



Mirpurkhas Sugar Mills Limited

A Ghulam Faruque Group Company



Half Yearly Accounts (Unaudited)
March 31, 2021

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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.
Faysal Bank Ltd.
Bank Islami Pakistan 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 unaudited financial results of the Company, as reviewed by the auditors, for the half year ended March 31, 2021.

Production

During the crushing season 2020/21 that started on November 20, 2020, the plant operated for 98 days compared to 107 days the previous year. 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 period last year. The plant operated efficiently throughout the crushing season. The decline in sucrose recovery to 10.63% compared to 10.91% last season was primarily due to lower sugar content in the sugarcane. 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 Performance

There has been a 27% 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 19,790 metric tons of sugar compared to 34,454 metric tons for the corresponding period last year. There was a significant increase in cost of production as competition amongst the sugar mills to procure sugarcane led to a higher cost of sugarcane. The price of sugar continued to remain under pressure for several reasons. First and foremost, various cases have been registered against brokers/dealers by government agencies regarding increase in sugar prices. Secondly, TCP continues to import sugar, with the government exempting them from payment of sales tax on their imports. During the period under review the Company earned other income of Rs. 15.5 million mainly from receipt of dividends on investments made in various shares. Furthermore, there was a decline in finance cost due to the 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. 148.39 million and adjusted its investment in the associate by the same amount. For the half year ended March 31, 2021 the Company made an after tax profit of Rs. 25.57 million.

	March 31, 2021	March 31, 2020
	(Rupees in million)	
Net Sales	1,457.43	1,986.34
Cost of Sales	(1,342.46)	(1,907.94)
Gross Profit	114.97	78.40
Other Income	15.52	21.54
Share of Profit in Associate	148.39	55.07
Other Expenses & Taxes	(253.31)	(318.10)
Net Profit / (Loss)	25.57	(163.09)

Paper Project

In order to further diversify its operations, the Company has decided to set up a Paper and Board project. The project will be established in approximately 30 months and serves 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.

Future Prospects

High sugarcane prices, mainly due to intense competition amongst sugar mills for the procurement of sugarcane, are likely to continue to result in significant pressure on the profitability of sugar producers. We therefore 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 more conducive business environment for the industry. We also call on the government to develop policies to promote agriculture by providing better yielding seeds to the farmers. Furthermore, the government is also requested to reconsider the sales tax mechanism applicable to sugar with a view to provide relief to the sugar mills and the consumers.

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: May 20, 2021

Auditors' Report to the Members on Review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of MIRPURKHAS SUGAR MILLS LIMITED (the Company) as at March 31, 2021, 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 then 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 unconsolidated 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, 2021 and March 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended March 31, 2021.

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 unconsolidated 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 are 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 Muhammad Usman.

Karachi: May 20, 2021

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

Unconsolidated Condensed Interim Statement of Financial Position

As at March 31, 2021

	Note	March 31, 2021 (Unaudited)	September 30, 2020 (Audited)
(Rupees '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,796,929	2,618,489
Intangible asset		1,924	2,828
Long-term investments		1,983,190	1,780,538
Long-term loan and deposits		2,299	12,278
		4,784,342	4,414,133
CURRENT ASSETS			
Stores, spare parts and loose tools		211,883	211,757
Stock-in-trade		2,928,067	652,878
Biological assets		1,501	8,760
Trade debts		41,895	90,703
Loans and advances		154,564	72,686
Trade deposits and short-term prepayments		16,660	6,430
Other receivables		358,361	341,814
Short-term investments		178,171	421,952
Tax refunds due from the government		131,446	122,901
Cash and bank balances		60,515	35,168
		4,083,063	1,965,049
		8,867,405	6,379,182
TOTAL ASSETS			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	7	134,950	134,950
Reserves		2,192,816	1,866,661
Surplus on revaluation of property, plant & equipment		844,259	844,259
		3,172,025	2,845,870
NON-CURRENT LIABILITIES			
Long-term financing		1,000,889	1,028,809
Long-term lease liabilities	8	10,905	12,168
Deferred liabilities		621,027	616,114
Deferred tax liability-net		11,442	24,939
Government grant		34,734	2,629
		1,678,997	1,684,659
CURRENT LIABILITIES			
Trade and other payables		554,645	563,154
Accrued mark-up		54,372	36,545
Short-term borrowings		3,088,839	1,099,279
Current maturity of long-term lease liabilities	8	5,140	4,906
Current portion of government grant		11,264	6,588
Current portion of long-term financing		293,664	129,721
Unclaimed dividend		8,459	8,460
		4,016,383	1,848,653
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES			
		8,867,405	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 Half Year ended March 31, 2021

Note	Half year ended		Quarter ended		
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
(Rupees '000)					
Turnover - net	1,457,427	1,986,338	378,366	659,421	
Cost of sales	(1,342,460)	(1,907,943)	(339,536)	(702,014)	
Gross profit / (loss)	114,967	78,395	38,830	(42,593)	
Distribution cost	(11,027)	(7,850)	(7,248)	(4,184)	
Administrative expenses	(71,179)	(78,582)	(25,210)	(42,102)	
Other operating expenses	(28,150)	(1,222)	(27,987)	74	
	(110,356)	(87,654)	(60,445)	(46,212)	
Other income	15,517	21,537	9,046	4,627	
Operating profit / (loss)	20,128	12,278	(12,569)	(84,178)	
Finance cost	(107,606)	(208,707)	(67,168)	(126,966)	
	(87,478)	(196,429)	(79,737)	(211,144)	
Share of profit / (loss) in associates - net	148,386	55,066	47,977	(3,649)	
Profit / (loss) before taxation	60,908	(141,363)	(31,760)	(214,793)	
Taxation	(35,343)	(21,734)	(10,851)	404	
Profit / (loss) after taxation	25,565	(163,097)	(42,611)	(214,389)	
Earnings per share - basic & diluted (Rupees)	11	1.89	(12.09)	(3.16)	(15.89)

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 Half Year ended March 31, 2021

	Half year ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	(Rupees '000)			
Profit / (loss) after taxation for the period	25,565	(163,097)	(42,611)	(214,389)
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	300,590	239,936	(11,299)	(63,426)
Total comprehensive income / (loss)	<u>326,155</u>	<u>76,839</u>	<u>(53,910)</u>	<u>(277,815)</u>

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



Aslam Faruque
Chief Executive



Samir Mustapha Chinoy
Director



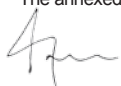
Wasif Khalid
Director & Chief Financial Officer

Unconsolidated Condensed Interim Statement of Cash Flows (Unaudited)

For the Half Year ended March 31, 2021

	March 31, 2021	March 31, 2020
	(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	60,908	(141,363)
Adjustments for:		
Depreciation	48,112	47,540
Depreciation right-of-use asset	2,027	1,013
Amortization	904	904
Provision for market committee fee	4,913	5,252
Accrued profit term deposit	(11)	(24)
Fair value adjustment of biological assets	6,678	6,063
Dividend income from related parties	(8,068)	(10,567)
Share of profit in associates	(148,386)	(55,066)
Loss / (gain) on disposal of property, plant and equipment	1	(1,651)
Long term loan to subsidiary written-off	9,979	-
Finance cost	107,606	208,707
	<u>23,755</u>	<u>202,171</u>
	84,663	60,808
Working capital changes:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(126)	(18,091)
Stock-in-trade	(2,275,189)	(1,804,759)
Biological assets	581	16,347
Trade debts	48,808	(154,473)
Loans and advances	(81,878)	(106,158)
Trade deposits and Short-term prepayments	(10,230)	(7,357)
Other receivables	(16,547)	(13,977)
	<u>(2,334,581)</u>	<u>(2,088,468)</u>
(Decrease) / Increase in current liabilities:		
Trade and other payables	(8,509)	432,339
Cash used in operations	<u>(2,258,427)</u>	<u>(1,595,321)</u>
Long-term Loans & deposits - net	-	(154)
Income tax paid	(57,385)	(34,834)
	<u>(57,385)</u>	<u>(34,988)</u>
Net cash used in operating activities	<u>(2,315,812)</u>	<u>(1,630,309)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(228,579)	(54,129)
Sale proceeds of property, plant and equipment	-	4,090
Profit realised on term deposits	53	210
Sale proceeds of short term investment	376,647	-
Dividend received from an associate	112,500	100,000
Dividend received from related parties	8,068	10,567
Net cash generated from investing activities	<u>268,689</u>	<u>60,738</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance cost paid	(88,804)	(181,244)
Short-term borrowings-net	1,989,560	1,467,945
Long-term financing-net	172,744	400,000
Long-term financing repaid	-	(97,857)
Payment of lease liability	(1,029)	-
Payment of dividend	(1)	(53)
Net cash generated from financing activities	<u>2,072,470</u>	<u>1,588,791</u>
Net increase in cash and cash equivalents	<u>25,347</u>	<u>19,220</u>
Cash and cash equivalents at the beginning of the period	<u>35,168</u>	<u>42,395</u>
Cash and cash equivalents at the end of the period	<u><u>60,515</u></u>	<u><u>61,615</u></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 Changes in Equity (Unaudited)

For the Half Year ended March 31, 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	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 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>
Balance as at October 01, 2020	134,950	34,250	719,835	120,887	991,689	844,259	2,710,920	2,845,870
Profit after taxation	-	-	25,565	-	-	-	25,565	25,565
Other comprehensive income (disposal of shares)	-	-	354,350	-	(354,350)	-	-	-
Other comprehensive income	-	-	-	-	300,590	-	300,590	300,590
Total comprehensive income	-	-	379,915	-	(53,760)	-	326,155	326,155
Balance as at March 31, 2021	<u>134,950</u>	<u>34,250</u>	<u>1,099,750</u>	<u>120,887</u>	<u>937,929</u>	<u>844,259</u>	<u>3,037,075</u>	<u>3,172,025</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 Half Year ended March 31, 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. All steps were taken for the health and safety of our employees and they were also allowed to work from their homes. There is no significant accounting impact of the effects of COVID-19 in these condensed interim financial statements. The Company's management is fully cognisant of the business challenges posed by the COVID-19 outbreak and has been 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 has been proposed and executed by the directors of the subsidiary company. For this purpose, an official liquidator was appointed on March 15, 2021 to wind up the affairs of the Company.

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 be established in approximately 30 months and serves to enhance the business prospects of the Company. The Company has placed the order for the equipment and at present, civil works at site are taking place. This project will allow the company to leverage synergies and enhance its revenues from avenues other than sugar.

2. STATEMENT OF COMPLIANCE

These unconsolidated condensed interim financial statements of the Company for the half year ended March 31, 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

- 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, 2020.
- 3.2 The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended March 31, 2021 and March 31, 2020 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, 2021 & March 31, 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	March 31, 2021	September 30, 2020 (Audited)
(Rupees '000)			
Opening book value		2,478,428	2,410,997
Additions / transfers during the period / year	6.1	118,624	137,976
		<u>2,597,052</u>	<u>2,548,973</u>
Revaluation of free hold land		-	28,194
Disposals during the period / year at book value	6.1	(1)	(2,439)
Depreciation charged during the period / year		<u>(48,112)</u>	<u>(96,300)</u>
		<u>2,548,939</u>	<u>2,478,428</u>
Opening: Capital work in progress		123,842	71,423
Addition to capital work in progress		215,283	176,288
Transferred to property plant & equipment		<u>(105,327)</u>	<u>(123,869)</u>
Closing: Capital work in progress	6.2	233,798	123,842
Right-of-use asset - net	6.3	<u>14,192</u>	<u>16,219</u>
		<u><u>2,796,929</u></u>	<u><u>2,618,489</u></u>

6.1 Additions & disposals in property, plant and equipment

	Additions at cost		Disposals at book value	
	March 31, 2021	September 30, 2020 (Audited)	March 31, 2021	September 30, 2020 (Audited)
	(Rupees '000)			
Building on free hold land - factory	85,438	-	-	-
Building on free hold land – Non factory	2,495	533	-	-
Plant and machinery	18,393	124,931	-	-
Vehicles	9,047	5,835	-	2,407
Furniture & fixture	-	2,956	-	-
Office and other equipment	835	638	1	-
Computers & accessories	2,416	3,083	-	32
	<u>118,624</u>	<u>137,976</u>	<u>1</u>	<u>2,439</u>

6.2 Capital work in progress:

	March 31, 2021	September 30, 2020 (Audited)
		(Rupees '000)
Plant and machinery	216,069	20,977
Civil Works	14,912	100,800
Equipment	2,817	2,065
	<u>233,798</u>	<u>123,842</u>

6.2.1 Balance as period end of plant and machinery includes mark-up on finance utilized amounting to Rs 2.91 million (2020: Rs Nil).

6.3 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

March 31, 2021	September 30, 2020 (Audited)		March 31, 2021	September 30, 2020 (Audited)
Number of shares			(Rupees '000)	
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	11,725,040	Issued as fully paid bonus shares	117,250	117,250
<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)

March 31, 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	5,140	10,905	16,045	4,906	12,168
					17,074

9. CONTINGENCIES AND COMMITMENTS

	March 31, 2021	September 30, 2020 (Audited)
(Rupees '000)		
Letter of credit issued by commercial banks	1,202,315	-
Commitments for lease rentals under ijarah contracts	16,604	19,577

The status of other contingencies as at March 31, 2021 is the same as reported in the annual financial statements for the year ended September 30, 2020.

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Profit / (Loss) after taxation (Rs.'000)	25,565	(163,097)	(42,611)	(214,389)
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)	1.89	(12.09)	(3.16)	(15.89)

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	Half year ended		Quarter ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(Rupees '000)					
Group companies / (Common directorship)	Goods purchased	4,402	1,340	4,033	526
	Services received	6,138	6,506	2,903	2,824
	Sales made	-	2,000	-	-
	Dividend received	8,068	10,567	5,958	-
	Dividend paid	-	-	-	-
Associated Company	Sales made	557,495	462,038	467,223	416,343
	Goods purchased	-	-	-	-
	Dividend received from associate	112,500	100,000	112,500	100,000
Other related parties	Charge for staff provident and gratuity funds	4,550	4,333	2,323	2,223
Key management personnel	Remuneration	28,749	18,075	10,262	9,037

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
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, 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	306	-

14. DATE OF AUTHORIZATION

These unconsolidated condensed interim financial statements have been authorized for issue on May 20, 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 Financial
Statements

Consolidated Condensed Interim Statement of Financial Position

As at March 31, 2021

Note	March 31, 2021 (Unaudited)	September 30, 2020 (Audited)		
	(Rupees '000)			
ASSETS				
NON-CURRENT ASSETS				
	Property, plant and equipment	6	2,796,929	2,618,489
	Intangible asset		1,924	2,828
	Long-term investments		1,983,190	1,780,538
	Long-term loan and deposits		2,299	2,299
			4,784,342	4,404,154
CURRENT ASSETS				
	Stores, spare parts and loose tools		211,883	211,757
	Stock-in-trade		2,928,067	652,878
	Biological assets		1,501	8,760
	Trade debts		41,895	90,703
	Loans and advances		154,564	72,578
	Trade deposits and short-term prepayments		16,660	6,430
	Other receivables		358,361	341,814
	Short-term investments		178,171	421,952
	Tax refunds due from the government		131,446	122,901
	Cash and bank balances		60,515	35,168
			4,083,063	1,964,941
			8,867,405	6,369,095
TOTAL ASSETS				
EQUITY AND LIABILITIES				
EQUITY				
	Share capital	7	134,950	134,950
	Reserves		2,192,817	1,856,186
	Surplus on revaluation of property, plant & equipment		844,259	844,259
			3,172,026	2,835,395
NON-CURRENT LIABILITIES				
	Long-term financing		1,000,889	1,028,809
	Long-term lease liabilities	8	10,905	12,168
	Deferred liabilities		621,027	616,114
	Deferred tax liability-net		11,442	24,939
	Government grant		34,734	2,629
			1,678,997	1,684,659
CURRENT LIABILITIES				
	Trade and other payables		554,644	563,542
	Accrued mark-up		54,372	36,545
	Short-term borrowings		3,088,839	1,099,279
	Current maturity of long-term lease liabilities	8	5,140	4,906
	Current portion of government grant		11,264	6,588
	Current portion of long-term financing		293,664	129,721
	Unclaimed dividend		8,459	8,460
			4,016,382	1,849,041
CONTINGENCIES AND COMMITMENTS				
		9		
TOTAL EQUITY AND LIABILITIES				
			8,867,405	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 Half Year ended March 31, 2021

Note	Half year ended		Quarter ended		
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
(Rupees '000)					
Turnover - net	1,457,427	1,986,338	378,366	659,421	
Cost of sales	(1,342,460)	(1,907,943)	(339,536)	(702,014)	
Gross profit / (loss)	114,967	78,395	38,830	(42,593)	
Distribution cost	(11,027)	(7,850)	(7,248)	(4,184)	
Administrative expenses	(71,179)	(78,582)	(25,210)	(42,102)	
Other operating expenses	(28,258)	(1,222)	(28,095)	74	
	(110,464)	(87,654)	(60,553)	(46,212)	
Other income	26,101	21,537	19,630	4,627	
Operating profit / (loss)	30,604	12,278	(2,093)	(84,178)	
Finance cost	(107,606)	(208,707)	(67,168)	(126,966)	
	(77,002)	(196,429)	(69,261)	(211,144)	
Share of profit / (loss) in associates - net	148,386	55,066	47,977	(3,649)	
Profit / (loss) before taxation	71,384	(141,363)	(21,284)	(214,793)	
Taxation	(35,343)	(21,734)	(10,851)	404	
Profit / (loss) after taxation	<u>36,041</u>	<u>(163,097)</u>	<u>(32,135)</u>	<u>(214,389)</u>	
Earnings per share - basic & diluted (Rupees)	11	<u>2.67</u>	<u>(12.09)</u>	<u>(2.38)</u>	<u>(15.89)</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 Comprehensive Income (Unaudited)

For the Half Year ended March 31, 2021

	Half year ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	(Rupees '000)			
Profit / (loss) after taxation for the period	36,041	(163,097)	(32,135)	(214,389)
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	300,590	239,936	(11,299)	(63,426)
Total comprehensive income / (loss)	<u>336,631</u>	<u>76,839</u>	<u>(43,434)</u>	<u>(277,815)</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 Half Year ended March 31, 2021

	March 31, 2021	March 31, 2020
(Rupees '000)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	71,384	(141,363)
Adjustments for :		
Depreciation	48,112	47,540
Depreciation right-of-use asset	2,027	1,013
Amortization	904	904
Provision for market committee fee	4,913	5,252
Accrued profit term deposit	(11)	(24)
Fair value adjustment of biological assets	6,678	6,063
Dividend income from related parties	(8,068)	(10,567)
Share of profit in associates	(148,386)	(55,066)
Loss / (gain) on disposal of property, plant and equipment	1	(1,651)
Finance cost	107,606	208,707
	<u>13,776</u>	<u>202,171</u>
	85,160	60,808
Working capital changes:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(126)	(18,091)
Stock-in-trade	(2,275,189)	(1,804,759)
Biological assets	581	16,347
Trade debts	48,808	(154,473)
Loans and advances	(81,986)	(106,158)
Trade deposits and Short-term prepayments	(10,230)	(7,357)
Other receivables	(16,547)	(13,977)
	<u>(2,334,689)</u>	<u>(2,088,468)</u>
(Decrease) / Increase in current liabilities:		
Trade and other payables	(8,898)	432,339
Cash used in operations	<u>(2,258,427)</u>	<u>(1,595,321)</u>
Long-term Loans & deposits - net	-	(154)
Income tax paid	(57,385)	(34,834)
	<u>(57,385)</u>	<u>(34,988)</u>
Net cash used in operating activities	<u>(2,315,812)</u>	<u>(1,630,309)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(228,579)	(54,129)
Sale proceeds of property, plant and equipment	-	4,090
Profit realised on term deposits	53	210
Sale proceeds of short term investment	376,647	-
Dividend received from an associate	112,500	100,000
Dividend received from related parties	8,068	10,567
Net cash generated from investing activities	<u>268,689</u>	<u>60,738</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance cost paid	(88,804)	(181,244)
Short-term borrowings-net	1,989,560	1,467,945
Long-term financing-net	172,744	400,000
Long-term financing repaid	-	(97,857)
Payment of lease liability	(1,029)	-
Payment of dividend	(1)	(53)
Net cash generated from financing activities	<u>2,072,470</u>	<u>1,588,791</u>
Net increase in cash and cash equivalents	<u>25,347</u>	<u>19,220</u>
Cash and cash equivalents at the beginning of the period	<u>35,168</u>	<u>42,395</u>
Cash and cash equivalents at the end of the period	<u>60,515</u>	<u>61,615</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 Half Year ended March 31, 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	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 loss	-	-	-	-	239,936	-	239,936	239,936
Total comprehensive income / (loss)	-	-	(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>662,104</u>	<u>(1,670)</u>	<u>404,678</u>	<u>816,065</u>	<u>1,915,427</u>	<u>2,050,377</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
Profit after taxation	-	-	36,041	-	-	-	36,041	36,041
Other comprehensive income (disposal of shares)	-	-	354,350	-	(354,350)	-	-	-
Other comprehensive income	-	-	-	-	300,590	-	300,590	300,590
Total comprehensive income	-	-	390,391	-	(53,760)	-	336,631	336,631
Balance as at March 31, 2021	<u>134,950</u>	<u>34,250</u>	<u>1,099,751</u>	<u>120,887</u>	<u>937,929</u>	<u>844,259</u>	<u>3,037,076</u>	<u>3,172,026</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 Half Year ended March 31, 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 has decided against pursuing the power project and to close down the Company. In this respect, members' voluntary winding up has been initiated and liquidator has been appointed pursuant to section 353 (1) of the Companies Act, 2017.

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. All steps were taken for the health and safety of our employees and they were also allowed to work from their homes. There is no significant accounting impact of the effects of COVID-19 in these condensed interim financial statements. 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 be established in approximately 30 months and serves to enhance the business prospects of the Company. The Company has placed the order for the equipment and at present, civil works at site are taking place. This project will allow the company to leverage synergies and enhance its revenues from avenues other than sugar.

2. STATEMENT OF COMPLIANCE

These consolidated condensed interim financial statements of the Company for the half year ended March 31, 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 unaudited 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	March 31, 2021	September 30, 2020 (Audited)
(Rupees '000)			
Opening book value		2,478,428	2,410,997
Additions / transfers during the period / year	6.1	118,624	137,976
		2,597,052	2,548,973
Revaluation of free hold land		-	28,194
Disposals during the period / year at book value	6.1	(1)	(2,439)
Depreciation charged during the period / year		(48,112)	(96,300)
		2,548,939	2,478,428
Opening: Capital work in progress		123,842	71,423
Addition to capital work in progress		215,283	176,288
Transferred to property plant & equipment		(105,327)	(123,869)
Closing: Capital work in progress	6.2	233,798	123,842
Right-of-use asset - net	6.3	14,192	16,219
		2,796,929	2,618,489

6.1 Additions & disposals in property, plant and equipment

	Additions at cost		Disposals at book value	
	March 31, 2021	September 30, 2020 (Audited)	March 31, 2021	September 30, 2020 (Audited)
	(Rupees '000)			
Building on free hold land - factory	85,438	-	-	-
Building on free hold land – Non factory	2,495	533	-	-
Plant and machinery	18,393	124,931	-	-
Vehicles	9,047	5,835	-	2,407
Furniture & fixture	-	2,956	-	-
Office and other equipment	835	638	1	-
Computers & accessories	2,416	3,083	-	32
	<u>118,624</u>	<u>137,976</u>	<u>1</u>	<u>2,439</u>

6.2 Capital work in progress:

	March 31, 2021	September 30, 2020 (Audited)
		(Rupees '000)
Plant and machinery	216,069	20,977
Civil Works	14,912	100,800
Equipment	2,817	2,065
	<u>233,798</u>	<u>123,842</u>

6.2.1 Balance as period end of plant and machinery includes mark-up on finance utilized amounting to Rs 2.91 million (2020: Rs Nil).

6.3 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

March 31, 2021	September 30, 2020 (Audited)		March 31, 2021	September 30, 2020 (Audited)
Number of shares			(Rupees '000)	
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	11,725,040	Issued as fully paid bonus shares	117,250	117,250
<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)

March 31, 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)					
	5,140	10,905	16,045	4,906	12,168
Head office under rental agreement				17,074	

9. CONTINGENCIES AND COMMITMENTS

	March 31, 2021	September 30, 2020 (Audited)
(Rupees '000)		
Letter of credit issued by commercial banks	1,202,315	-
Commitments for lease rentals under ijarah contracts	16,604	19,577

The status of other contingencies as at March 31, 2021 is same as reported in the annual financial statements for the year ended September 30, 2020.

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Profit / (loss) after taxation (Rs.'000)	36,041	(163,097)	(32,135)	(214,389)
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.)	2.67	(12.09)	(2.38)	(15.89)

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	Half year ended		Quarter ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(Rupees '000)					
Group companies / (Common directorship)	Goods purchased	4,402	1,340	4,033	526
	Services received	6,138	6,506	2,903	2,824
	Sales made	-	2,000	-	-
	Dividend received	8,068	10,567	5,958	-
	Dividend paid	-	-	-	-
Associated Company	Sales made	557,495	462,038	467,223	416,343
	Goods purchased	-	-	-	-
	Dividend received from associate	112,500	100,000	112,500	100,000
Other related parties	Charge for staff provident and gratuity funds	4,550	4,333	2,323	2,223
Key management personnel	Remuneration	28,749	18,075	10,262	9,037

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
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, 2021	September 30, 2020 (Audited)
	(Rupees '000)	
Associated Company		
Trade and other payables	29,206	30,027
Loans & advances	306	-

14. DATE OF AUTHORIZATION

These Consolidated condensed interim financial statements have been authorized for issue on May 20, 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



GHULAM FARUQUE
GROUP

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