
Property, plant and equipment	5	690,535	584,948
Long-term investment	6	176,301	167,791
Long-term deposits		701	738
		867,537	753,477
CURRENT ASSETS			
Stores, spare parts and loose tools		71,051	120,192
Stock-in-trade		1,442,270	203,171
Trade debts		147,250	84,050
Loans and advances		15,218	22,511
Trade deposits and short-term prepayments		4,967	2,771
Other receivables		10,455	19,953
Short-term investments		48,180	63,828
Taxation-net		15,474	8,146
Cash and bank balances		22,763	35,036
		1,777,628	559,658
TOTAL ASSETS		2,645,165	1,313,135
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	7	70,277	63,888
Reserves		240,288	256,592
		310,565	320,480
SURPLUS ON REVALUATION OF FIXED ASSETS		129,056	129,056
NON-CURRENT LIABILITIES			
Long-term financing		111,112	133,334
Deferred liabilities		160,298	205,752
		271,410	339,086
CURRENT LIABILITIES			
Trade and other payables		463,508	291,740
Accrued mark-up		32,602	18,089
Short-term borrowings	8	1,393,580	170,240
Current portion of long-term financing		44,444	44,444
		1,934,134	524,513
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		2,645,165	1,313,135

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


ASLAM FARUQUE
 Chief Executive


TARIQ FARUQUE
 Director

Condensed Interim Profit and Loss Account (Un-audited)

For the Half Year Ended March 31, 2010

	Note	Half year ended		Quarter ended	
		March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
		(Rupees `000)			
Turnover - net	11	1,161,573	566,434	472,094	167,329
Cost of sales	12	(1,068,399)	(512,700)	(458,477)	(146,512)
Gross profit		93,174	53,734	13,617	20,817
Distribution cost		(2,965)	(1,295)	(1,145)	(343)
Administrative expenses		(34,789)	(26,184)	(20,714)	(13,796)
Other operating expenses		(1,182)	(365)	2,772	361
		(38,936)	(27,844)	(19,087)	(13,778)
Other operating income		1,018	2,495	395	205
Operating profit / (loss)		55,256	28,385	(5,075)	7,244
Finance cost		(42,615)	(40,048)	(33,443)	(26,887)
		12,641	(11,663)	(38,518)	(19,643)
Share of profit / (loss) in an associate		8,510	22,786	(1,695)	(25,643)
Profit / (loss) before taxation		21,151	11,123	(40,213)	(45,286)
Taxation					
Current		(6,649)	-	2,237	49
Deferred		7,203	3,022	10,834	5,930
		554	3,022	13,071	5,979
Profit / (loss) after taxation		21,705	14,145	(27,142)	(39,307)
Earnings / (loss) per share - basic	13	Rs. 3.09	Rs. 2.01	Rs. (3.86)	Rs. (5.59)

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


ASLAM FARUQUE
 Chief Executive


TARIQ FARUQUE
 Director

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the Half Year Ended March 31, 2010

	Half year ended		Quarter ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	(Rupees `000)			
Profit / (loss) after taxation	21,705	14,145	(27,142)	(39,307)
Fair value (loss) / gain on available-for-sale securities	(15,648)	(18,975)	(2,996)	495
Total Comprehensive profit / (loss) for the half year	<u>6,057</u>	<u>(4,830)</u>	<u>(30,138)</u>	<u>(38,812)</u>

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


ASLAM FARUQUE
 Chief Executive


TARIQ FARUQUE
 Director

Condensed Interim Cash Flow Statement (Un-audited)

For the Half Year Ended March 31, 2010

	March 31, 2010	March 31, 2009
	----- (Rupees `000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	21,151	11,123
Adjustments for :		
Depreciation	14,371	11,134
Dividend income from a related party	-	(486)
Share of profit in an associate	(8,510)	(22,786)
Loss / (gain) on disposal of operating property, plant and equipment	(23)	(129)
Finance cost	42,615	40,048
	48,453	27,781
Operating profit before working capital changes	69,604	38,904
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	49,141	8,255
Stock-in-trade	(1,239,099)	(624,351)
Trade debts	(63,200)	(27,855)
Loans and advances	7,293	9,420
Trade deposits and short-term prepayments	(2,196)	359
Other receivables	9,498	(22,863)
	(1,238,563)	(657,035)
Increase / (decrease) in current liabilities		
Trade and other payables	168,626	393,699
Short-term borrowings	1,223,340	397,538
	1,391,966	791,237
Cash generated from operations	223,007	173,106
Income tax paid - net	(13,977)	(493)
Decrease / (Increase) in long-term deposits	37	-
Decrease in deferred liabilities	(38,251)	(62,084)
	(52,191)	(62,577)
Net cash generated from operating activities	170,816	110,529
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(95,330)	(11,861)
Additions to capital work in progress	(24,645)	(35,444)
Sale proceeds of operating property, plant and equipment	40	165
Dividend received from a related party	-	486
Net cash used in investing activities	(119,935)	(46,654)
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance cost paid	(28,102)	(23,257)
Long-term financing-net	(22,222)	(31,826)
Payment of dividend	(12,830)	(6,099)
Net cash used in financing activities	(63,154)	(61,182)
Net (decrease) / increase in cash and cash equivalents	(12,273)	2,693
Cash and cash equivalents at the beginning of the period	35,036	13,297
Cash and cash equivalents at the end of the period	22,763	15,990

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


ASLAM FARUQUE
 Chief Executive


TARIQ FARUQUE
 Director

Condensed Interim Statement of Changes in Equity (Un-audited)

For the Half Year Ended March 31, 2010

	Issued subscribed and paid-up capital	Reserves			Total	Total
		General reserves	Unappropriated profit	Fair value gain / (loss) on available-for- sale securities		
(Rupees ' 000)						
Balance as at October 01, 2008	63,888	14,250	70,310	69,382	153,942	217,830
Total comprehensive Loss	-	-	14,145	(18,975)	(4,830)	(4,830)
Cash dividend for the year ended Sep. 30, 2008 @ Re.1 per share (10%)	-	-	(6,389)	-	(6,389)	(6,389)
Transfer to General reserve	-	20,000	(20,000)	-	-	-
Balance as at March 31, 2009	63,888	34,250	58,066	50,407	142,723	206,611
Balance as at October 01, 2009	63,888	34,250	169,361	52,981	256,592	320,480
Total comprehensive profit	-	-	21,705	(15,648)	6,057	6,057
Cash dividend for the year ended Sep. 30, 2009 @ Rs.2.50 per share (25%)	-	-	(15,972)	-	(15,972)	(15,972)
Issue of bonus shares @ 10% i.e 01 share for every 10 shares held	6,389	-	(6,389)	-	(6,389)	-
Balance as at March 31, 2010	70,277	34,250	168,705	37,333	240,288	310,565

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


ASLAM FARUQUE
Chief Executive


TARIQ FARUQUE
Director

Notes To The Condensed Interim Financial Statements (Un-audited)

For the Half Year Ended March 31, 2010

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 on Karachi Stock Exchange. Principal activity of the Company is manufacturing and selling sugar. The registered office of the Company is situated at Modern Motors House, Beaumont Road, Karachi.

2. BASIS OF PRESENTATION

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 and have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34 "Interim Financial Reporting", as applicable in Pakistan. 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, 2009.

3. 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, 2009, except for the followings:

IAS 1 (revised), "Presentation of financial statements" prohibits the presentation of items of income and expenses (that is "non-owner changes in equity") in the statement of changes in equity, requiring "non-owner changes in equity" to be presented separately from owner changes in equity. All "non-owner changes in equity" are required to be shown in a performance statement. Companies can choose whether to present one performance statement (the statement of comprehensive income) or two statements (profit and loss account and statement of comprehensive income).

The Company has preferred to present two statements; a profit and loss account and a statement of comprehensive income. This condensed interim financial information has been prepared under revised disclosure requirements.

3.1 Changes in Accounting Policy and Estimates

3.1.1 Previously on all significant additions, depreciation was charged from the quarter of the year in which addition / capitalization occurred. Similarly, no depreciation was charged in the quarter of the year in which an asset was disposed off. During the year, the management has reviewed this accounting policy and now, on all assets, depreciation is charged from the month in which addition / capitalization occurs and no depreciation is charged in the month in which an asset is disposed off.

Had there been no change in accounting policy, the depreciation charge would have been higher by Rs. 0.18 million and profit before tax for the half year ended March 31, 2010 would have been lower by Rs.0.18 million and the carrying amount of operating property, plant and equipment would have been lower by Rs.0.18 million.

3.1.2 During the year the management carried a review of the useful lives of certain fixed assets, which resulted in the following changes:

Assets class	Previous depreciation rates at W.D.V	Revised depreciation rates at S.L.M	Revised useful life in years
Furniture and fittings	10%	20%	5
Office and other Equipment	10%	20%	5
Computers and accessories	25%	33.33%	3

Notes To The Condensed Interim Financial Statements (Un-audited)

For the Half Year Ended March 31, 2010

The management believes that the above change reflects a more systematic allocation of the depreciable amount of these assets over their useful lives. This change has been accounted for prospectively in accordance with the requirement of IAS 8-Accounting Policies, Change in Accounting Estimates and Errors.

Had there been no change in the estimated useful lives of the above mentioned assets, the depreciation charge would have been lower by Rs. 0.71 million and profit before tax for the half year ended March 31, 2010 would have been higher by Rs. 0.71 million and the carrying amount of operating property, plant and equipment would have been higher by Rs. 0.71 million.

4. TAXATION

a) Current

The provision for current taxation for the period represents the minimum tax on turnover as per the provision of Income Tax Ordinance 2001, and the final liability will be determined on the basis of annual results.

b) Deferred

Deferred tax is provided using the liability method on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

5. PROPERTY, PLANT AND EQUIPMENT

Operating property, plant and equipment
Capital work in progress

March 31, 2010	Sep. 30, 2009
----- (Rupees `000) -----	
574,282	493,340
116,253	91,608
690,535	584,948

5.1 Additions & disposals in operating property, plant and equipment

	Additions		Disposals at book value	
	March 31, 2010	Sep. 30, 2009	Mar. 31, 2010	Sep. 30, 2009
	----- (Rupees `000) -----		----- (Rupees `000) -----	
Land - Free hold	7,545	3,500	-	-
Building - Non-factory	-	1,345	-	-
Plant and machinery	81,324	19,634	-	5,508
Furniture & fittings	202	-	-	-
Vehicles	2,724	2,283	17	55
Computers & accessories	2,976	804	-	-
Office and other equipment	559	57	-	-
	95,330	27,623	17	5,563

6. LONG-TERM INVESTMENT

The Company holds 33.33 percent (2009: 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(a) to the annual financial statements for the year ended September 30, 2009. 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, 2010.

Notes To The Condensed Interim Financial Statements (Un-audited)

For the Half Year Ended March 31, 2010

7. SHARE CAPITAL

7.1 Authorized capital

March 31, 2010	Sep. 30, 2009		Mar. 31, 2010	Sep. 30, 2009
Number of shares			----- (Rupees `000) -----	
15,000,000	15,000,000	Ordinary Shares of Rs.10/- each	150,000	150,000

7.2 Issued subscribed and paid-up capital

March 31, 2010	Sep. 30, 2009		Mar. 31, 2010	Sep. 30, 2009
Number of shares			----- (Rupees `000) -----	
1,770,000	1,770,000	Issued for cash	17,700	17,700
		Issued as fully paid bonus shares:		
4,618,800	4,618,800	-Opening balance	46,188	46,188
638,880	-	-Issued during the year	6,389	-
5,257,680	4,618,800		52,577	46,188
7,027,680	6,388,800		70,277	63,888

8. SHORT-TERM BORROWINGS - SECURED

These represent utilized portion of running finance facilities aggregating Rs.1,549 million (2009: Rs.749 million) obtained from various commercial banks. These facilities are secured against registered first pari passu hypothecation charge over various assets of the Company. These facilities are repayable / renewable annually.

9. CONTINGENCIES AND COMMITMENTS

	Note	Mar. 31, 2010	Sep. 30, 2009
		----- (Rupees `000) -----	
Letters of credit issued by a commercial bank.	9.1	51,580	-

9.1 These represents commitments relating to capital expenditure.

9.2 The status of other contingencies and commitments as at March 31, 2010 is same as reported in the annual financial statements for the year ended September 30, 2009 except for the following :

9.2.1 The Company challenged the levy of professional tax under Finance Act, 1999 in the Honourable Sindh High Court. Accepting Company's contention, the Honourable High Court granted relief. The Government has filed appeal against the judgement in the Honourable Supreme Court of Pakistan, which has been dismissed during the current year. No provision has been made since 1999-2000 for levy totalling Rs. 0.77 million (2008: Rs. 0.69 million). The Company is confident that the same is not likely to materialize.

9.2.2 During the year the Company has filed a petition in the Honourable Supreme Court of Pakistan against a show cause notice issued by Competition Commission of Pakistan (CCP), challenging the vary jurisdiction of the Competition Commission. The Honourable Supreme Court of Pakistan has disposed the petition on the ground that this matter is already under proceedings with Honourable High Courts and refrained CCP from passing any final / penal order till a final decision is achieved at Honourable High Courts. Therefore, there are no financial implications related to this at the moment.

Notes To The Condensed Interim Financial Statements (Un-audited)

For the Half Year Ended March 31, 2010

10. SEASONAL PRODUCTION

Due to the seasonal availability of sugar cane, the manufacture of sugar is carried out during the period of availability of sugar cane 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 interim and annual financial statements.

	Half year ended		Quarter ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	(Rupees ` 000)			
11. TURNOVER-NET	1,161,573	566,434	472,094	167,329

Included herein are local sales net of sales tax.

12. COST OF SALES

	Half year ended		Quarter ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	(Rupees ` 000)			
Opening stock finished goods	198,540	425,460	301,274	439,431
Cost of goods manufactured	2,248,558	1,106,028	1,535,902	725,869
	2,447,098	1,531,488	1,837,176	1,165,300
Closing stock finished goods	(1,378,699)	(1,018,788)	(1,378,699)	(1,018,788)
	1,068,399	512,700	458,477	146,512

13. EARNINGS / (LOSS) PER SHARE- Basic

	Half year ended		Quarter ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
Profit / (loss) after taxation (Rs. '000)	21,705	14,145	(27,142)	(39,307)
Weighted average no. of shares	7,027,680	7,027,680	7,027,680	7,027,680
Earnings / (loss) per share	Rs. 3.09	Rs. 2.01	Rs. (3.86)	Rs. (5.59)

14. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of related group companies, associated companies, directors, executives and staff retirement funds. The Company in the normal course of business carries out transactions with various related parties. Material transactions with related parties are given below :

Notes To The Condensed Interim Financial Statements (Un-audited)

For the Half Year Ended March 31, 2010

Relationship	Nature of Transaction	Half year ended		Quarter ended	
		Mar. 31, 2010	Mar. 31, 2009	Mar. 31, 2010	Mar. 31, 2009
		(Rupees `000)			
Group companies	Goods purchased	110	2,625	11	1,910
	Services received	1,183	585	593	293
	Sales made	111,850	123,768	86,850	78,228
	Dividend received	-	486	-	-
	Dividend paid	6,997	2,798	6,997	2,798
Other related parties	Charge for staff provident and gratuity funds	2,738	1,628	1,749	822
	Insurance premium	997	607	382	441
Chief Executive	Remuneration	8,538	5,540	4,944	3,395
Directors	Remuneration	11,238	7,940	6,294	4,595
Executives	Remuneration	8,818	5,828	4,950	3,652

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.

15. DATE OF AUTHORIZATION

These condensed interim financial statements have been authorized for issue on May 20, 2010 by the Board of Directors of the Company.

16. CORRESPONDING FIGURES

Corresponding figures have been rearranged in cash flow statement for the purpose of comparison.

17. GENERAL

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


ASLAM FARUQUE
 Chief Executive


TARIQ FARUQUE
 Director

