



Mirpurkhas Sugar Mills Limited

A Ghulam Faruque Group Company



a
SPOONFUL
OF
SUGAR

**Third Quarter Accounts (Unaudited)
June 30, 2021**



GHULAM FARUQUE
GROUP

Mirpurkhas Sugar Mills Limited

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/



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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. Samir Mustapha Chinoy	Director
Mr. Muhammad Izqar Khan (NIT)	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.
Faysal Bank Ltd.
Bank Islami Pakistan Ltd.

Registered Office / Factory

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

Head Office

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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 for the nine months period ended June 30, 2021.

Operational Performance

During the crushing season 2020/21, the plant operated for 98 days compared to 107 days the previous season. The factory crushed 488,464 metric tons of sugarcane to produce 51,909 metric tons of sugar compared to 525,201 metric tons of sugarcane crushed to produce 57,286 metric tons of sugar during the corresponding season last year. There was a decline in sucrose recovery to 10.63% compared to 10.91% last season primarily due to lower sugar content in sugarcane and intermittent crushing due to slow arrivals of sugarcane during the season. The Company also produced 24,296 metric tons of molasses during the period under review compared to 25,132 metric tons produced during the corresponding period last year.

Financial Highlights

	June 30, 2021	June 30, 2020
	(Rupees in million)	
Net Sales	2,425.44	3,068.47
Cost of Sales	(2,259.74)	(2,914.21)
Gross Profit	165.70	154.26
Other Income	23.25	17.39
Share of Profit in Associate	148.06	138.64
Other Expenses & Taxes	(373.87)	(487.55)
Net Loss	(36.86)	(177.26)
Loss per share (Rs.)	(2.73)	(13.14)

Overall comments on financial performance

There has been a 21% decline in the turnover of the Company from the previous period due to a decrease in the quantity of sugar sold. During the period under review, the Company sold 32,295 metric tons of sugar compared to 50,952 metric tons for the corresponding period last year. There was a significant increase in cost of production due to competition amongst the sugar mills to procure sugarcane, which led to a higher cost of sugarcane. During the period under review, the Company earned other income of Rs. 23 million from receipt of dividends on investments made in various shares and income arising from accounting treatment of wage financing facility and TERF finance schemes. Furthermore, there was a decline in finance cost due to reduction in the discount rate by the State Bank of Pakistan. During the period, the Company accounted for its one-third share of profit in Unicol Limited amounting to Rs. 148.06 million (2020: Rs. 138.64 million) and adjusted its investment in the associate by the same amount. Profitability from Unicol remained unchanged despite better selling prices mainly due to a reduction in sugarcane yield thus reducing the overall availability of molasses. This led to a severe price war among distilleries and an increase in the average price of molasses from Rs. 15,000 to Rs. 24,000 per metric ton during the current financial year. This trend of exceptionally high rates is expected to reverse in the coming season as we expect a better sugarcane crop. For the nine months period ended June 30, 2021 the Company made an after tax loss of Rs. 36.86 million.

Industry overview

The price of sugar continued to remain under pressure for several reasons, including registration of various cases against brokers/dealers by government agencies regarding increase in sugar prices. Furthermore, TCP with the approval of the federal government has awarded the tender to Al-Khaleej Sugar for import of 100,000 metric tons sugar @ approx. USD 527 per MT exempted from sales tax. The first shipment of 25,000 tons is expected in the first week of August 2021. In the Finance Bill for the year 2021/22, the government has included sugar in the third schedule of the Sales Tax Act, 1990 requiring the sugar mills to collect sales tax on retail price of sugar from general customers with printing of retail price on sugar bags, and explicitly excluded the supply of sugar as industrial raw material to pharma, beverages and confectionary industries from the purview of retail price. This ultimately is expected to increase the price of sugar.

Paper Project

In order to further diversify its operations, the Company has decided to set up a Paper and Board project. The project will serve to enhance the business prospects of the Company by making it less reliant on sugar production while benefiting from synergies of the same. The Company has placed the order for the equipment, and at present civil works are taking place at site. The project is expected to be completed in next 15 months.

Future Prospects

High sugarcane prices, mainly due to intense competition amongst sugar mills for the procurement of sugarcane, have resulted in significant pressure on the profitability of sugar producers. Better returns to growers during the last two crushing seasons have resulted in improvement in autumn 2020 and spring 2021 plantation of sugarcane. Sugarcane surveys are underway and we expect that this trend will continue in September 2021, when autumn plantation takes place resulting in higher quantity of sugarcane available and lesser competition amongst the sugar mills.

We will take this opportunity to once again urge the government to take the necessary steps to ensure the price of sugar adequately reflects the cost of sugarcane and related expenses, in order to create a sustainable business environment for the industry. We would also request the government to develop policies to promote agriculture by providing better yielding seeds to the farmers. Furthermore, the government is also urged to reconsider the retail price sales tax mechanism applicable to sugar with a view to providing relief to the sugar mills and the consumers. Lastly, we would request the government to urgently resolve the issues related to pending amount of export subsidy of Rs. 199.05 million, as this is instrumental to the Company's liquidity.

Acknowledgment

The management of the Company would like to thank all its stakeholders, including staff, financial institutions and shareholders, for their continued support and cooperation.

On behalf of the Board of Directors


Arif Faruque
Chairman


Aslam Faruque
Chief Executive

Karachi: July 28, 2021

Unconsolidated Condensed Interim Statement of Financial Position

As at June 30, 2021

	Note	June 30, 2021 (Unaudited)	September 30, 2020 (Audited)
(Rupees '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	3,446,968	2,618,489
Intangible assets		1,472	2,828
Long-term investments		1,976,955	1,780,538
Long-term loan and deposits		2,799	12,278
		5,428,194	4,414,133
CURRENT ASSETS			
Stores, spare parts and loose tools		204,831	211,757
Stock-in-trade		2,145,366	652,878
Biological assets		6,050	8,760
Trade debts		98,335	90,703
Loans and advances		203,572	72,686
Trade deposits and short-term prepayments		12,975	6,430
Other receivables		336,622	341,814
Short-term investments		196,629	421,952
Tax refunds due from the government		150,992	122,901
Cash and bank balances		39,000	35,168
		3,394,372	1,965,049
		8,822,566	6,379,182
TOTAL ASSETS			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	7	134,950	134,950
Reserves		2,192,938	1,866,661
Surplus on revaluation of property, plant & equipment		844,259	844,259
		3,172,147	2,845,870
NON-CURRENT LIABILITIES			
Long-term financing		1,223,970	1,028,809
Long-term lease liabilities	8	9,976	12,168
Deferred liabilities		621,003	616,114
Deferred tax liability-net		11,442	24,939
Government grant		109,968	2,629
		1,976,359	1,684,659
CURRENT LIABILITIES			
Trade and other payables		515,067	563,154
Accrued mark-up		62,736	36,545
Short-term borrowings		2,699,193	1,099,279
Current maturity of long-term lease liabilities	8	5,240	4,906
Current portion of government grant		35,772	6,588
Current portion of long-term financing		347,593	129,721
Unclaimed dividend		8,459	8,460
		3,674,060	1,848,653
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES			
		8,822,566	6,379,182

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



Aslam Faruque
Chief Executive



Samir Mustapha Chinoy
Director



Wasif Khalid
Director & Chief Financial Officer

Unconsolidated Condensed Interim Statement of Profit or Loss (Unaudited)

For the Period ended June 30, 2021

Note	Period ended		Quarter ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	(Rupees '000)			
Turnover - net	2,425,439	3,068,465	968,012	1,082,127
Cost of sales	(2,259,744)	(2,914,212)	(917,284)	(1,006,269)
Gross profit	165,695	154,253	50,728	75,858
Distribution cost	(17,477)	(11,494)	(6,450)	(3,644)
Administrative expenses	(106,761)	(117,538)	(35,582)	(38,956)
Other operating expenses	(18,465)	(1,491)	9,685	(269)
	(142,703)	(130,523)	(32,347)	(42,869)
Other income / (loss)	23,251	17,394	7,734	(4,143)
Operating profit	46,243	41,124	26,115	28,846
Finance cost	(188,666)	(311,880)	(81,060)	(103,173)
	(142,423)	(270,756)	(54,945)	(74,327)
Share of profit / (loss) in associates - net	148,056	138,637	(330)	83,571
Profit / (loss) before taxation	5,633	(132,119)	(55,275)	9,244
Taxation	(42,498)	(45,146)	(7,155)	(23,412)
Loss after taxation	(36,865)	(177,265)	(62,430)	(14,168)
Earnings per share - basic & diluted (Rupees)	11 (2.73)	(13.14)	(4.63)	(1.05)

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



Aslam Faruque
Chief Executive



Samir Mustapha Chinoy
Director



Wasif Khalid
Director & Chief Financial Officer

Unconsolidated Condensed Interim Statement of Comprehensive Income (Unaudited)

For the Period ended June 30, 2021

	Period ended		Quarter ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	(Rupees '000)			
Loss after taxation for the period	(36,865)	(177,265)	(62,430)	(14,168)
Other comprehensive income				
Items that may not be reclassified subsequently to statement of profit or loss				
Unrealised gain on remeasurement of equity investment at fair value through other comprehensive income	363,142	510,898	62,552	270,962
Total comprehensive income	<u>326,277</u>	<u>333,633</u>	<u>122</u>	<u>256,794</u>

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



Aslam Faruque
Chief Executive



Samir Mustapha Chinoy
Director



Wasif Khalid
Director & Chief Financial Officer

Unconsolidated Condensed Interim Statement of Cash Flows (Unaudited)

For the Period ended June 30, 2021

	June 30, 2021	June 30, 2020
	(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	5,633	(132,119)
Adjustments for:		
Depreciation	74,810	71,439
Depreciation right-of-use asset	3,041	2,027
Amortization	1,356	1,356
Provision for market committee fee	4,889	5,252
Accrued profit term deposit	(11)	(46)
Fair value adjustment of biological assets	3,356	2,087
Dividend income from related parties	(8,068)	(10,567)
Share of profit in associates	(148,056)	(138,637)
Gain on disposal of property, plant and equipment	(278)	(1,651)
Finance cost	188,666	311,880
	119,705	243,140
	125,338	111,021
Working capital changes:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	6,926	(40,299)
Stock-in-trade	(1,492,488)	(943,625)
Biological assets	(646)	25,877
Trade debts	(7,632)	(42,442)
Loans and advances	(130,886)	15,660
Trade deposits and short-term prepayments	(6,545)	(4,789)
Other receivables	5,192	(3,950)
	(1,626,079)	(993,568)
(Decrease) / Increase in current liabilities:		
Trade and other payables	(48,087)	470,871
	(1,548,828)	(411,676)
Cash used in operating activities		
Long-term loans & deposits - net	9,479	(154)
Income tax paid	(84,087)	(43,160)
	(74,608)	(43,314)
	(1,623,436)	(454,990)
Net cash used in operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(906,443)	(93,489)
Sale proceeds of property, plant and equipment	391	4,090
Profit realised on term deposits	53	210
Sale proceeds of short term investment	376,647	-
Dividend received from an associate	162,500	150,000
Dividend received from related parties	8,068	10,567
Net cash (used in) / generated from investing activities	(358,784)	71,378
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance cost paid	(162,477)	(299,591)
Short-term borrowings-net	1,599,914	360,239
Long-term financing-net	567,526	449,933
Long-term financing repaid	(17,970)	(131,786)
Payment of lease liability	(940)	-
Payment of dividend	(1)	(53)
Net cash generated from financing activities	1,986,052	378,742
Net increase / (decrease) in cash and cash equivalents	3,832	(4,870)
Cash and cash equivalents at the beginning of the period	35,168	42,395
Cash and cash equivalents at the end of the period	39,000	37,525

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



Aslam Faruque
Chief Executive



Samir Mustapha Chinoy
Director



Wasif Khalid
Director & Chief Financial Officer

Unconsolidated Condensed Interim Statement of Changes in Equity (Unaudited)

For the Period ended June 30, 2021

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, 2019	122,682	34,250	847,836	(1,670)	164,742	816,065	1,861,223	1,983,905
Loss after taxation	-	-	(177,265)	-	-	-	(177,265)	(177,265)
Other comprehensive income	-	-	-	-	510,898	-	510,898	510,898
Total comprehensive (loss) / income	-	-	(177,265)	-	510,898	-	333,633	333,633
Transaction with owners								
Issuance of Bonus shares September 30, 2019 @ 10%	12,268	-	(12,268)	-	-	-	(12,268)	-
Balance as at June 30, 2020	<u>134,950</u>	<u>34,250</u>	<u>658,303</u>	<u>(1,670)</u>	<u>675,640</u>	<u>816,065</u>	<u>2,182,588</u>	<u>2,317,538</u>
Balance as at October 01, 2020	134,950	34,250	719,835	120,887	991,689	844,259	2,710,920	2,845,870
Loss after taxation	-	-	(36,865)	-	-	-	(36,865)	(36,865)
Other comprehensive income (disposal of shares)	-	-	354,350	-	(354,350)	-	-	-
Other comprehensive income	-	-	-	-	363,142	-	363,142	363,142
Total comprehensive income	-	-	317,485	-	8,792	-	326,277	326,277
Balance as at June 30, 2021	<u>134,950</u>	<u>34,250</u>	<u>1,037,320</u>	<u>120,887</u>	<u>1,000,481</u>	<u>844,259</u>	<u>3,037,197</u>	<u>3,172,147</u>

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



Aslam Faruque
Chief Executive



Samir Mustapha Chinoy
Director



Wasif Khalid
Director & Chief Financial Officer

Notes to the Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the Period ended June 30, 2021

1. STATUS AND NATURE OF THE BUSINESS

- 1.1 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).

1.2 Impact of COVID-19 on the condensed interim financial statements

COVID-19 is a global pandemic, which has affected the whole world and Pakistan is not an exception. However, the Company's operations are not affected by continuing wave of COVID-19. There is no significant accounting impact of the effects of COVID-19 in these condensed interim financial statements. All steps were taken for the health and safety of our employees and they were also allowed to work from their homes. The Company's management is fully cognisant of the business challenges posed by the COVID-19 outbreak and closely monitoring the possible impacts on the Company's operations and liquidity position and believe that its current policies for managing credit, liquidity and market risk are adequate in response to the current situation.

1.3 Voluntary winding up of subsidiary company

In view of the unfavorable policies of the Government towards bagasse based power projects, the Board of Directors of the subsidiary company 'Mirpurkhas Energy Limited' has decided against pursuing the power project and to close down the Company. In this respect, Members' Voluntary Winding Up of subsidiary company "Mirpurkhas Energy Limited" is in process. Approval of shareholders has been obtained and legal compliances towards filing of statutory forms/returns, documents and publications with the Registrar of Companies, Securities & Exchange Commission Pakistan, Karachi as well as the Manager, Printing Corporation of Pakistan have also been completed.

1.4 Paper and board mill

In order to further diversify its operations, the Company has decided to set up a Paper and Board project. The project will serve to enhance the business

prospects of the Company and project will allow the company to leverage synergies and enhance its revenues from avenues other than sugar. The Company has placed the order for the equipment and at present, civil works at site are taking place.

2. STATEMENT OF COMPLIANCE

These unconsolidated condensed interim financial statements of the Company for the period ended June 30, 2021 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 unconsolidated 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 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, 2020.

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, 2020.

4.1 Standards, amendments and framework for financial reporting effective during the period

The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) and framework for financial reporting which became effective for the current period:

Standard or interpretation:

IFRS 3	Definition of a Business (Amendments);
IFRS 9 / IAS 39 /	
IFRS 7	Interest Rate Benchmark Reform (Amendments); and
IAS 1 / IAS 8	Definition of Material (Amendments).

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial

statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The adoption of the said framework and amendments did not have any material impact on the Company's condensed interim financial statements.

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 judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those applied to annual financial statements as at and for the year ended September 30, 2020.

6. PROPERTY, PLANT AND EQUIPMENT

	Note	June 30, 2021	September 30, 2020 (Audited)
(Rupees '000)			
Opening book value		2,478,428	2,410,997
Additions / transfers during the period / year	6.1	157,927	137,976
		2,636,355	2,548,973
Revaluation of free hold land		-	28,194
Disposals during the period / year at book value	6.1	(113)	(2,439)
Depreciation charged during the period / year	6.2	(74,810)	(96,300)
		2,561,432	2,478,428
Opening: Capital work in progress		123,842	71,423
Addition to capital work in progress		881,605	176,288
Transferred to property plant & equipment		(133,089)	(123,869)
Closing: Capital work in progress	6.3	872,358	123,842
Right-of-use asset - net	6.4	13,178	16,219
		3,446,968	2,618,489

6.1 Additions / transfers & disposals in property, plant and equipment

	Additions at cost		Disposals at book value	
	June 30, 2021	September 30, 2020 (Audited)	June 30, 2021	September 30, 2020 (Audited)
	(Rupees '000)			
Building on free hold land - factory	92,914	-	-	-
Building on free hold land – non factory	2,495	533	-	-
Plant and machinery	42,101	124,931	-	-
Vehicles	13,644	5,835	96	2,407
Furniture & fixture	-	2,956	-	-
Office and other equipment	3,999	638	-	-
Computers & accessories	2,774	3,083	17	32
	<u>157,927</u>	<u>137,976</u>	<u>113</u>	<u>2,439</u>

6.2 This includes land (residential) measuring 3.45 acres located at Mirpurkhas having carrying value of Rs.300.56 million, which is considered as held for sale.

6.3 Capital work in progress

	June 30, 2021	September 30, 2020 (Audited)
		(Rupees '000)
Plant and machinery	644,522	20,977
Civil Works	227,530	100,800
Equipment	306	2,065
	<u>872,358</u>	<u>123,842</u>

6.3.1 Balance as of period ended June 30, 2021 plant and machinery includes mark-up on finance utilized amounting to Rs 2.76 million (2020: Rs Nil).

6.4 Right-of-use asset

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

7. SHARE CAPITAL

7.1 Authorized capital

June 30, 2021	September 30, 2020 (Audited)		June 30, 2021	September 30, 2020 (Audited)
Number of shares			(Rupees '000)	
<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				
1,770,000	1,770,000	For cash	17,700	17,700
<u>11,725,040</u>	<u>11,725,040</u>	As fully paid bonus shares	<u>117,250</u>	<u>117,250</u>
<u>13,495,040</u>	<u>13,495,040</u>		<u>134,950</u>	<u>134,950</u>

8. LONG-TERM LEASE LIABILITIES (ROU ASSET)

June 30, 2021			September 30, 2020 (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	5,240	9,976	15,216	4,906	12,168
					17,074

9. CONTINGENCIES AND COMMITMENTS

	June 30, 2021	September 30, 2020 (Audited)
(Rupees '000)		
Letter of credit issued by commercial banks	899,215	-
Commitments for lease rentals under ijarah contracts	15,117	19,577

The status of other contingencies as at June 30, 2021 is the same as reported in the annual financial statements for the year ended September 30, 2020 except for the following:

For the audit of tax year 2015, the assessing officer of FBR passed an order against the Company under section 122(1) of the Income Tax Ordinance, 2001 which created a demand of Rs. 2.5 billion (approx). The demand created is on frivolous grounds, without justification and unlawful against which the company has appealed before Commissioner Inland Revenue (Appeals) [CIRA]. The Company also got stay against recovery of demand from the Sindh High Court till such time the appeal and stay application in CIRA is heard and decided.

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

	Period ended		Quarter ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Loss after taxation (Rs.'000)	(36,865)	(177,265)	(62,430)	(14,168)
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)	(2.73)	(13.14)	(4.63)	(1.05)

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, 2020. 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	Period ended		Quarter ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
		(Rupees '000)			
Group companies / (Common directorship)	Goods purchased	4,742	2,078	340	738
	Services received	8,809	9,618	2,671	3,112
	Sales made	-	2,000	-	-
	Dividend received	8,068	10,567	-	-
	Dividend paid	-	-	-	-
Associated company	Sales made	557,495	464,260	-	2,222
	Goods purchased	-	-	-	-
	Dividend received from associate	162,500	150,000	50,000	50,000
Other related parties	Charge for staff provident and gratuity funds	6,861	6,374	2,311	2,041
Key management personnel	Remuneration	57,600	30,003	28,851	11,928

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 has 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 / Share holding	1.98
Greaves Pakistan (Pvt.) Ltd.	Common directorship	-
Cherat Packaging Ltd.	Common directorship / Share holding	4.97

Name	Basis of association	Aggregate % of Shareholding
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:

	June 30, 2021	September 30, 2020 (Audited)
(Rupees '000)		
Subsidiary Company		
Long term loans & deposits	-	9,979
Loans & advances	-	108
Associated Company		
Trade and other payables	29,206	30,027
Loans & advances	1,038	-

14. DATE OF AUTHORIZATION

These unconsolidated condensed interim financial statements have been authorized for issue on July 28, 2021 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



Samir Mustapha Chinoy
Director



Wasif Khalid
Director & Chief Financial Officer

Consolidated Condensed Interim Statement of Financial Position

As at June 30, 2021

	Note	June 30, 2021 (Unaudited)	September 30, 2020 (Audited)
(Rupees '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	3,446,968	2,618,489
Intangible assets		1,472	2,828
Long-term investments		1,976,955	1,780,538
Long-term loan and deposits		2,799	2,299
		5,428,194	4,404,154
CURRENT ASSETS			
Stores, spare parts and loose tools		204,831	211,757
Stock-in-trade		2,145,366	652,878
Biological assets		6,050	8,760
Trade debts		98,335	90,703
Loans and advances		203,572	72,578
Trade deposits and short-term prepayments		12,975	6,430
Other receivables		336,622	341,814
Short-term investments		196,629	421,952
Tax refunds due from the government		150,992	122,901
Cash and bank balances		39,000	35,168
		3,394,372	1,964,941
		8,822,566	6,369,095
TOTAL ASSETS			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	7	134,950	134,950
Reserves		2,192,939	1,856,186
Surplus on revaluation of property, plant & equipment		844,259	844,259
		3,172,148	2,835,395
NON-CURRENT LIABILITIES			
Long-term financing		1,223,970	1,028,809
Long-term lease liabilities	8	9,976	12,168
Deferred liabilities		621,003	616,114
Deferred tax liability-net		11,442	24,939
Government grant		109,968	2,629
		1,976,359	1,684,659
CURRENT LIABILITIES			
Trade and other payables		515,066	563,542
Accrued mark-up		62,736	36,545
Short-term borrowings		2,699,193	1,099,279
Current maturity of long-term lease liabilities	8	5,240	4,906
Current portion of government grant		35,772	6,588
Current portion of long-term financing		347,593	129,721
Unclaimed dividend		8,459	8,460
		3,674,059	1,849,041
CONTINGENCIES AND COMMITMENTS			
	9		
TOTAL EQUITY AND LIABILITIES			
		8,822,566	6,369,095

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



Aslam Faruque
Chief Executive



Samir Mustapha Chinoy
Director



Wasif Khalid
Director & Chief Financial Officer

Consolidated Condensed Interim Statement of Profit or Loss (Unaudited)

For the Period ended June 30, 2021

Note	Period ended		Quarter ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	(Rupees '000)			
Turnover - net	2,425,439	3,068,465	968,012	1,082,127
Cost of sales	(2,259,744)	(2,914,212)	(917,284)	(1,006,269)
Gross profit	165,695	154,253	50,728	75,858
Distribution cost	(17,477)	(11,494)	(6,450)	(3,644)
Administrative expenses	(106,761)	(117,538)	(35,582)	(38,956)
Other operating expenses	(18,573)	(1,491)	9,685	(269)
	(142,811)	(130,523)	(32,347)	(42,869)
Other income / (loss)	33,835	17,394	7,734	(4,143)
Operating profit	56,719	41,124	26,115	28,846
Finance cost	(188,666)	(311,880)	(81,060)	(103,173)
	(131,947)	(270,756)	(54,945)	(74,327)
Share of profit / (loss) in associates - net	148,056	138,637	(330)	83,571
Profit / (loss) before taxation	16,109	(132,119)	(55,275)	9,244
Taxation	(42,498)	(45,146)	(7,155)	(23,412)
Loss after taxation	(26,389)	(177,265)	(62,430)	(14,168)
Earnings per share - basic & diluted (Rupees)	11 (1.96)	(13.14)	(4.63)	(1.05)

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



Aslam Faruque
Chief Executive



Samir Mustapha Chinoy
Director



Wasif Khalid
Director & Chief Financial Officer

Consolidated Condensed Interim Statement of Comprehensive Income (Unaudited)

For the Period ended June 30, 2021

	Period ended		Quarter ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	(Rupees '000)			
Loss after taxation for the period	(26,389)	(177,265)	(62,430)	(14,168)
Other comprehensive income				
Items that may not be reclassified subsequently to statement of profit or loss				
Unrealised gain on remeasurement of equity investment at fair value through other comprehensive income	363,142	510,898	62,552	270,962
Total comprehensive income	<u>336,753</u>	<u>333,633</u>	<u>122</u>	<u>256,794</u>

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



Aslam Faruque
Chief Executive



Samir Mustapha Chinoy
Director



Wasif Khalid
Director & Chief Financial Officer

Consolidated Condensed Interim Statement of Cash Flows (Unaudited)

For the Period ended June 30, 2021

	June 30, 2021	June 30, 2020
(Rupees '000)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	16,109	(132,119)
Adjustments for:		
Depreciation	74,810	71,439
Depreciation right-of-use asset	3,041	2,027
Amortization	1,356	1,356
Provision for market committee fee	4,889	5,252
Accrued profit term deposit	(11)	(46)
Fair value adjustment of biological assets	3,356	2,087
Dividend income from related parties	(8,068)	(10,567)
Share of profit in associates	(148,056)	(138,637)
Gain on disposal of property, plant and equipment	(278)	(1,651)
Finance cost	188,666	311,880
	<u>119,705</u>	<u>243,140</u>
	135,814	111,021
Working capital changes:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	6,926	(40,299)
Stock-in-trade	(1,492,488)	(943,625)
Biological assets	(646)	25,877
Trade debts	(7,632)	(42,442)
Loans and advances	(130,994)	15,660
Trade deposits and short-term prepayments	(6,545)	(4,789)
Other receivables	5,192	(3,950)
	<u>(1,626,187)</u>	<u>(993,568)</u>
(Decrease) / Increase in current liabilities:		
Trade and other payables	(48,476)	470,871
	<u>(1,538,849)</u>	<u>(411,676)</u>
Cash used in operations		
Long-term loans & deposits - net	(500)	(154)
Income tax paid	(84,087)	(43,160)
	<u>(84,587)</u>	<u>(43,314)</u>
Net cash used in operating activities	<u>(1,623,436)</u>	<u>(454,990)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(906,443)	(93,489)
Sale proceeds of property, plant and equipment	391	4,090
Profit realised on term deposits	53	210
Sale proceeds of short term investment	376,647	-
Dividend received from an associate	162,500	150,000
Dividend received from related parties	8,068	10,567
Net cash (used in) / generated from investing activities	<u>(358,784)</u>	<u>71,378</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance cost paid	(162,477)	(299,591)
Short-term borrowings-net	1,599,914	360,239
Long-term financing-net	567,526	449,933
Long-term financing repaid	(17,970)	(131,786)
Payment of lease liability	(940)	-
Payment of dividend	(1)	(53)
Net cash generated from financing activities	<u>1,986,052</u>	<u>378,742</u>
Net increase / (decrease) in cash and cash equivalents	3,832	(4,870)
Cash and cash equivalents at the beginning of the period	35,168	42,395
Cash and cash equivalents at the end of the period	<u>39,000</u>	<u>37,525</u>

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



Aslam Faruque
Chief Executive



Samir Mustapha Chinoy
Director



Wasif Khalid
Director & Chief Financial Officer

Consolidated Condensed Interim Statement of Changes in Equity (Unaudited)

For the Period ended June 30, 2021

Description	Issued, subscribed and paid up capital	Reserves					Total reserves	TOTAL
		General reserves	Unappropri- ated profit	Actuarial gain / (loss) on defined benefit plan net-off 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, 2019	122,682	34,250	837,469	(1,670)	164,742	816,065	1,850,856	1,973,538
Loss after taxation	-	-	(177,265)	-	-	-	(177,265)	(177,265)
Other comprehensive income	-	-	-	-	510,898	-	510,898	510,898
Total comprehensive (loss) / income	-	-	(177,265)	-	510,898	-	333,633	333,633
Transaction with owners								
Issuance of Bonus shares								
September 30, 2019 @ 10%	12,268	-	(12,268)	-	-	-	(12,268)	-
Balance as at June 30, 2020	<u>134,950</u>	<u>34,250</u>	<u>647,936</u>	<u>(1,670)</u>	<u>675,640</u>	<u>816,065</u>	<u>2,172,221</u>	<u>2,307,171</u>
Balance as at October 01, 2020	134,950	34,250	709,360	120,887	991,689	844,259	2,700,445	2,835,395
Loss after taxation	-	-	(26,389)	-	-	-	(26,389)	(26,389)
Other comprehensive income (disposal of shares)	-	-	354,350	-	(354,350)	-	-	-
Other comprehensive income	-	-	-	-	363,142	-	363,142	363,142
Total comprehensive income	-	-	327,961	-	8,792	-	336,753	336,753
Balance as at June 30, 2021	<u>134,950</u>	<u>34,250</u>	<u>1,037,321</u>	<u>120,887</u>	<u>1,000,481</u>	<u>844,259</u>	<u>3,037,198</u>	<u>3,172,148</u>

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



Aslam Faruque
Chief Executive



Samir Mustapha Chinoy
Director



Wasif Khalid
Director & Chief Financial Officer

Notes to the Consolidated Condensed Interim Financial Statements (Unaudited)

For the Period ended June 30, 2021

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 annual financial statements for the year ended September 30, 2020, the Company has written off its investments in its wholly owned subsidiary "Mirpurkhas Energy Limited" amounting to Rs.11 million.

In view of the unfavorable policies of the Government towards bagasse based power projects, the Board of Directors of the subsidiary company 'Mirpurkhas Energy Limited' has decided against pursuing the power project and to close down the Company. In this respect, Members' Voluntary Winding Up of subsidiary company "Mirpurkhas Energy Limited" is in process. Approval of shareholders has been obtained and legal compliances towards filing of statutory forms/returns, documents and publications with the Registrar of Companies, Securities & Exchange Commission Pakistan, Karachi as well as the Manager, Printing Corporation of Pakistan have also been completed.

The geographical location & 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).

1.3 Impact of COVID-19 on the condensed interim financial statements

COVID-19 is a global pandemic, which has affected the whole world and Pakistan is not an exception. However, the Company's operations are not affected by continuing wave of COVID-19. There is no significant accounting

impact of the effects of COVID-19 in these condensed interim financial statements. All steps were taken for the health and safety of our employees and they were also allowed to work from their homes. The Company's management is fully cognisant of the business challenges posed by the COVID-19 outbreak and closely monitoring the possible impacts on the Company's operations and liquidity position and believe that its current policies for managing credit, liquidity and market risk are adequate in response to the current situation.

1.4 Paper and board mill

In order to further diversify its operations, the Company has decided to set up a Paper and Board project. The project will serve to enhance the business prospects of the Company and project will allow the Company to leverage synergies and enhance its revenues from avenues other than sugar. The Company has placed the order for the equipment and at present, civil works at site are taking place.

2. STATEMENT OF COMPLIANCE

These consolidated condensed interim financial statements of the Company for the period ended June 30, 2021 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, 2020.

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, 2020.

4.1 Standards, amendments and framework for financial reporting effective during the period

The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) and framework for financial reporting which became effective for the current period:

Standard or interpretation:

IFRS 3	Definition of a Business (Amendments);
IFRS 9 / IAS 39 /	
IFRS 7	Interest Rate Benchmark Reform (Amendments); and
IAS 1 / IAS 8	Definition of Material (Amendments).

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The adoption of the said framework and amendments did not have any material impact on the Company's condensed interim financial statements.

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 judgement that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates assumptions and judgement are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of these consolidated condensed interim financial statements are same as those applied to annual financial statements as at and for the year ended September 30, 2020.

6. PROPERTY, PLANT AND EQUIPMENT

	Note	June 30, 2021	September 30, 2020 (Audited)
(Rupees '000)			
Opening book value		2,478,428	2,410,997
Additions / transfers during the period / year	6.1	157,927	137,976
		<u>2,636,355</u>	<u>2,548,973</u>
Revaluation of free hold land		-	28,194
Disposals during the period / year at book value	6.1	(113)	(2,439)
Depreciation charged during the period / year	6.2	(74,810)	(96,300)
		<u>2,561,432</u>	<u>2,478,428</u>
Opening: Capital work in progress		123,842	71,423
Addition to capital work in progress		881,605	176,288
Transferred to property plant & equipment		(133,089)	(123,869)
Closing: Capital work in progress	6.3	872,358	123,842
Right-of-use asset - net	6.4	13,178	16,219
		<u>3,446,968</u>	<u>2,618,489</u>

6.1 Additions / transfers & disposals in property, plant and equipment

	Additions at cost		Disposals at book value	
	June 30, 2021	September 30, 2020 (Audited)	June 30, 2021	September 30, 2020 (Audited)
	(Rupees '000)			
Building on free hold land - factory	92,914	-	-	-
Building on free hold land – non factory	2,495	533	-	-
Plant and machinery	42,101	124,931	-	-
Vehicles	13,644	5,835	96	2,407
Furniture & fixture	-	2,956	-	-
Office and other equipment	3,999	638	-	-
Computers & accessories	2,774	3,083	17	32
	<u>157,927</u>	<u>137,976</u>	<u>113</u>	<u>2,439</u>

6.2 This includes land (residential) measuring 3.45 acres located at Mirpurkhas having carrying value of Rs.300.56 million, which is considered as held for sale.

6.3 Capital work in progress

	June 30, 2021	September 30, 2020 (Audited)
		(Rupees '000)
Plant and machinery	644,522	20,977
Civil works	227,530	100,800
Equipment	306	2,065
	<u>872,358</u>	<u>123,842</u>

6.3.1 Balance as period end of plant and machinery includes mark-up on finance utilized amounting to Rs 2.76 million (2020: Rs Nil).

6.4 Right-of-use asset

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

7. SHARE CAPITAL

7.1 Authorized capital

June 30, 2021	September 30, 2020 (Audited)		June 30, 2021	September 30, 2020 (Audited)
Number of shares			(Rupees '000)	
<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				
1,770,000	1,770,000	For cash	17,700	17,700
<u>11,725,040</u>	<u>11,725,040</u>	As fully paid bonus shares	<u>117,250</u>	<u>117,250</u>
<u>13,495,040</u>	<u>13,495,040</u>		<u>134,950</u>	<u>134,950</u>

8. LONG-TERM LEASE LIABILITIES (ROU ASSET)

June 30, 2021			September 30, 2020 (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	5,240	9,976	15,216	4,906	12,168
					17,074

9. CONTINGENCIES AND COMMITMENTS

	June 30, 2021	September 30, 2020 (Audited)
(Rupees '000)		
Letter of credit issued by commercial banks	899,215	-
Commitments for lease rentals under ijarah contracts	15,117	19,577

The status of other contingencies as at June 30, 2021 is same as reported in the annual financial statements for the year ended September 30, 2020 except for the following:

For the audit of tax year 2015, the assessing officer of FBR passed an order against the Company under section 122(1) of the Income Tax Ordinance, 2001 which created a demand of Rs. 2.5 billion (approx). The demand created is on frivolous grounds, without justification and unlawful against which the company has appealed before Commissioner Inland Revenue (Appeals) [CIRA]. The Company also got stay against recovery of demand from the Sindh High Court till such time the appeal and stay application in CIRA is heard and decided.

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

	Period ended		Quarter ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Loss after taxation (Rs.'000)	(26,389)	(177,265)	(62,430)	(14,168)
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)	(1.96)	(13.14)	(4.63)	(1.05)

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

12. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

These consolidated 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, 2020. 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 consolidated 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	Period ended		Quarter ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
(Rupees '000)					
Group companies / (Common directorship)	Goods purchased	4,742	2,078	340	738
	Services received	8,809	9,618	2,671	3,112
	Sales made	-	2,000	-	-
	Dividend received	8,068	10,567	-	-
	Dividend paid	-	-	-	-
Associated company	Sales made	557,495	464,260	-	2,222
	Goods purchased	-	-	-	-
	Dividend received from associate	162,500	150,000	50,000	50,000
Other related parties	Charge for staff provident and gratuity funds	6,861	6,374	2,311	2,041
Key management personnel	Remuneration	57,600	30,003	28,851	11,928

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 / Share holding	1.98
Greaves Pakistan (Pvt.) Ltd.	Common directorship	-
Cherat Packaging Ltd.	Common directorship / Share holding	4.97

Name	Basis of association	Aggregate % of Shareholding
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:

	June 30, 2021	September 30, 2020 (Audited)
(Rupees '000)		
Associated Company		
Trade and other payables	29,206	30,027
Loans & advances	1,038	-

14. DATE OF AUTHORIZATION

These consolidated condensed interim financial statements have been authorized for issue on July 28, 2021 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



Samir Mustapha Chinoy
Director



Wasif Khalid
Director & Chief Financial Officer