



**Mirpurkhas
Sugar Mills
Limited**

A Ghulam Faruque Group Company

**Half Yearly Accounts (Unaudited)
March 31, 2020**



value & worth

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Company Information

Board of Directors

Mr. Arif Faruque	Chairman
Mr. Aslam Faruque	Chief Executive
Mr. Amer Faruque	Director
Ms. Farzana Faruque	Director
Mr. Muhammad Izqar Khan (NIT)	Director
Mr. Samir Mustapha Chinoy	Director
Mr. Wasif Khalid	Director

Audit Committee

Mr. Samir Mustapha Chinoy	Chairman
Mr. Arif Faruque	Member
Mr. Muhammad Izqar Khan (NIT)	Member

Human Resource and Remuneration Committee

Mr. Muhammad Izqar Khan (NIT)	Chairman
Mr. Aslam Faruque	Member
Mr. Amer Faruque	Member

Chief Operating Officer & Chief Financial Officer

Mr. Wasif Khalid

Executive Director & Company Secretary

Mr. Abid Vazir

Head of Internal Audit

Mr. Aamir Saleem

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99 - B, Block - B, S.M.C.H.S.
Main Shahrah-e-Faisal Karachi – 74400
Tel: 0800-23275 UAN: 111-111-500
Email: info@cdcsrsl.com

BANKERS (Conventional)

Allied Bank Ltd.
Bank Al Habib Ltd.
Bank Alfalah Ltd.
Habib Bank Ltd.
Habib Metropolitan Bank Ltd.
MCB Bank Ltd.
National Bank of Pakistan
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.
MCB Islamic Bank Ltd.

Registered Office / Factory

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

Head Office

Modern Motors House
Beaumont Road
Karachi-75530 Pakistan
UAN: +92 - 21-111- 354 -111
Fax: + 92 - 21- 35688036
Web: www.gfg.com.pk/msm/

Auditors

Kreston Hyder Bhimji & 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, duly reviewed by the auditors, for the half year ended March 31, 2020.

Production

During the crushing season 2019/20, the factory operated for 107 days compared to 88 days during the same time last year. During this season, the factory crushed 525,201 metric tons of sugarcane to produce 57,286 metric tons of sugar compared to 577,396 metric tons of sugarcane crushed to produce 64,935 metric tons of sugar during the corresponding period last year. During the period under review the sucrose recovery was 10.91% as against 11.25% at the same time last year. The decline in recovery was due to shortage in supply of sugarcane during the months of February and March. The Company also produced 25,133 metric tons of molasses during the period under review compared to 26,445 metric tons produced during the corresponding period last year. Unlike other industries in the country, sugar production in Pakistan was less severely impacted by COVID-19 as the crushing season 2019/20 had finished.

Financial Performance

There has been a 77% increase in the turnover of the Company from the corresponding period last year due to an increase in the quantity of sugar sold and improvement in the sales price. During the period under review the Company sold sugar 34,454 metric tons of sugar compared to 24,733 metric tons for the corresponding period last year. There is a significant increase in cost of production due to competition amongst the sugar mills to procure sugarcane that led to higher cost of sugarcane. During the period under review the Company earned other income of Rs. 21.5 million from receipt of dividends on investments made in various shares and fair value adjustment of biological assets. There was an increase in finance cost due to increase in working capital requirement and higher discount rates. The Company accounted for its one-third share of profit in Unicol Limited amounting to Rs. 55 million and adjusted its investment in the associate by the same amount.

	March 31, 2020	March 31, 2019
	(Rupees in million)	
Net sales	1,986.34	1,119.79
Cost of sales	(1,907.94)	(1,009.57)
Gross profit	78.40	110.22
Other income	21.54	40.77
Share of profit in associates - net	55.07	213.22
Other expenses & taxes	(318.10)	(287.78)
Net (loss)/profit	<u>(163.09)</u>	<u>76.43</u>

Future Prospects

The ongoing COVID-19 pandemic is expected to put pressure on sugar consumption because of the curbs imposed on social gatherings, restaurants, etc. As a result, the

industry is also facing reduced off-take from beverage and other FMCG companies. People are also generally avoiding having cold drinks and ice-creams to avoid falling sick. Reduced operations by the FMCG and beverage companies is likely to have an impact on the annual sugar consumption, which has even led to a fall in domestic sugar prices recently. In the current scenario, it is expected that domestic sugar consumption could fall by 20 percent to 3.84 MMT as against 4.8 MMT expected previously, with the possibility that the consumption could further decline given the extension in the nationwide lockdown. Further, due to COVID-19, temporary disruptions in the supply chain have been experienced by the millers in the initial weeks; however, the provincial government and local regulatory bodies classified sugar as an essential industry, hence movement within the province is currently facing no issues.

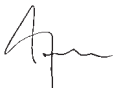
Following the outbreak of COVID-19, measures have been taken by your Company including strict implementation of protocols on health and employee safety towards keeping staff members safe from this virus, as this is of paramount importance for the well-being of employees and the continued operations of the Company.

We would like to take this opportunity to appreciate various relief measures initiated by the government and the State Bank of Pakistan to support the business industry to mitigate the adverse impact of COVID-19. Because of an increase in the cost of production and the lack of offtake of sugar, the current crushing season is expected to be highly challenging for the sugar industry. The government must ensure the price of sugar is reflective of the price of sugarcane to create a conducive business environment for the industry as well as develop policies to promote agriculture by providing better yielding seeds to the farmers.

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



Aslam Faruque
Chief Executive



Wasif Khalid
Director

Karachi: May 13, 2020

Auditors' Report to the Members on Review of Un-Consolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying un-consolidated condensed interim statement of financial position of MIRPURKHAS SUGAR MILLS LIMITED (the Company) as at March 31, 2020, and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows and notes to the financial statements for the half year ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these un-consolidated condensed interim financial statements based on our review.

The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended March 31, 2020 and March 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended March 31, 2020.

Scope of Review

We conducted our review in accordance with the International Standard on Review engagements 2410, "Review of condensed Interim financial information Performed by the Independent Auditor of the Entity". A review of un-consolidated 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 unconsolidated condensed interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner of the review resulting in this independent auditor's report is Faiza Hanif.

Karachi: May 13, 2020

Kreston Hyder Bhimji & Co.
KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

Unconsolidated Condensed Interim Statement of Financial Position

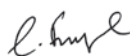
As at March 31, 2020

	Note	March 31, 2020 (Unaudited)	September 30, 2019 (Audited)
(Rupees '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,504,816	2,482,420
Intangible asset		3,734	4,638
Long-term investments		1,669,261	1,474,259
Long-term loan and deposits		12,278	12,124
		4,190,089	3,973,441
CURRENT ASSETS			
Stores, spare parts and loose tools		224,967	206,876
Stock-in-trade		2,781,731	976,972
Biological assets		12,082	34,492
Trade debts		182,313	27,840
Loans and advances		241,470	135,312
Trade deposits and short-term prepayments		12,067	4,710
Other receivables		241,317	227,340
Short term investments		1,524	-
Current portion of long-term investments		-	1,710
Tax refunds due from the Government		150,436	169,483
Cash and bank balances		61,615	42,395
		3,909,522	1,827,130
		8,099,611	5,800,571
TOTAL ASSETS			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	7	134,950	122,682
Reserves		1,109,729	1,045,158
Surplus on revaluation of property, plant & equipment		816,065	816,065
		2,060,744	1,983,905
NON-CURRENT LIABILITIES			
Long-term financing		883,572	581,429
Long-term lease liabilities	8	13,985	-
Deferred liabilities		616,113	610,861
Deferred tax liability-net		44,760	76,907
		1,558,430	1,269,197
CURRENT LIABILITIES			
Trade and other payables		906,863	474,524
Unclaimed dividend		8,460	8,513
Accrued mark-up		97,298	70,385
Short-term borrowings		3,266,278	1,798,333
Current maturity of long term lease liabilities	8	5,824	-
Current portion of long-term financing		195,714	195,714
		4,480,437	2,547,469
CONTINGENCIES AND COMMITMENTS			
	9		
TOTAL EQUITY AND LIABILITIES			
		8,099,611	5,800,571

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



Aslam Faruque
Chief Executive



Amer Faruque
Director



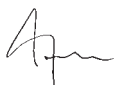
Wasif Khalid
Chief Financial Officer

Unconsolidated Condensed Interim Statement of Profit or Loss (Unaudited)

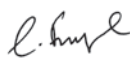
For the Half Year ended March 31, 2020

Note	Half year ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	(Rupees '000)			
Turnover - net	1,986,338	1,119,790	659,421	300,822
Cost of sales	(1,907,943)	(1,009,568)	(702,014)	(230,785)
Gross profit / (loss)	78,395	110,222	(42,593)	70,037
Distribution cost	(7,850)	(7,432)	(4,184)	(4,621)
Administrative expenses	(78,582)	(71,571)	(42,102)	(34,241)
Other operating expenses	(1,222)	(15,809)	74	(8,072)
	(87,654)	(94,812)	(46,212)	(46,934)
Other income	21,537	40,771	4,627	6,736
Operating profit / (loss)	12,278	56,181	(84,178)	29,839
Finance cost	(208,707)	(171,022)	(126,966)	(103,828)
	(196,429)	(114,841)	(211,144)	(73,989)
Share of profit / (loss) in associates - net	55,066	213,220	(3,649)	95,099
(Loss) / Profit before taxation	(141,363)	98,379	(214,793)	21,110
Taxation	(21,734)	(21,950)	404	(6,825)
(Loss) / Profit after taxation	(163,097)	76,429	(214,389)	14,285
Earnings per share - basic & diluted (Rupees)	11	(Restated) 5.66	(Restated) (15.89)	(Restated) 1.06

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



Aslam Faruque
Chief Executive



Amer Faruque
Director



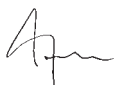
Wasif Khalid
Chief Financial Officer

Unconsolidated Condensed Interim Statement of Comprehensive Income (Unaudited)

For the Half Year ended March 31, 2020

	Half year ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	(Rupees '000)			
(Loss) / profit after taxation	(163,097)	76,429	(214,389)	14,285
Other comprehensive income / (loss)				
Items that may not be reclassified subsequently to statement of profit or loss				
Unrealised gain / (loss) on remeasurement of equity investment at fair value through other comprehensive income	239,936	(118,557)	(63,426)	(95,876)
Total comprehensive income / (loss)	<u>76,839</u>	<u>(42,128)</u>	<u>(277,815)</u>	<u>(81,591)</u>

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



Aslam Faruque
Chief Executive



Amer Faruque
Director



Wasif Khalid
Chief Financial Officer

Unconsolidated Condensed Interim Statement of Cash Flows (Unaudited)

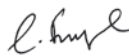
For the Half Year ended March 31, 2020

	March 31, 2020	March 31, 2019
	(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(141,363)	98,379
Adjustments for:		
Depreciation	47,540	45,324
Depreciation- right of use asset	1,013	-
Amortization	904	905
Provision for market committee fee	5,252	5,775
Accrued profit term deposit	(24)	-
Fair value adjustment of biological assets	6,063	(726)
Dividend income from related parties	(10,567)	(36,219)
Share of profit in associates	(55,066)	(213,220)
Gain on disposal of property, plant and equipment	(1,651)	(3,543)
Finance cost	208,707	171,022
	<u>202,171</u>	<u>(30,682)</u>
	60,808	67,697
Working capital changes:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(18,091)	(5,828)
Stock-in-trade	(1,804,759)	(1,811,692)
Biological assets	16,347	9,874
Trade debts	(154,473)	(25,233)
Loans and advances	(106,158)	(89,283)
Short-term prepayments	(7,357)	(8,620)
Other receivables	(13,977)	53,615
	<u>(2,088,468)</u>	<u>(1,877,167)</u>
Increase in current liabilities:		
Trade and other payables	432,339	453,166
Cash used in operations	<u>(1,595,321)</u>	<u>(1,356,304)</u>
Income tax paid	(34,834)	(36,041)
Net cash used in operating activities	<u>(1,630,155)</u>	<u>(1,392,345)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(54,129)	(92,112)
Sale proceeds of property, plant and equipment	4,090	6,186
Long-term investments in related party	-	(78)
Profit realised on term deposits	210	-
Long-term loans and deposits	(154)	(68)
Dividend received from an associate	100,000	125,000
Dividend received from related parties	10,567	36,219
Net cash generated from investing activities	<u>60,584</u>	<u>75,147</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance cost paid	(181,244)	(144,318)
Short-term borrowings-net	1,467,945	1,599,627
Long-term financing obtained	400,000	-
Long-term financing repaid	(97,857)	(97,857)
Payment of dividend	(53)	(17,283)
Net cash generated from financing activities	<u>1,588,791</u>	<u>1,340,169</u>
Net increase in cash and cash equivalents	19,220	22,971
Cash and cash equivalents at the beginning of the period	42,395	18,311
Cash and cash equivalents at the end of the period	<u>61,615</u>	<u>41,282</u>

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



Aslam Faruque
Chief Executive



Amer Faruque
Director



Wasif Khalid
Chief Financial Officer

Unconsolidated Condensed Interim Statement of Changes in Equity (Unaudited)

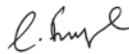
For the Half Year ended March 31, 2020

Description	Issued, subscribed and paid up capital	Reserves					Total reserves	TOTAL
		General reserves	Unappropri- ated profit	Actuarial gain / (loss) on defined benefit plan net-of tax	Unrealised gain / (loss) on investment at fair value through other comp. income	Surplus on revaluation of property, plant and equipment		
(Rupees '000)								
Balance as at October 01, 2018	122,682	34,250	558,544	89,665	628,593	816,571	2,127,623	2,250,305
Profit after taxation	-	-	76,429	-	-	-	76,429	76,429
Other comprehensive loss	-	-	-	-	(118,557)	-	(118,557)	(118,557)
Total comprehensive income / (loss)	-	-	76,429	-	(118,557)	-	(42,128)	(42,128)
Transaction with owners								
Final cash dividend for the year ended September 30, 2018 @ Rs. 1.5/= per share	-	-	(18,402)	-	-	-	(18,402)	(18,402)
Balance as at March 31, 2019	<u>122,682</u>	<u>34,250</u>	<u>616,571</u>	<u>89,665</u>	<u>510,036</u>	<u>816,571</u>	<u>2,067,093</u>	<u>2,189,775</u>
Balance as at October 01, 2019	122,682	34,250	847,836	(1,670)	164,742	816,065	1,861,223	1,983,905
Loss after taxation	-	-	(163,097)	-	-	-	(163,097)	(163,097)
Other comprehensive income	-	-	-	-	239,936	-	239,936	239,936
Total comprehensive (loss) / income	-	-	(163,097)	-	239,936	-	76,839	76,839
Transaction with owners								
Issuance of bonus shares September 30, 2019 @ 10%	12,268	-	(12,268)	-	-	-	(12,268)	-
Balance as at March 31, 2020	<u>134,950</u>	<u>34,250</u>	<u>672,471</u>	<u>(1,670)</u>	<u>404,678</u>	<u>816,065</u>	<u>1,925,794</u>	<u>2,060,744</u>

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



Aslam Faruque
Chief Executive



Amer Faruque
Director



Wasif Khalid
Chief Financial Officer

Notes to the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the Half Year ended March 31, 2020

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 Company has a wholly owned subsidiary M/s. Mirpurkhas Energy Limited.

The geographical location and addresses of the Company's business units / immovable assets are as under:

Business Unit	Address
Head Office	Modern Motors House, Beaumont Road, Karachi.
Registered Office / Factory (Immovable assets)	Sub Post Office Sugar Mill Jamrao, Umerkot Road, Mirpurkhas Sindh. (Land measuring 606.05 acres and covered area 569,434 sq. ft)

2. STATEMENT OF COMPLIANCE

These unconsolidated condensed interim financial statements of the Company for the half year ended March 31, 2020 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting & reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. BASIS OF PRESENTATION

- 3.1 These unconsolidated condensed interim financial statements are unaudited but subject to limited scope review by auditors and are being submitted to the shareholders as required by the listing regulation of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017. 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, 2019.

3.2 The figures of the unconsolidated condensed interim profit or loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended March 31, 2020 and March 31, 2019 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, 2020 & March 31, 2019.

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, 2019.

Standard, interpretation and amendments to accounting standards effective from annual periods beginning on or after October 1, 2019:

The Company has adopted the following accounting standards, amendments of IFRSs and the improvements to accounting standards which became effective during the current period.

Original issue

IFRS 16 – Leases

Amendments

IFRS 9 – Financial Instruments - Prepayment features with negative compensation and modifications of financial liabilities;

IAS 19 – Employees Benefits -Plan amendments, curtailments or settlements;

IAS 28 – Investment in associates and Joint Ventures - Long term interests in associates and joint ventures;

IFRS 3 – Business combinations – Previously held interests in a joint operation;

IFRS 11 – Joint arrangements – Annual Improvements 2015–2017 Cycle (remeasurement of previously held interest);

IAS 12 – Income taxes – Annual Improvements 2015–2017 Cycle (income tax consequences of dividends); and

IAS 23 – Borrowing costs – Annual Improvements 2015–2017 Cycle (borrowing costs eligible for capitalisation)

Interpretation

IFRIC 23 – Uncertainty over income tax treatments (Interpretation)

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on the Company's financial statements except for IFRS 16. The impact of adoption of IFRS 16 are described below:

IFRS 16 replaces the previous lease standard IAS 17 Leases. It resulted in almost all leases being recognised in the condensed interim statement of financial position, as the distinction between operating and finance leases has now been eliminated. Under the new standard, an asset and a lease liability to pay rentals are required to be recognised. The only exceptions are short term and low value leases.

The Company has adopted IFRS 16 by applying the modified retrospective approach according to which the Company is not required to restate the prior year results. Consequently, no impact of adoption of IFRS 16 on opening equity has been recognised by the Company.

5. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS

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 judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements 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.

Estimates and judgements 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, 2019.

6. PROPERTY, PLANT AND EQUIPMENT

	Note	March 31, 2020	September 30, 2019 (Audited)
(Rupees '000)			
Opening book value		2,410,997	2,346,187
Additions during the period / year	6.1	55,555	166,156
		2,466,552	2,512,343
Reversal of revaluation of free hold land – sold	6.1	-	(506)
Disposals during the period / year at book value	6.1	(2,439)	(7,506)
Depreciation charged during the period / year		(47,540)	(93,334)
		2,416,573	2,410,997
Opening: Capital work in progress		71,423	69,822
Addition to capital work in progress		43,099	124,296
Transferred to property plant & equipment		(44,526)	(122,695)
Capital work in progress	6.2	69,996	71,423
Right-of-use asset - net	6.3	18,247	-
		2,504,816	2,482,420

6.1 Additions & disposals in property, plant and equipment

	Additions at cost		Disposals at book value	
	March 31, 2020	September 30, 2019 (Audited)	March 31, 2020	September 30, 2019 (Audited)
	(Rupees '000)			
Free hold land	-	25,756	-	4,033
Building on free hold land - factory	-	31,930	-	-
Building on free hold land – non factory	-	6,128	-	-
Plant and machinery	44,526	90,105	-	179
Vehicles	5,835	6,877	2,407	3,800
Furniture & fixture	2,956	1,509	-	-
Office and other equipment	176	1,173	-	-
Computers & accessories	2,062	2,678	32	-
	<u>55,555</u>	<u>166,156</u>	<u>2,439</u>	<u>8,012</u>

6.2 Capital work in progress

	March 31, 2020	September 30, 2019 (Audited)
		(Rupees '000)
Plant and machinery	56,203	70,510
Civil work	13,793	913
	<u>69,996</u>	<u>71,423</u>

6.3 Right-of-use asset

The Company has recognized right-of-use asset in respect of head office under rental agreement.

7. SHARE CAPITAL

7.1 Authorized capital

March 31, 2020	September 30, 2019 (Audited)		March 31, 2020	September 30, 2019 (Audited)
Number of shares				
<u>150,000,000</u>	<u>150,000,000</u>	Ordinary shares of Rs.10/- each	<u>1,500,000</u>	<u>1,500,000</u>

7.2 Issued, subscribed and paid-up capital

Fully paid ordinary shares of Rs. 10/- each			March 31, 2020	September 30, 2019 (Audited)
1,770,000	1,770,000	Issued for cash	17,700	17,700
11,725,040	10,498,219	Issued as fully paid bonus shares	117,250	104,982
<u>13,495,040</u>	<u>12,268,219</u>		<u>134,950</u>	<u>122,682</u>

8. LONG-TERM LEASE LIABILITIES

March 31, 2020			September 30, 2019 (Audited)		
Current maturity of lease liabilities	Long-term lease liabilities	Total	Current maturity of lease liabilities	Long-term lease liabilities	Total
(Rupees '000)					
Head office under rental agreement	5,824	13,985	19,809	-	-

9. CONTINGENCIES AND COMMITMENTS

	March 31, 2020	September 30, 2019 (Audited)
(Rupees '000)		
Letter of credit issued by commercial banks	2,240	25,996
Commitments for lease rentals under ijarah contracts	17,363	16,100

The status of other contingencies as at March 31, 2020 is same as reported in the financial statements for the year ended September 30, 2019.

10. 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 unconsolidated condensed interim financial statements.

11. EARNINGS PER SHARE- Basic & Diluted

	Half year ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
(Loss) / Profit after taxation (Rs.'000)	(163,097)	76,429	(214,389)	14,285
Weighted average no. of ordinary shares in issue	13,495,040	13,495,040	13,495,040	13,495,040
Earnings per share-basic (Rupees)	(12.09)	(Restated) 5.66	(15.89)	(Restated) 1.06

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

12. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2019. There have been no changes in any risk management policies since the year end.

The carrying values of all financial and non-financial assets and liabilities measured at other than amortized cost in these condensed interim financial approximate their fair values.

13. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiary companies, related group companies, associated companies, key management personnel 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	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
(Rupees '000)					
Group companies / (Common directorship)	Goods purchased	1,340	48,483	526	23,862
	Services received	6,506	5,212	2,824	2,625
	Sales made	2,000	342	-	-
	Dividend received	10,567	36,219	-	4,796
	Dividend paid	-	9,209	-	9,209
Associated Company	Sales made	462,038	292,390	416,343	281,461
	Goods purchased	-	401	-	-
	Dividend received from associate	100,000	125,000	100,000	125,000
Other related parties	Charge for staff provident and gratuity funds	4,333	4,431	2,223	2,523
Key management personnel	Remuneration	18,075	23,353	9,037	10,679

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.

Following are the related parties with whom the Company had entered into transaction or have arrangement / agreement in place.

Name	Basis of association	Aggregate % of Shareholding
Faruque (Pvt) Ltd.	Common directorship	-
Cherat Cement Company Ltd.	Common directorship / Shareholding	3.27
Greaves Pakistan (Pvt) Ltd.	Common directorship	-
Cherat Packaging Ltd.	Common directorship / Shareholding	4.97
Greaves Engineering Services (Pvt) Ltd.	Common directorship	-
Greaves Airconditioning (Pvt) Ltd.	Common directorship	-
Madian Hydro Power Ltd.	Common directorship	-
Unicol Ltd.	Associated Company	33.33
UniEnergy Ltd.	Associated Company	7.69
Mirpurkhas Energy Ltd.	Subsidiary Company	100.00
Zensoft (Pvt) Ltd.	Group Company	-

Outstanding balances, as at reporting date, are disclosed as follows:

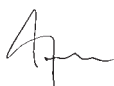
	March 31, 2020	September 30, 2019 (Audited)
	(Rupees '000)	
Subsidiary Company		
Long term loans & deposits	9,979	9,979
Associated Company		
Trade and other payables	-	173,655
Trade debts	31,133	-

14. DATE OF AUTHORIZATION


These unconsolidated condensed interim financial statements have been authorized for issue on May 13, 2020 by the Board of Directors of the Company.

15. 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



Amer Faruque
Director



Wasif Khalid
Chief Financial Officer

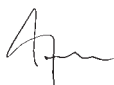
Consolidated
Condensed
Interim Financial
Statements

Consolidated Condensed Interim Statement of Financial Position

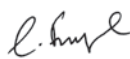
As at March 31, 2020

	Note	March 31, 2020 (Unaudited)	September 30, 2019 (Audited)
(Rupees '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,504,816	2,482,420
Intangible asset		3,734	4,638
Long-term investments		1,669,261	1,474,259
Long-term loan and deposits		2,299	2,145
		4,180,110	3,963,462
CURRENT ASSETS			
Stores, spare parts and loose tools		224,967	206,876
Stock-in-trade		2,781,731	976,972
Biological assets		12,082	34,492
Trade debts		182,313	27,840
Loans and advances		241,470	135,312
Trade deposits and short-term prepayments		12,067	4,710
Other receivables		241,317	227,340
Short term investments		1,524	-
Current portion of long-term investments		-	1,710
Tax refunds due from the Government		150,436	169,483
Cash and bank balances		61,615	42,395
		3,909,522	1,827,130
		8,089,632	5,790,592
TOTAL ASSETS			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	7	134,950	122,682
Reserves		1,099,362	1,034,791
Surplus on revaluation of property, plant & equipment		816,065	816,065
		2,050,377	1,973,538
NON-CURRENT LIABILITIES			
Long-term financing		883,572	581,429
Long-term lease liabilities	8	13,985	-
Deferred liabilities		616,113	610,861
Deferred tax liability-net		44,760	76,907
		1,558,430	1,269,197
CURRENT LIABILITIES			
Trade and other payables		907,251	474,912
Unclaimed dividend		8,460	8,513
Accrued mark-up		97,298	70,385
Short-term borrowings		3,266,278	1,798,333
Current maturity of long term lease liabilities	8	5,824	-
Current portion of long-term financing		195,714	195,714
		4,480,825	2,547,857
CONTINGENCIES AND COMMITMENTS			
	9		
TOTAL EQUITY AND LIABILITIES			
		8,089,632	5,790,592

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



Aslam Faruque
Chief Executive



Amer Faruque
Director



Wasif Khalid
Chief Financial Officer

Consolidated Condensed Interim Statement of Profit or Loss (Unaudited)

For the Half Year ended March 31, 2020

Note	Half year ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
(Rupees '000)				
Turnover - net	1,986,338	1,119,790	659,421	300,822
Cost of sales	(1,907,943)	(1,009,568)	(702,014)	(230,785)
Gross profit / (loss)	78,395	110,222	(42,593)	70,037
Distribution cost	(7,850)	(7,432)	(4,184)	(4,621)
Administrative expenses	(78,582)	(71,571)	(42,102)	(34,241)
Other operating expenses	(1,222)	(21,087)	74	(8,072)
	(87,654)	(100,090)	(46,212)	(46,934)
Other income	21,537	40,771	4,627	6,736
Operating profit / (loss)	12,278	50,903	(84,178)	29,839
Finance cost	(208,707)	(171,022)	(126,966)	(103,828)
	(196,429)	(120,119)	(211,144)	(73,989)
Share of profit / (loss) in associates - net	55,066	213,220	(3,649)	95,099
(Loss) / profit before taxation	(141,363)	93,101	(214,793)	21,110
Taxation	(21,734)	(21,950)	404	(6,825)
(Loss) / profit after taxation	(163,097)	71,151	(214,389)	14,285
Earnings per share - basic & diluted (Rupees)	11 (12.09)	(Restated) 5.27	(15.89)	(Restated) 1.06

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


Aslam Faruque
Chief Executive


Amer Faruque
Director


Wasif Khalid
Chief Financial Officer

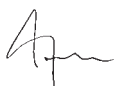
March 31, 2020 | 21

Consolidated Condensed Interim Statement of Comprehensive Income (Unaudited)

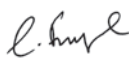
For the Half Year ended March 31, 2020

	Half year ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	(Rupees '000)			
(Loss) / profit after taxation	(163,097)	71,151	(214,389)	14,285
Other comprehensive income / (loss)				
Items that may not be reclassified subsequently to statement of profit or loss				
Unrealised gain / (loss) on remeasurement of equity investment at fair value through other comprehensive income	239,936	(118,557)	(63,426)	(95,876)
Total comprehensive income / (loss)	76,839	(47,406)	(277,815)	(81,591)

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



Aslam Faruque
Chief Executive



Amer Faruque
Director



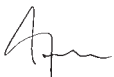
Wasif Khalid
Chief Financial Officer

Consolidated Condensed Interim Statement of Cash Flows (Unaudited)

For the Half Year ended March 31, 2020

	March 31, 2020	March 31, 2019
	(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(141,363)	93,101
Adjustments for :		
Depreciation	47,540	45,324
Depreciation- right of use asset	1,013	-
Amortization	904	905
Provision for market committee fee	5,252	5,775
Accrued profit term deposit	(24)	-
Fair value adjustment of biological assets	6,063	(726)
Dividend income from related parties	(10,567)	(36,219)
Share of profit in associates	(55,066)	(213,220)
Gain on disposal of property, plant and equipment	(1,651)	(3,543)
Finance cost	208,707	171,022
	<u>202,171</u>	<u>(30,682)</u>
	60,808	62,419
Working capital changes :		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(18,091)	(5,828)
Stock-in-trade	(1,804,759)	(1,811,692)
Biological assets	16,347	9,874
Trade debts	(154,473)	(25,233)
Loans and advances	(106,158)	(88,895)
Short-term prepayments	(7,357)	(8,620)
Other receivables	(13,977)	53,615
	<u>(2,088,468)</u>	<u>(1,876,779)</u>
Increase in current liabilities:		
Trade and other payables	432,339	452,578
	<u>(1,595,321)</u>	<u>(1,361,782)</u>
Cash used in operations	(1,595,321)	(1,361,782)
Income tax paid	(34,834)	(36,041)
Net cash used in operating activities	<u>(1,630,155)</u>	<u>(1,397,823)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(54,129)	(86,833)
Sale proceeds of property, plant and equipment	4,090	6,186
Long-term investments in related party	-	(78)
Profit realised on term deposits	210	-
Long-term loans and deposits	(154)	(68)
Dividend received from an associate	100,000	125,000
Dividend received from related parties	10,567	36,219
	<u>60,584</u>	<u>80,426</u>
Net cash generated from investing activities	60,584	80,426
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance cost paid	(181,244)	(144,318)
Short-term borrowings-net	1,467,945	1,599,627
Long-term financing obtained	400,000	-
Long-term financing repaid	(97,857)	(97,857)
Payment of dividend	(53)	(17,283)
	<u>1,588,791</u>	<u>1,340,169</u>
Net cash generated from financing activities	1,588,791	1,340,169
Net increase in cash and cash equivalents	19,220	22,772
Cash and cash equivalents at the beginning of the period	42,395	18,618
Cash and cash equivalents at the end of the period	<u>61,615</u>	<u>41,390</u>

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



Aslam Faruque
Chief Executive



Amer Faruque
Director



Wasif Khalid
Chief Financial Officer

Consolidated Condensed Interim Statement of Changes in Equity (Unaudited)

For the Half Year ended March 31, 2020

Description	Issued, subscribed and paid up capital	Reserves				Surplus on revaluation of property, plant and equipment	Total reserves	TOTAL
		General reserves	Unappropri- ated profit	Actuarial gain / (loss) on defined benefit plan net-of tax	Unrealised gain / (loss) on investment at fair value through other comp. income			
(Rupees '000)								
Balance as at October 01, 2018	122,682	34,250	553,563	89,665	628,593	816,571	2,122,642	2,245,324
Profit after taxation	-	-	71,151	-	-	-	71,151	71,151
Other comprehensive loss	-	-	-	-	(118,557)	-	(118,557)	(118,557)
Total comprehensive income / (loss)	-	-	71,151	-	(118,557)	-	(47,406)	(47,406)
Transaction with owners								
Final cash dividend for the year ended September 30, 2018 @ Rs. 1.5/= per share	-	-	(18,402)	-	-	-	(18,402)	(18,402)
Balance as at March 31, 2019	122,682	34,250	606,312	89,665	510,036	816,571	2,056,834	2,179,516
Balance as at October 01, 2019	122,682	34,250	837,469	(1,670)	164,742	816,065	1,850,856	1,973,538
Loss after taxation	-	-	(163,097)	-	-	-	(163,097)	(163,097)
Other comprehensive income	-	-	-	-	239,936	-	239,936	239,936
Total comprehensive (loss) / income	-	-	(163,097)	-	239,936	-	76,839	76,839
Transaction with owners								
Issuance of bonus shares September 30, 2019 @ 10%	12,268	-	(12,268)	-	-	-	(12,268)	-
Balance as at March 31, 2020	134,950	34,250	662,104	(1,670)	404,678	816,065	1,915,427	2,050,377

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



Aslam Faruque
Chief Executive



Amer Faruque
Director



Wasif Khalid
Chief Financial Officer

Notes to the Consolidated Condensed Interim Financial Statements (Unaudited)

For the Half Year ended March 31, 2020

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.

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.

As more fully explained in note 6.3 to the unconsolidated financial statements for the year ended September 30, 2019, the Company has written off its investments in its wholly owned subsidiary "Mirpurkhas Energy Limited" amounting to Rs.11 million.

The geographical location and addresses of the holding Company's business units / immovable assets are as under:

Business Unit	Address
Head Office	Modern Motors House, Beaumont Road, Karachi.
Registered Office / Factory (Immovable assets)	Sub Post Office Sugar Mill Jamrao, Umerkot Road, Mirpurkhas Sindh. (Land measuring 606.05 acres and covered area 569,434 sq. ft)

2. STATEMENT OF COMPLIANCE

These consolidated condensed interim financial statements of the Company for the half year ended March 31, 2020 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting & reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. BASIS OF PRESENTATION

These consolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required by the listing regulation of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017. 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, 2019.

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, 2019.

Standard, interpretation and amendments to accounting standards effective from annual periods beginning on or after October 1, 2019:

The Company has adopted the following accounting standards, amendments of IFRSs and the improvements to accounting standards which became effective during the current period.

Original issue

IFRS 16 – Leases

Amendments

IFRS 9 – Prepayment features with negative compensation and modifications of financial liabilities;

IAS 19 – Plan amendments, curtailments or settlements;

IAS 28 – Long term interests in associates and joint ventures;

IFRS 3 – Business combinations - Previously held interests in a joint operation;

IFRS 11 – Joint arrangements - Annual Improvements 2015–2017 Cycle (remeasurement of previously held interest);

IAS 12 – Income taxes - Annual Improvements 2015–2017 Cycle (income tax consequences of dividends); and

IAS 23 – Borrowing costs – Annual Improvements 2015–2017 Cycle (borrowing costs eligible for capitalisation)

Interpretation

IFRIC 23 – Uncertainty over income tax treatments (Interpretation)

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on the Company's financial statements except for IFRS 16. The impact of adoption of IFRS 16 are described below:

IFRS 16 replaces the previous lease standard IAS 17 Leases. It resulted in almost all leases being recognised on the condensed interim statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset and a lease liability to pay rentals are required to be recognised. The only exceptions are short term and low value leases.

The Company has adopted IFRS 16 by applying the modified retrospective approach according to which the Company is not required to restate the prior year results. Consequently, no impact of adoption of IFRS 16 on opening equity has been recognised by the Company.

5. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS

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 judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements 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.

Estimates and judgements 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, 2019.

6. PROPERTY, PLANT AND EQUIPMENT

	Note	March 31, 2020	September 30, 2019 (Audited)
(Rupees '000)			
Opening book value		2,410,997	2,346,187
Additions during the period / year	6.1	55,555	166,156
		<u>2,466,552</u>	<u>2,512,343</u>
Reversal of revaluation of free hold land – sold	6.1	-	(506)
Disposals during the period / year at book value	6.1	(2,439)	(7,506)
Depreciation charged during the period / year		(47,540)	(93,334)
		<u>2,416,573</u>	<u>2,410,997</u>
Opening: Capital work in progress		71,423	69,822
Addition to capital work in progress		43,099	124,296
Transferred to property plant & equipment		(44,526)	(122,695)
Capital work in progress	6.2	69,996	71,423
Right-of-use asset - net	6.3	18,247	-
		<u>2,504,816</u>	<u>2,482,420</u>

6.1 Additions & disposals in property, plant and equipment

	Additions at cost		Disposals at book value	
	March 31, 2020	September 30, 2019 (Audited)	March 31, 2020	September 30, 2019 (Audited)
	(Rupees '000)			
Free hold land	-	25,756	-	4,033
Building on free hold land				
- factory	-	31,930	-	-
Building on free hold land				
- non factory	-	6,128	-	-
Plant and machinery	44,526	90,105	-	179
Vehicles	5,835	6,877	2,407	3,800
Furniture & fixture	2,956	1,509	-	-
Office and other equipment	176	1,173	-	-
Computers & accessories	2,062	2,678	32	-
	<u>55,555</u>	<u>166,156</u>	<u>2,439</u>	<u>8,012</u>

6.2 Capital work in progress

	March 31, 2020	September 30, 2019 (Audited)
		(Rupees '000)
Plant and machinery	56,203	70,510
Civil work	13,793	913
	<u>69,996</u>	<u>71,423</u>

6.3 Right-of-use asset

The Company has recognized right-of-use asset in respect of head office under rental agreement.

7. SHARE CAPITAL

7.1 Authorized capital

March 31, 2020	September 30, 2019 (Audited)		March 31, 2020	September 30, 2019 (Audited)
Number of shares				
150,000,000	150,000,000	Ordinary shares of Rs.10/- each	1,500,000	1,500,000

7.2 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
11,725,040	10,498,219	Issued as fully paid bonus shares	117,250	104,982
<u>13,495,040</u>	<u>12,268,219</u>		<u>134,950</u>	<u>122,682</u>

8. LONG-TERM LEASE LIABILITIES

March 31, 2020			September 30, 2019 (Audited)		
Current maturity of lease liabilities	Long-term lease liabilities	Total	Current maturity of lease liabilities	Long-term lease liabilities	Total
(Rupees '000)					
	5,824	13,985	19,809	-	-

Head office under rental agreement

9. CONTINGENCIES AND COMMITMENTS

	March 31, 2020	September 30, 2019 (Audited)
(Rupees '000)		
Letter of credit issued by commercial banks	2,240	25,996
Commitments for lease rentals under ijarah contracts	17,363	16,100

The status of other contingencies as at March 31, 2020 is same as reported in the financial statements for the year ended September 30, 2019.

10. 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 consolidated condensed interim financial statements.

11. EARNINGS PER SHARE- Basic & Diluted

	Half year ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
(Loss)/Profit after taxation (Rs.'000)	(163,097)	71,151	(214,389)	14,285
Weighted average no. of ordinary shares in issue	13,495,040	13,495,040	13,495,040	13,495,040
Earnings per share-basic (Rupees)	(12.09)	(Restated) 5.27	(15.89)	(Restated) 1.06

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

12. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2019. There have been no changes in any risk management policies since the year end.

The carrying values of all financial and non-financial assets and liabilities measured at other than amortized cost in these condensed interim financial approximate their fair values.

13. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of related group companies, associated companies, key management personnel 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	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
(Rupees '000)					
Group companies / (Common directorship)	Goods purchased	1,340	48,483	526	23,862
	Services received	6,506	5,212	2,824	2,625
	Sales made	2,000	342	-	-
	Dividend received	10,567	36,219	-	4,796
	Dividend paid	-	9,209	-	9,209
Associated Company	Sales made	462,038	292,390	416,343	281,461
	Goods purchased	-	401	-	-
	Dividend received from associate	100,000	125,000	100,000	125,000
Other related parties	Charge for staff provident and gratuity funds	4,333	4,431	2,223	2,523
Key management personnel	Remuneration	18,075	23,353	9,037	10,679

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.

Following are the related parties with whom the Company had entered into transaction or have arrangement / agreement in place.

Name	Basis of association	Aggregate % of Shareholding
Faruque (Pvt) Ltd.	Common directorship	-
Cherat Cement Company Ltd.	Common directorship / Shareholding	3.27
Greaves Pakistan (Pvt) Ltd.	Common directorship	-
Cherat Packaging Ltd.	Common directorship / Shareholding	4.97
Greaves Engineering Services (Pvt) Ltd.	Common directorship	-
Greaves Airconditioning (Pvt) Ltd.	Common directorship	-
Madian Hydro Power Ltd.	Common directorship	-
Unicol Ltd.	Associated Company	33.33
UniEnergy Ltd.	Associated Company	7.69
Zensoft (Pvt) Ltd.	Group Company	-

Outstanding balances, as at reporting date, are disclosed as follows:

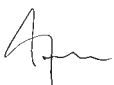
	March 31, 2020	September 30, 2019 (Audited)
	(Rupees '000)	
Associated Company		
Trade and other payables	-	173,655
Trade debts	31,133	-

14. DATE OF AUTHORIZATION

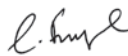
These consolidated condensed interim financial statements have been authorized for issue on May 13, 2020 by the Board of Directors of the Company.

15. 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



Amer Faruque
Director



Wasif Khalid
Chief Financial Officer



GHULAM FARUQUE
GROUP

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Jamrao, Umerkot Road
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