



Mirpurkhas
Sugar Mills
Limited

A Chulam Faruque Group Company



half yearly accounts
(un-audited)
march 31, 2013

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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. Shahid Aziz Siddiqi (NIT)	Director
Mr. Taufique Habib	Director

Audit Committee

Mr. Akbarali Pesnani	Chairman
Mr. Arif Faruque	Member
Mr. Tariq Faruque	Member
Mr. Maqbool H.H. Rahimtoola	Member

Human Resource and Remuneration Committee

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

Executive Director & Chief Financial Officer

Mr. Wasif Khalid

Executive Director & Company Secretary

Mr. Abid A. Vazir

Auditors

Hyder Bhimji & Co.
Chartered Accountants

Cost Auditors

Tahir Jawad Imran Fecto
Chartered Accountants

Legal Advisor

K.M.S. Law Associates

Share Registrar

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

Bankers

Allied Bank Ltd.
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.
Soneri Bank Ltd.
United Bank Ltd.

Registered Office

Modern Motors House
Beaumont Road
Karachi-75530.

Factory

Sub Post Office Sugar Mills
Jamrao, Umerkot Road
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, 2013.

Production

During the season 2012/13, the factory operated for 100 days as against 96 days during last season. During the six months under review, the plant crushed 535,963 metric tons of sugarcane to produce 58,920 metric tons of sugar compared to 467,734 metric tons of sugarcane crushed during the corresponding period last year to produce 47,566 metric tons of sugar. The sucrose recovery during the period improved to 11% as against 10.17% at the same time last year. The production of molasses also increased to 25,680 metric tons as against 24,500 metric tons at the corresponding period last year.

Financial Performance

Increase in the quantity of sugar sold by the Company led to 81% rise in the sales revenue of the Company during the six month under review compared to the corresponding period last year. During the period, the Company sold 36,392 metric tons of sugar as against 19,824 metric tons sold at the same time last year. For the season 2012/13, Sindh Government fixed the price of sugarcane at PKR 172 per maund (an increase of 12% over last season), which had an adverse impact on production costs. During the period, there was an increase in finance cost due to higher working capital requirements. Owing to high cane price coupled with decline in the sugar price the Company was only able to make a reasonable operational profit during the period under review. The Company accounted for its one-third share of profit in Unicol Limited amounting to Rs. 89.57 million earned during the half year and adjusted its investment in the associate by the same amount. For the period under review, the Company made an after tax profit of Rs. 81.75 million.

	March 31, 2013	March 31, 2012
	(Rs. in million)	
Net sales	1,811.03	999.41
Cost of sales	(1,642.53)	(874.26)
Gross profit	168.50	125.15
Other income	14.47	3.64
Share of profit in an associate	89.57	33.47
Other expenses & taxes	(190.79)	(110.30)
Net profit	81.75	51.96
Earnings per share - basic (Rupees)	7.33	4.66

Acknowledgment

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

On behalf of the Board of Directors

Karachi: May 20, 2013


ASLAM FARUQUE
Chairman of 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 at March 31, 2013 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 (here-in-after 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 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 the quarters ended March 31, 2013 and March 31, 2012 have not been reviewed, as we were required to review only the cumulative figures for the half year ended March 31, 2013.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A review of condensed interim financial statements 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 statements as of and for the half year ended March 31, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Karachi: May 20, 2013



HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS
ENGAGEMENT PARTNER: M. HANIF RAZZAK



condensed interim balance sheet
as at march 31, 2013

	Note	Mar. 31, 2013 (Un-audited)	Sep. 30, 2012 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,284,469	1,259,926
Intangible asset	6	3,117	3,667
Long-term investment	7	465,779	376,209
Long-term deposits		995	732
		1,754,360	1,640,534
CURRENT ASSETS			
Stores, spare parts and loose tools		142,925	147,147
Stock-in-trade	8	1,658,497	630,144
Biological assets	9	20,380	-
Trade debts	10	34,869	9,766
Loans and advances		34,514	81,425
Short-term prepayments		4,528	1,514
Other receivables		11,925	23,034
Short-term investments		202,344	170,188
Taxation - net		10,580	8,118
Cash and bank balances		31,748	16,477
		2,152,310	1,087,813
TOTAL ASSETS		3,906,670	2,728,347
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	11	111,529	96,982
Reserves		702,781	603,420
		814,310	700,402
SURPLUS ON REVALUATION OF FIXED ASSETS		282,552	282,552
NON-CURRENT LIABILITIES			
Long-term financing		385,000	439,999
Deferred liabilities		252,448	247,090
		637,448	687,089
CURRENT LIABILITIES			
Trade and other payables		696,517	744,798
Accrued mark-up		36,697	22,456
Short-term borrowings	12	1,354,146	186,605
Current portion of long-term financing		85,000	104,445
		2,172,360	1,058,304
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		3,906,670	2,728,347

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


ASLAM FARUQUE
Chief Executive


ASLAM FARUQUE
Director

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condensed interim profit and loss account (un-audited)
for the half year ended march 31, 2013

	Note	Half year ended		Quarter ended	
		Mar. 31, 2013	Mar. 31, 2012	Mar. 31, 2013	Mar. 31, 2012
(Rupees in '000)					
Turnover - net	15	1,811,037	999,417	1,374,518	96,806
Cost of sales	16	(1,642,534)	(874,263)	(1,212,024)	(15,681)
Gross profit		168,503	125,154	162,494	81,125
Distribution cost	17	(60,362)	(3,119)	(58,695)	(1,540)
Administrative expenses		(43,814)	(34,525)	(25,958)	(20,284)
Other operating expenses	18	(5,472)	(2,642)	(5,377)	(2,547)
		(109,648)	(40,286)	(90,030)	(24,371)
Other operating income	19	14,474	3,638	5,306	1,137
Operating profit		73,329	88,506	77,770	57,891
Finance cost		(63,836)	(58,047)	(38,657)	(26,446)
		9,493	30,459	39,113	31,445
Share of profit in an associate		89,570	33,466	34,570	21,696
Profit before taxation		99,063	63,925	73,683	53,141
Taxation					
Current		(17,311)	(11,968)	(13,817)	(2,518)
Deferred		-	-	-	(20,733)
		(17,311)	(11,968)	(13,817)	(23,251)
Profit after taxation		81,752	51,957	59,866	29,890
Earnings per share - basic (Rupees)	20	7.33	(Restated) 4.66	5.37	(Restated) 2.68

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


ASLAM FARUQUE
Chief Executive



Mirpurkhas Sugar Mills Limited | 06 |


ASLAM FARUQUE
Director

condensed interim statement of comprehensive income (un-audited)
for the half year ended march 31, 2013

	Half year ended		Quarter ended	
	Mar. 31, 2013	Mar. 31, 2012	Mar. 31, 2013	Mar. 31, 2012
	(Rupees in '000)			
Profit after taxation	81,752	51,957	59,866	29,890
Fair value profit on available-for-sale securities	32,156	34,997	3,616	45,091
Total comprehensive income for the half year	<u>113,908</u>	<u>86,954</u>	<u>63,482</u>	<u>74,981</u>

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


ASLAM FARUQUE
Chief Executive


ASLAM FARUQUE
Director

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condensed interim cash flow statement (un-audited)
for the half year ended march 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation

Adjustments for :

Depreciation	27,272	23,234
Amortization	550	550
Provision for market committee fee	5,358	2,339
Provision for stores obsolescence	1,019	-
Fair value adjustment of biological assets	3,192	-
Dividend income from related parties	(11,564)	(2,137)
Share of profit in an associate	(89,570)	(33,466)
Gain on disposal of operating property, plant and equipment	(969)	(777)
Finance cost	63,836	58,047

Operating profit before working capital changes

(Increase) / decrease in current assets

Stores, spare parts and loose tools	3,203	14,906
Stock-in-trade	(1,028,353)	(1,090,670)
Biological assets	(23,572)	-
Trade debts	(25,103)	10,262
Loans and advances	46,911	70,471
Short-term prepayments	(3,014)	(3,422)
Other receivables	11,109	7,486
	(1,018,819)	(990,967)

Increase / (decrease) in current liabilities

Trade and other payables	(48,273)	462,925
Short-term borrowings	1,167,541	724,785
	1,119,268	1,187,710

Cash generated from operations

Income tax paid - net	(19,773)	(16,484)
	178,863	291,974

Net cash generated from operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Additions to property, plant and equipment	(52,101)	(219,258)
Sale proceeds of operating property, plant and equipment	1,255	1,991
Long-term investment	-	10,395
Long-term deposits	(263)	-
Dividend received from related parties	11,564	2,137

Net cash used in investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Finance cost paid	(49,595)	(51,034)
Long-term financings - net	(74,444)	(22,222)
Payment of dividend	(8)	(8,193)

Net cash used in financing activities

Net increase in cash and cash equivalents

Cash and cash equivalents at the beginning of the period

Cash and cash equivalents at the end of the period

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


ASLAM FARUQUE
Chief Executive


ASLAM FARUQUE
Director



condensed interim statement of changes in equity (un-audited)
for the half year ended march 31, 2013

	Issued subscribed and paid-up capital	Reserves			Total	Total
		General reserves	Unapp- ropriated profit	Fair value gain on available -for-sale securities		
(Rupees in '000)						
Balance as at October 01, 2011	84,332	34,250	344,416	32,701	411,367	495,699
Total comprehensive income for the half year	-	-	51,957	34,997	86,954	86,954
Cash dividend for the year ended Sep. 30, 2011 @ Re.1 per share (10%)	-	-	(8,433)	-	(8,433)	(8,433)
Issue of bonus shares @ 15% i.e 1.50 shares for every 10 shares held	12,650	-	(12,650)	-	(12,650)	-
Balance as at March 31, 2012	96,982	34,250	375,290	67,698	477,238	574,220
Balance as at October 01, 2012	96,982	34,250	424,461	144,709	603,420	700,402
Total comprehensive income for the half year	-	-	81,752	32,156	113,908	113,908
Issue of bonus shares @ 15% i.e 1.50 shares for every 10 shares held	14,547	-	(14,547)	-	(14,547)	-
Balance as at March 31, 2013	111,529	34,250	491,666	176,865	702,781	814,310

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


ASLAM FARUQUE
Chief Executive


ASLAM FARUQUE
Director

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notes to the condensed interim financial statements (un-audited)

for the half year ended march 31, 2013

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, 2012.

3. ACCOUNTING POLICIES

- a) 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, 2012 except as follows:

The Company has adopted the following amendments to IFRSs which became effective during the period:

IAS 1 - Presentation of Financial Statements - Presentation of items of other comprehensive income (Amendment)

IAS 2 - Income Taxes - Recovery of Underlying Assets (Amendment)

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

b) IAS 41 - Agriculture

The international accounting standard on agriculture sets out the accounting for agricultural activity - the transformation of biological assets (living plants and animals) into agricultural produce (harvested product of the entity's biological assets).

Initial recognition and Measurement

An entity should recognise a biological asset or agriculture produce only when the entity controls the asset as a result of past events and if it is probable that future economic benefits will flow to the entity, and the fair value or cost of the asset can be measured reliably.

Biological assets should be measured on initial recognition and at subsequent reporting dates at fair value less estimated costs to sell, unless fair value cannot be reliably measured. Agricultural produce should be measured at fair value less estimated costs to sell at the point of harvest because harvested produce is a marketable commodity, there is no 'measurement reliability' exception for produce.

The gain on initial recognition of biological assets at fair value less costs to sell, and changes in fair value less costs to sell of biological assets during a period, are reported in profit or loss. A gain / loss on initial recognition of agricultural produce at fair value less costs to sell should be included in profit or loss for the period in which it arises.

All costs related to biological assets that are measured at fair value are recognised as expenses when incurred, other than costs to purchase biological assets.



Company's biological assets comprises of standing crop. These are stated at fair value less estimated point of sale cost with any fair value changes recognized in the profit and loss account. The fair value of standing crop is based on the support price fixed by the Government and other factors such as estimated crop yield and area under cultivation.

4. 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 0.5% of turnover tax, calculated at applicable tax rates under section 113 of the Income Tax Ordinance, 2001 and under final tax regime, whichever is higher is provided in the 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.

5. PROPERTY, PLANT AND EQUIPMENT

	Mar. 31, 2013	Sep. 30, 2012
	(Rupees in '000)	
Opening net book value	1,241,331	889,924
Additions during the period / year	52,101	405,683
Capital work in progress transferred	18,595	-
	1,312,027	1,295,607
Disposals during the period / year	(286)	(2,681)
Depreciation charged during the period / year	(27,272)	(51,595)
	1,284,469	1,241,331
Capital work in progress	-	18,595
	1,284,469	1,259,926

5.1 Additions / revaluation & disposals in operating property, plant and equipment

	Additions / revaluations		Disposals at book value	
	Mar. 31, 2013	Sep. 30, 2012	Mar. 31, 2013	Sep. 30, 2012
	(Rupees in '000)			
Free hold land	5,831	116,943	-	-
Building - Factory	10,308	1,019	-	-
Plant and machinery	48,879	276,292	-	-
Furniture & fittings	274	-	-	-
Vehicles	4,180	10,058	285	2,568
Computers & accessories	841	505	1	113
Office and other equipment	383	866	-	-
	70,696	405,683	286	2,681

6. INTANGIBLE ASSET

	Mar. 31, 2013	Sep. 30, 2012
	(Rupees in '000)	
Opening value	3,667	4,767
Amortization charged during the period / year	(550)	(1,100)
	3,117	3,667

7. LONG-TERM INVESTMENT

	Mar. 31, 2013	Sep. 30, 2012
Unicol Limited	376,209	218,903
Dividend received during the period / year	-	(11,550)
	376,209	207,353
Share of profit during the period / year	89,570	168,856
	465,779	376,209

The Company holds 33.33 percent (Sep. 2012: 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 audited financial statements for the year ended September 30, 2012. 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, 2013.

8. STOCK-IN-TRADE

	Mar. 31, 2013	Sep. 30, 2012
	(Rupees in '000)	
Sugar	1,618,795	627,727
Sugar in process	4,179	2,417
Molasses	35,523	-
	<u>1,658,497</u>	<u>630,144</u>

9. BIOLOGICAL ASSETS

Sugarcane	17,425	-
Wheat	2,955	-
	<u>20,380</u>	<u>-</u>
Movement during the period / year		
As at October 01	-	-
Increase due to purchases / cost incurred	23,572	-
Fair value adjustment of agricultural assets	(3,192)	-
	<u>20,380</u>	<u>-</u>

9.1 The value of sugarcane crop is based on estimated average yield of 550 maunds per acre (2012: Nil) on cultivated area of 307 acres (2012: Nil). The value of wheat crop is based on the estimated yield of 30 maunds per acre (2012: Nil) on cultivated area of 99 acres (2012: Nil).

10. TRADE DEBTS

Others	<u>34,869</u>	<u>9,766</u>
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10.1 Trade receivable are non-interest bearing and aging analysis of trade debts is as follows:

Neither past due nor impaired	<u>34,869</u>	<u>9,766</u>
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11. SHARE CAPITAL

11.1 Authorized capital

Mar. 31, 2013	Sep. 30, 2012			
		Number of shares		
<u>15,000,000</u>	<u>15,000,000</u>	Ordinary Shares of Rs.10/- each	<u>150,000</u>	<u>150,000</u>

11.2 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:		
7,928,198	6,663,215	-Opening balance	79,282	66,632
1,454,729	1,264,983	-Issued during the year	14,547	12,650
<u>9,382,927</u>	<u>7,928,198</u>		<u>93,829</u>	<u>79,282</u>
<u>11,152,927</u>	<u>9,698,198</u>		<u>111,529</u>	<u>96,982</u>



12. SHORT-TERM BORROWINGS - SECURED

These represent utilized portion of available running finance facilities aggregating to Rs. 2,144 million (Sep. 2012: Rs.1,969 million) 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.

13. CONTINGENCIES AND COMMITMENTS

13.1 Letters of credit issued by commercial bank.

Letter of guarantee issued by a commercial bank

Mar. 31, 2013	Sep. 30, 2012
(Rupees in '000)	
Nil	62,696
Nil	13,635

The status of other contingencies as at March 31, 2013 is same as of September 30, 2012 except for the following.

13.2 The Company in 2010, has filed a suit before the Honourable High Court of Sindh against Pakistan Standards and Quality Control Authority (the Authority) Challenging the levy of marking fee under PSQCA Act-VI of 1996. The Authority has demanded a fee payment @ 0.1% of ex-factory price for the year 2008-09 amounting to Rs.1.40 million. The Company is of the view that demand notifications so raised are without any lawful authority under the PSQCA Act-VI of 1996 and are in violation of the constitution. The Honourable High Court of Sindh has accepted the petition and termed that the impugned notifications have been issued without lawful authority and suspended the operation of the impugned notifications. On December 4, 2012, the said petition filed in the Honourable High Court of Sindh has been allowed in favour of the Company. Furthermore, the Company has filed caveat in respect of an appeal to be filed by PSQCA against the judgement in CP-2515 of 2010 in the Honourable Supreme Court of Pakistan. No Provision has been made in this regard since the management is confident that the outcome would be in Company's favour and the amount is insignificant and is not likely to be materialized.

13.3 The Company in 2011, filed a petition vide CP no. D-2130 of 2011, before the Honourable High Court of Sindh against Federation of Pakistan and Large Taxpayer Unit, Inland Revenue challenging the vires of Section 3A of the Federal Excise Act 2005 and SRO 655(1)/2007 dated June 6, 2007 said to have been issued in terms thereof. Company submitted that this SRO was a nullity in law and without any legal effect or force whatsoever. Company prayed for suitable declaratory and injunctive relief as well as a refund of all the duty that had been collected for the period from July 2007 to June 2011 under this section and notification. On February 22, 2013 The Honourable High Court of Sindh has accepted the said petition and termed that the section 3A was void ab initio, a nullity in law and no legal effect and SRO 655(1)/2007 dated June 29, 2007 was likewise a nullity and of no legal effect. It follows the suspension of the said notification and refund of the collected amount by way of direct repayment or adjustment (against any tax or duty). However, due to the contingent nature, the Company has not accounted for any revenue in this regard in its financial statements for the half year ended March 31, 2013. The department on April 25, 2013 has sent its intention to Honourable Supreme Court of Pakistan to file a civil petition for leave to appeal against the judgement passed by Honourable High Court of Sindh in Company's favour and the Company intends to contest the same.

14. SEASONAL PRODUCTION

Due to the seasonal availability of sugarcane, the manufacture 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 interim and annual financial statements.



15. TURNOVER-NET

	Half year ended		Quarter ended	
	Mar. 31, 2013	Mar. 31, 2012	Mar. 31, 2013	Mar. 31, 2012
	(Rupees in '000)			
Local Sales	723,614	1,076,323	252,277	108,089
Export Sales	1,140,928	-	1,140,928	-
	1,864,542	1,076,323	1,393,205	108,089
Less: Sales tax / FED	(53,492)	(75,991)	(18,687)	(11,187)
Special excise duty	(13)	(915)	-	(96)
	1,811,037	999,417	1,374,518	96,806

16. COST OF SALES

Opening stock finished goods	627,727	884,253	997,935	438,476
Cost of goods manufactured	2,633,602	1,923,125	1,832,884	1,510,320
	3,261,329	2,807,378	2,830,819	1,948,796
Closing stock finished goods	(1,618,795)	(1,933,115)	(1,618,795)	(1,933,115)
	1,642,534	874,263	1,212,024	15,681

17. DISTRIBUTION COST

Salaries, wages and other benefits	1,403	1,150	804	654
Insurance	758	1,052	551	552
Sugar export freight & port handling	57,929	342	57,123	27
Brokerage & commission	-	16	-	2
Other expenses	49	359	106	172
Depreciation	168	145	84	106
Amortization	55	55	27	27
	60,362	3,119	58,695	1,540

18. OTHER OPERATING EXPENSES

Auditors' remuneration	296	200	201	105
Fair value adjustment of biological assets	3,192	-	3,192	-
Provision for stores obsolescence	1,019	-	1,019	-
Net loss from agriculture produce	182	-	182	-
Workers' profit participation fund	510	1,636	510	1,636
Workers' welfare fund	194	622	194	622
Charity and donations	79	184	79	184
	5,472	2,642	5,377	2,547

19. OTHER OPERATING INCOME

Income from Financial Assets				
Dividend income from a related party	11,564	2,137	3,427	-
Profit on PLS accounts with banks	270	214	250	154
Mark-up on growers' loan	745	143	3	-
	12,579	2,494	3,680	154
Income from non-financial assets				
Gain on disposal of operating property, plant and equipment	969	777	953	777
Others				
Miscellaneous	926	367	673	206
	14,474	3,638	5,306	1,137



20. EARNINGS PER SHARE- Basic

	Half year ended		Quarter ended	
	Mar. 31, 2013	Mar. 31, 2012	Mar. 31, 2013	Mar. 31, 2012
	(Rupees in '000)			
Profit after taxation (Rs.'000)	81,752	51,957	59,866	29,890
Weighted average no. of ordinary shares in issue	11,152,927	11,152,927 (Restated)	11,152,927	11,152,927 (Restated)
Earnings per share-basic (Rupees.)	7.33	4.66	5.37	2.68

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

21. 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 transactions	Half-year ended		Quarter ended	
		Mar. 31, 2013	Mar. 31, 2012	Mar. 31, 2013	Mar. 31, 2012
		(Rupees in '000)			
Group companies	Goods purchased	21,048	271	17,902	74
	Services received	2,660	1,547	1,197	738
	Sales made	206,434	161,708	162,607	149,853
	Dividend received	11,564	12,532	3,427	10,395
	Dividend paid	-	3,695	-	3,695
Other related parties	Charge for staff provident and gratuity funds	3,469	6,570	2,158	5,385
	Insurance premium	672	775	380	426
Key management personnel	Remuneration	25,792	21,191	14,101	10,755

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.

22. DATE OF AUTHORIZATION

These condensed interim financial statements have been authorized for issue on May 20, 2013 by the Board of Directors of the Company.

23. 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


ASLAM FARUQUE
 Director

15 | March 31, 2013





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