

Quarterly Report June 2016



YEARS

DIRECTORS' REPORT

On behalf of the Board, I feel pleasure in presenting financial results for the period ended June 30, 2016.

| Operational Highlights | 2015-2016 | 2014-2015 |
|-----------------------------|-----------|-----------|
| Season Duration (Days) | 105 | 108 |
| Capacity Utilization | 81.44% | 83.50% |
| Sucrose Recovery | 11.31% | 11.42% |
| Sugar Production- M.Tons | 106,400 | 108,136 |
| Molasses production- M.Tons | 38,604 | 39,027 |
| Molasses Recovery | 4.10% | 4.12% |

| Financial Highlights | 2015-2016 | 2014-2015 |
|--------------------------|---------------------------------|-----------|
| | (Rupees in Thousand except EPS) | |
| Turnover | 6,106,667 | 3,118,021 |
| Sales tax /F.E.D | 430,841 | 165,460 |
| Gross profit | 740,119 | 576,170 |
| Gross Profit margin | 13.04% | 19.51% |
| Profit before tax | 624,095 | 412,645 |
| Profit before tax margin | 11.00% | 13.98% |
| Net Profit after tax | 489,852 | 329,080 |
| Net Profit margin | 8.63% | 11.15% |
| Earnings per share | 15.29 | 10.27 |

By the grace of Allah, our sucrose recovery at 11.31% was one of the highest recovery achieved by any sugar mill in the country. It was also historically our second highest recovery just behind the figure of 11.42% achieved in season 2014-2015.

The Sind sucrose recovery of 10.43% was around 8% lower than Mehran's. The overall recovery in Sind during the previous year was 10.46%.

The average national recovery was 10.07% which meant that Mehran's recovery was 12.31% higher than the national average giving us a comparative advantage in the industry.

During the year the price of sugarcane increased beyond the government stipulated minimum price due to competition amongst sugar mills for procurement. Luckily this price increase was absorbed due to a subsequent increase in sugar prices. A positive element is that the higher sugarcane prices would ultimately motivate growers to plant more sugarcane and improve the competitiveness compared to other crops in the region.

Following factors were primarily responsible for achieving healthy financial results;

- Increase in Turnover by 92%.
- Improvement in average selling price of sugar by 6.5%.
- Higher Share of Profit from Unicol Limited to Rs.103.91 million as compared to Rs. 60.06 million.
- Continual decline in the Discount Rate by the State Bank and lower reliance on short term

borrowings has reduced Financial Expenses to Rs. 84.76 million from Rs.125.74 million in the corresponding period of last year.

- Income from Supply of Power to the national grid also showed an improvement to Rs. 39.87 million as compared to Rs. 22.13 million in the previous period.
- Dividend Income from portfolio investments increased to Rs.45.92 million compared to Rs. 38.92 million in the previous year.

Mehran was able to achieve a turnover of Rs.6.0 billion which is highest in the history of the Company in the nine months period. We are aiming to achieve yet another milestone in terms of Turnover and Profitability by the end of the financial year.

Our Earnings per share at Rs. 15.29 is also a record for the nine months period. Similarly, during this period the company market capitalization crossed Rs. 5.5 billion for the first time in our 50 years history. This reflects the confidence of our shareholders in the present and future earning potential of the Company.

Power supplies to HESCO during the crushing season remained satisfactory and we supplied 5,158,832 units to the national grid. Entire payment towards power supply has been received. We appreciate the coordination of the regulatory authorities as well as HESCO in this regard.

The Retail Division has performed better than the corresponding period of last year. Three new products i.e. Moisture, Icing and Castor sugar were launched and are gaining market attention. The Retail Division has also gone through structural change whereby separate distributors have been appointed in 3 major cities instead of one distributor. This has resulted in a reduction in distribution costs, improved margins and a more specialized approach. The savings will allow the company to spend on further promotions and product development.

Progress on BMRE and Maintenance work has been satisfactory. The Capital Expenditure for the year is predominantly focused on making the plant more energy efficient by reducing the steam demand of the factory. Subsequently, efforts are being made to reduce the overall electrical load of the plant. Mehran is also installing a state of the art waste water treatment to ensure 100 percent compliance of all NEQS laws. We are confident that all these planned projects shall be commissioned before the start of the season 2016-2017.

INDUSTRY REVIEW

In order to dispose the surplus stock of sugar arising out of yet another healthy production, the Federal Government had announced an Export Policy. Till the period ended June 2016, 253,909 Tons of sugar was exported. Since the export policy was time bound no further exports are allowed.

The recently announced Federal Budget has fixed the value of sugar at Rs.56/kg for levying GST. This tax will be payable at the rate of 8% and 10% for registered and unregistered buyers respectively. We feel this is a good step as it creates uniformity of tax rate for all sugar mills and creates a more transparent pricing formula between the industry and the government.

During this period global sugar prices have also rallied. Sugar is one of the few agriculture commodities whereby a fundamental shortage anticipated next year is driving international prices higher. The recent ban on Indian exports and news of drought in Thailand has meant that the white

sugar market has seen tightness. The impact of this has also been felt in the domestic sugar markets of neighbouring Afghanistan and subsequently in our own domestic market. Higher prices shall lead to inventory gains and thus most mills holding stock should report positive fourth quarter numbers.

UNICOL LIMITED

The distillery operated satisfactorily during the period. Ethanol and CO₂ plants ran efficiently and at capacity. The profitability improved from Rs.100.57 million to Rs. 288.03 million during the current period. This was achieved largely due to better gross margins and reduction in financial charges due to the lower cost of borrowing.

The enhanced molasses storage capacity and the majority of molasses purchasing being during the first and second quarter would enable the company to safeguard itself against major price fluctuation and sustain its profitability for the remaining period of the year.

During this period, production at Unicol was 40,086 Tons as compared to 43,396 Tons in the same period last year.

Key financial data for the period are as under:

| Key Highlights | | June 2016 | June 2015 |
|---------------------|-----------|-----------|-----------|
| Turnover | (Rs.'000) | 3,055,719 | 3,336,962 |
| Gross Profit | (Rs.'000) | 585,029 | 476,742 |
| Gross Profit margin | (%) | 19.15 | 14.29 |
| Net Profit | (Rs.'000) | 288,038 | 100,571 |
| Net Profit margin | (%) | 9.43 | 3.01 |
| Earnings per share | (Rs.) | 4.16 | 1.45 |

The Unicol BOD in the half year meeting on May 19, 2016 has approved an investment in a new 48 tons/day CO₂ plant. The project cost for the same shall be Rs. 300 million. The expanded capacity of the CO₂ business shall be 72 Tons/- day.

UNIENERGY LIMITED

Work on UniEnergy has been progressing steadily with the lessened land registered in the name of the company. We have also received formal approval for commencing grid studies.

However the present tariff had expired by the end of June 2016. On July 19, 2016 NEPRA has conducted a hearing for determining the new tariff. We await anxiously the final decision of NEPRA in terms of the new tariff. Discussions on financing arrangements for funding the project are ongoing with the lead banker which is Meezan Bank Limited.

Mehran so far has injected Rs. 20 million which accounts for 20% of the equity of the new company.

FUTURE OUTLOOK

Initial survey for the forthcoming crop indicates that sugarcane output is expected to remain similar to last year's figures however there is expected a 5-10 percent increase in the Punjab province.

Considering this we expect the total crop to be slightly higher than last year.

Higher International and subsequent domestic sugar prices have meant that the industry can make healthy payments to the farmer. This should allow decent margins for both miller and farmer in the upcoming season.

Mehran's focus on crop Development and improvement in the field has been ongoing. As a part of bringing improvement in farming techniques, we have decided to work on a long term basis with consultants from Mauritius Sugar Research Institute (MSRI). The MSRI team first visited our mill in March 2016 and are coming back with their soil specialists for a follow up visit in the first week of August 2016. The aim is to study ways and means of improving our farming and work closely with our grower. They also provide training to our cane staff for inculcating the same in the field.

As regards the high pressure cogeneration project, our technical consultants have submitted a Concept Note highlighting options regarding the size and scale of the proposed project. The same is now under evaluation stage.

Sugar prices have shown steady upward trend throughout the year. We continue to sell on regular basis and this policy is expected to improve our year end profitability.

Unicol Limited continues to contribute regularly and positively.

Management appreciates the contribution of its team in attaining positive results and look forward to sustainable efforts in the future.

On behalf of the Board of Directors



Mohammed Ebrahim Hasham
Chief Executive Officer

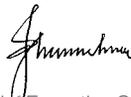
Karachi: July 30, 2016

CONDENSED INTERIM BALANCE SHEET

As at June 30, 2016

| | Note | (Un-audited) Jun 30, 2016 Rupees | (Audited) Sep 30, 2015 Rupees |
|---|------|--|-------------------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 4 | 1,888,229,137 | 1,649,074,339 |
| Long-term investments | 5 | 753,216,654 | 652,364,814 |
| Long-term deposits | | 1,055,400 | 1,055,400 |
| | | <u>2,642,501,191</u> | <u>2,302,494,553</u> |
| CURRENT ASSETS | | | |
| Biological assets | | 21,526,947 | 48,829,127 |
| Stores and spare parts | | 72,738,281 | 95,909,067 |
| Stock-in-trade | | 1,641,603,085 | 1,462,632,972 |
| Trade debts - unsecured | | 38,634,840 | 42,097,026 |
| Loans and advances - unsecured | 6 | 132,567,300 | 35,378,818 |
| Trade deposits and short term prepayments | | 10,049,103 | 9,817,974 |
| Other receivables | | 5,527,811 | 6,835,115 |
| Short term investments | | 897,229,292 | 725,422,253 |
| Advance income tax | | - | 9,970,709 |
| Cash and bank balances | | 133,080,221 | 45,554,037 |
| | | <u>2,952,956,880</u> | <u>2,482,447,098</u> |
| TOTAL ASSETS | | <u>5,595,458,071</u> | <u>4,784,941,651</u> |
| EQUITY AND LIABILITIES | | | |
| Share Capital and Reserves | | | |
| Issued, subscribed and paid-up capital | | 320,312,450 | 320,312,450 |
| Reserves | | 1,972,165,670 | 1,541,452,888 |
| | | <u>2,292,478,120</u> | <u>1,861,765,338</u> |
| Non-Current Liabilities | | | |
| Long-term financing - secured | | 346,734,506 | 273,232,712 |
| Liabilities against assets subject to finance leases | | 24,883,392 | 18,396,667 |
| Deferred liabilities | | 8,899,247 | 9,414,422 |
| Deferred taxation | | 348,660,887 | 289,248,760 |
| Provision for quality premium | | 119,290,919 | 119,290,919 |
| Market committee fee payable | | 70,334,256 | 26,160,000 |
| | | <u>918,803,207</u> | <u>735,743,480</u> |
| Current Liabilities | | | |
| Trade and other payables | 7 | 1,240,055,776 | 1,670,966,579 |
| Accrued mark-up | | 21,149,888 | 11,525,018 |
| Short term borrowings - secured | | 769,113,396 | 190,888,771 |
| Current portion of long term financing | | 165,325,269 | 151,020,204 |
| Current maturity of liabilities against assets subject to finance lease | | 16,488,415 | 14,866,318 |
| Provision for market committee fee | | 9,406,263 | 47,329,553 |
| Current Portion of Market Committee fee payable | | 3,757,652 | 2,180,000 |
| Income tax payable | | 54,250,374 | - |
| Sales Tax / F.E.D / S.E.D. payable | | 104,629,711 | 98,656,389 |
| | | <u>2,384,176,744</u> | <u>2,187,432,833</u> |
| Contingencies and Commitments | 8 | - | - |
| TOTAL EQUITY AND LIABILITIES | | <u>5,595,458,071</u> | <u>4,784,941,651</u> |

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.


Chief Executive Officer

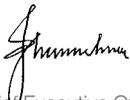

Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

For the period ended June 30, 2016 (Un-Audited)

| | Nine months ended | | Quarter ended | |
|---|------------------------|------------------------|------------------------|------------------------|
| | Jun 30, 2016 Rupees | Jun 30, 2015 Rupees | Jun 30, 2016 Rupees | Jun 30, 2015 Rupees |
| Turnover - net | 6,106,666,864 | 3,118,021,418 | 3,186,615,850 | 1,647,009,033 |
| Less: Sales Tax / F.E.D | (430,840,844) | (165,459,653) | (232,722,884) | (89,930,238) |
| Turnover - net | 5,675,826,020 | 2,952,561,765 | 2,953,892,966 | 1,557,078,795 |
| Cost of sales | (4,935,707,380) | (2,376,391,293) | (2,826,352,239) | (1,376,278,593) |
| Gross profit | 740,118,640 | 576,170,472 | 127,540,727 | 180,800,202 |
| Distribution costs | (32,200,776) | (32,448,943) | (7,851,525) | (9,076,914) |
| Administrative expenses | (146,836,886) | (134,825,882) | (46,801,887) | (48,341,935) |
| Other operating expense | (52,329,396) | (32,151,249) | - | (2,577,336) |
| Other operating income | 96,197,957 | 101,588,780 | 51,028,876 | 47,875,675 |
| | (135,169,101) | (97,837,294) | (3,624,536) | (12,120,510) |
| Operating profit | 604,949,539 | 478,333,178 | 123,916,191 | 168,679,692 |
| Finance costs | (84,765,694) | (125,745,244) | (33,389,650) | (61,504,708) |
| Share of profit from an associate – net of tax | 103,911,433 | 60,057,790 | 27,342,265 | - |
| Profit before taxation | 624,095,278 | 412,645,724 | 117,868,806 | 107,174,984 |
| Taxation | (134,243,572) | (83,565,335) | (3,242,892) | (4,823,767) |
| Profit after taxation | 489,851,706 | 329,080,389 | 114,625,914 | 102,351,217 |
| Earnings per share- Basic and diluted | 15.29 | 10.27 | 3.58 | 3.20 |

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Chief Executive Officer



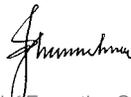
Director

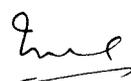
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the period ended June 30, 2016 (Un-Audited)

| | Nine months ended | | Quarter ended | |
|--|------------------------|------------------------|------------------------|------------------------|
| | Jun 30, 2016 Rupees | Jun 30, 2015 Rupees | Jun 30, 2016 Rupees | Jun 30, 2015 Rupees |
| Net profit for the period | 489,851,706 | 329,080,389 | 114,625,914 | 102,351,217 |
| <u>Other comprehensive income</u> | | | | |
| Items to be classified to profit and loss account in subsequent periods | | | | |
| Unrealised gain on revaluation of investments | 49,708,571 | 50,039,425 | 51,091,507 | 53,931,741 |
| Reclassification to profit and loss account for (gain) / loss upon sale of investments - net | 27,286,212 | (21,645,335) | 18,345,792 | (8,739,408) |
| | 76,994,783 | 28,394,090 | 69,437,299 | 45,192,333 |
| Total comprehensive income for the period | 566,846,489 | 357,474,479 | 184,063,213 | 147,543,550 |

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.


 Chief Executive Officer


 Director

CONDENSED INTERIM CASH FLOW STATEMENT

For the period ended June 30, 2016 (Un-Audited)

| | Jun 30, 2016 Rupees | Jun 30, 2015 Rupees |
|---|------------------------|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 624,095,278 | 412,645,724 |
| Adjustment for non-cash items: | | |
| Depreciation | 102,741,115 | 96,482,358 |
| Share of profit from an associate | (103,911,433) | (60,057,790) |
| Provision for market committee fee | 9,406,263 | 9,468,708 |
| Gain on disposal of fixed assets | (3,424,133) | (1,095,148) |
| Realised gain on disposal of short term investments | (252,244) | (38,500,545) |
| Finance costs | 84,765,694 | 125,745,244 |
| | 89,325,262 | 132,042,827 |
| Working capital changes | (625,073,808) | (649,515,813) |
| | (535,748,546) | (517,472,986) |
| Staff gratuity paid | (515,175) | (137,144) |
| Market Committee fee | (1,577,652) | (2,180,000) |
| Taxes paid | (23,211,462) | (15,271,050) |
| Finance costs paid | (75,140,824) | (109,523,621) |
| Net cash used in operating activities | (12,098,381) | (231,939,077) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | (345,073,726) | (138,405,545) |
| Short term investments | (698,904,759) | (546,753,906) |
| Proceeds from disposal of short term investments | 620,005,447 | 323,596,118 |
| Proceeds from disposal of operating fixed assets | 6,601,946 | 2,803,849 |
| Net cash used in investing activities | (417,371,092) | (358,759,484) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long-term financing - net | 87,806,859 | 3,555,169 |
| Short term loans - net | 578,224,625 | 768,704,503 |
| Financing against assets subject to lease (net) | 8,108,822 | (3,553,908) |
| Dividend paid | (157,144,649) | (96,609,013) |
| Net cash generated from financing activities | 516,995,657 | 672,096,751 |
| Net increase in cash and cash equivalents | 87,526,184 | 81,398,190 |
| Cash and cash equivalent at the beginning of the period | 45,554,037 | 33,192,734 |
| Cash and cash equivalents at the end of the period | 133,080,221 | 114,590,924 |

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director

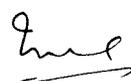
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the period ended June 30, 2016 (Un-Audited)

| | Reserves | | | | | | Total |
|---|--|-------------------|-------------------|--|---|-------------------------------|----------------------|
| | Issued, Subscribed and Paid-up Capital | Capital Reserve | Revenue Reserve | Gain/(loss) on changes in fair value of available for sale investments | Actuarial gain/(loss) on defined benefit plan | Accumulated (Losses) / Profit | |
| | Rupees | | | | | | |
| Balance as at October 01, 2014 | 320,312,450 | 63,281,250 | 85,000,000 | 90,537,834 | - | 1,093,115,916 | 1,652,247,450 |
| Profit for the Period | - | - | - | - | - | 329,080,389 | 329,080,389 |
| Net gain on revaluation of available for sale investments | - | - | - | 28,394,090 | - | - | 28,394,090 |
| Total comprehensive income for the Period | - | - | - | 28,394,090 | - | 329,080,389 | 357,474,479 |
| Final dividend for the year ended September 30, 2014 @ Re. 1 per share | - | - | - | - | - | (32,031,245) | (32,031,245) |
| Interim dividend for the year ended September 30, 2015 @ Re.1 per share | - | - | - | - | - | (32,031,245) | (32,031,245) |
| Interim dividend for the year ended September 30, 2015 @ Re.1.25 per share | - | - | - | - | - | (40,038,800) | (40,038,800) |
| Balance as at June 30, 2015 | 320,312,450 | 63,281,250 | 85,000,000 | 118,931,924 | - | 1,318,095,015 | 1,905,620,639 |
| Balance as at October 01, 2015 | 320,312,450 | 63,281,250 | 85,000,000 | 46,860,781 | (667,641) | 1,346,978,499 | 1,861,765,338 |
| Final dividend for the year ended September 30, 2015 @ Re. 1.5 per share | - | - | - | - | - | (48,047,287) | (48,047,287) |
| Interim dividend for the year ending September 30, 2016 @ Re.1.25 per share | - | - | - | - | - | (40,039,142) | (40,039,142) |
| Interim dividend for the year ending September 30, 2016 @ Re.1.5 per share | - | - | - | - | - | (48,047,278) | (48,047,278) |
| Profit for the Period | - | - | - | - | - | 489,851,706 | 489,851,706 |
| Net gain on revaluation of available for sale investments | - | - | - | 76,994,783 | - | - | 76,994,783 |
| Total comprehensive income for the Period | - | - | - | 76,994,783 | - | 489,851,706 | 566,846,489 |
| Balance as at June 30, 2016 | 320,312,450 | 63,281,250 | 85,000,000 | 123,855,564 | (667,641) | 1,700,696,498 | 2,292,478,120 |

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

For the period ended June 30, 2016 (Un-Audited)

1. THE COMPANY AND ITS OPERATIONS

Mehran Sugar Mills Limited (the Company) was incorporated in Pakistan as a public limited company on December 22, 1965 under the Companies Act, 1913 (now Companies Ordinance, 1984). The shares of the Company are quoted on Karachi Stock Exchange. The Company is principally engaged in the manufacturing and sale of sugar. The registered office of the Company is situated at 14th Floor, Dolmen City Executive Tower, Marine Drive, Block 4, Clifton, Karachi. The mill of the Company is located at Distt. Tando Allahyar, Sindh.

2. BASIS OF PRESENTATION

These interim condensed financial statements are un-audited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standard 34 'Interim Financial Reporting' as applicable in Pakistan. These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended September 30, 2015.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended September 30, 2015. Also we have adopted the amendments and interpretations of IAS and IFRS which are effective during the period but did not have any effect to these condensed interim financial statements.

4. OPERATING FIXED ASSETS

| | Un-audited Jun 30, 2016 | Audited Sep 30, 2015 |
|--|----------------------------|-------------------------|
| Opening written down value | 1,601,164,852 | 1,522,440,753 |
| Additions during the period | 299,631,309 | 211,414,619 |
| | <u>1,900,796,161</u> | <u>1,733,855,372</u> |
| Written down value of disposal during the period | 3,177,813 | 2,545,204 |
| | <u>1,897,618,348</u> | <u>1,731,310,168</u> |
| Depreciation charged during the period | 102,741,115 | 130,145,316 |
| | <u>1,794,877,233</u> | <u>1,601,164,852</u> |

4.1 CAPITAL WORK-IN-PROGRESS

| | | |
|---|-------------------|-------------------|
| Civil Works | 38,264,760 | 1,764,127 |
| Advance against supply of Plant & Machinery | 55,087,144 | 46,145,360 |
| | <u>93,351,904</u> | <u>47,909,487</u> |

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the period ended June 30, 2016 (Un-Audited)

| | Un-audited Jun 30, 2016 | Audited Sep 30, 2015 |
|--|----------------------------|-------------------------|
| 5. LONG TERM INVESTMENT | | |
| Associated Companies | | |
| Unicol Limited | 705,874,409 | 652,364,814 |
| UniEnergy Limited | 19,999,980 | - |
| | <u>725,874,389</u> | <u>652,364,814</u> |
| 5.1 The Company holds 23,059,573 (September 30, 2015: 23,059,373) shares representing 33.33 (Sep 30, 2015: 33.33) percent of the total equity of Unicol Limited which is involved in the manufacturing and selling of industrial ethanol. | | |
| 5.2 The Company holds 2,500,000 shares representing 25 percent (including 5% indirect holding) of the total equity of UniEnergy Limited, an unquoted Company, which is involved in the wind power project. | | |
| 6. LOANS AND ADVANCES-UNSECURED | | |
| Includes an amount of Rs. 53.39 million representing Federal Excise Duty paid on the basis of advance receipts from customers. | | |
| 7. TRADE AND OTHER PAYABLES | | |
| | Un-audited Jun 30, 2016 | Audited Sep 30, 2015 |
| Creditors | 152,523,123 | 47,052,566 |
| Accrued expenses | 243,084,386 | 247,734,507 |
| Advances from customers | 720,800,357 | 1,257,969,750 |
| Workers' Profit participation fund | 26,070,608 | 18,124,594 |
| Workers' Welfare fund | 48,770,021 | 36,781,789 |
| Unclaimed Dividend | 23,771,816 | 44,782,759 |
| Other liabilities | 25,035,465 | 18,520,614 |
| | <u>1,240,055,776</u> | <u>1,670,966,579</u> |

8. CONTINGENCIES & COMMITMENTS

CONTINGENCIES

There is no significant change in the contingencies since the last audited annual financial statements for the year ended September 30, 2015.

COMMITMENTS

Commitments in respect of capital expenditure as on June 30, 2016 amounted to Rs. 827.1 million (Sep 30, 2015: Rs. 710.73 million).

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

For the period ended June 30, 2016 (Un-Audited)

9. TRANSACTIONS WITH RELATED PARTIES

| | Jun 30, 2016 Un-audited | Jun 30, 2015 Un-audited |
|-----------------------------|----------------------------|----------------------------|
| Sales | 354,168,998 | 318,663,619 |
| Expenses shared | 827,862 | 729,267 |
| Donation Paid | 6,000,000 | 6,500,000 |
| Provident fund contribution | 6,431,911 | 5,806,118 |

10. EVENTS AFTER BALANCE SHEET DATE

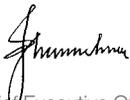
The Board of Directors in its meeting held on July 30, 2016 has declared an interim cash dividend of Rs. 1.5 per share i.e. 15% (June 30, 2015: Re. 1.25 per share i.e.12.5%).

11. GENERAL

These financial statements were authorized for issue on July 30, 2016 by the Board of Directors of the Company.

Previous period figures have been rearranged/regrouped wherever necessary to facilitate comparison.

Figures have been rounded off to the nearest rupee.



Chief Executive Officer



Director

CELEBRATING
50
YEARS

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