



Success is a Journey  
not a Destination



quarterly report december 2016

# Directors' Report

On behalf of the Board, I am pleased to present financial results for the first quarter ended December 31, 2016.

<b>Operational Highlights</b>	<b>2016-2017</b>	<b>2015-2016</b>
Season Started	<b>15-11-2016</b>	24-11-2015
Season Days	<b>47</b>	38
Crushing Days	<b>38</b>	38
Crushing- M.Tons	<b>255,444</b>	382,451
Capacity Utilization	<b>58.45%</b>	91.50%
Sucrose Recovery	<b>10.04%</b>	10.75%
Sugar Production- M.Tons	<b>23,988</b>	39,590
Molasses production- M.Tons	<b>9,860</b>	14,320
Molasses Recovery	<b>4.35%</b>	4.06%

<b>Financial Highlights</b>	<b>2016-2017</b>	<b>2015-2016</b>
	(Rupees in Thousand except EPS)	
Turnover	<b>946,507</b>	2,286,554
Sales tax /F.E.D	<b>78,091</b>	164,023
Gross profit	<b>148,940</b>	276,076
Gross Profit margin	<b>17.15%</b>	13.01%
Profit before tax	<b>272,306</b>	253,653
Profit before tax margin	<b>31.36%</b>	11.95%
Net Profit after tax	<b>259,785</b>	196,600
Net Profit margin	<b>29.91%</b>	9.26%
Earnings per share	<b>8.11</b>	6.14

Following factors were responsible for achieving these results:

- Improvement in average selling price of sugar, molasses and bagasse.
- Healthy gross margin due to improvement in selling price.
- Lower dispatches of sugar in the local market due to reduced stocks in hand.
- Share of Profit from Unicol Limited reduced to Rs. 22.11 Millions
- Significant contribution from Equities Portfolio on account of capital gains and dividend income.

The early start of the crushing season was not favourable for sugar mills in the Sind province. The late maturity of cane and lower harvesting meant that mills were not able to secure sugarcane supplies up to their capacity. This reflected in Mehran's crushing figures as well whereby during this period we were able to crush 33% less cane than the same period last year. The lower capacity utilisation meant that demand for cane exceeded supply which led to an escalation of cane prices.

Another worrying figure is the lower sucrose recovery as compared to last year. Surprisingly this trend is prevalent nationwide whereby recoveries are 7-10 percent lower. The major reason for this seems to be climatic conditions and especially the impact of some early maturing cane varieties.

The reduction in recovery and upward trend in sugarcane purchase price is expected to enhance cost of production. We hope to see an improvement in selling price of sugar especially in the latter half of the year to mitigate the effect of inflated cost of production. The governments' timely decision to allow sugar exports shall also help sustain margins.

Major works relating to BMRE have been completed. As mentioned previously the major focus for the capex has been to increase our plant energy efficiency to lay the foundation of the Co-Generation power project. As a result of last year's BMRE, we have been able to reduce steam % cane which has enhanced our bagasse saving. We are hopeful to double our Baggasse saving this year leading to additional revenues from this segment.

Our Equities investments have also performed well. Capital gains amounting to Rs. 144.23 Million and Dividends received have shown an improvement to Rs. 19.42 Millions.

Our power export to HESCO during the quarter remained up to the mark and we expect to achieve our budgetary targets. Till this period we were able to export 1.15 Million Units to the national grid.

## INDUSTRY REVIEW

The start of the crushing season proved to be very smooth. As advised by the Provincial Government, most of sugar mills started crushing on November 15, 2016. Minimum Support Price was notified at Rs. 182/40 kgs after consultations with stakeholders.

Availability of sugarcane during the period remained sufficient in the province. However, harvesting remained slow during the early part of the season in anticipation of higher price. The sucrose recovery trend remained lower than last year.

Initial estimates suggested that crop size in Sindh may remain similar to that of last year while crop in Punjab is expected to show improvement of 10-15 percent. Mills in Punjab have been crushing to their capacity and procuring sugarcane at notified price. Thus they may have an advantage over Sindh mills in respect of cost of production. Nevertheless, it is premature to predict the overall production and stock numbers at the moment. Situation would become clear in the next 60 days. Any shortfall in production numbers would only reduce the overall national surplus as consumption is expected to remain constant.

The Federal Government has announced an Export Policy for export of 225,000 metric tons. However, the policy is without any subsidy. Thus mills in Punjab and Khyber Pakhtoonkhwa have inherent advantage for exports to Afghanistan while exports through sea route may be more beneficial for mills in Sindh. However, international price of sugar has come down from US\$ 600/ton to US\$ 535-540/ton. Hence, exports at the moment are not very lucrative except that they would clear surplus national stocks.

## UNICOL LIMITED

The Company continued to operate satisfactorily during the period. Ethanol and CO<sub>2</sub> plants ran efficiently. The recent rise in international oil prices is expected to contribute positively in the next quarter. Margins in CO<sub>2</sub> declined during the period due to the impact of winter season. Profit before tax for Unicol was Rs. 76.34 million as compared to Rs. 87.74 million in the same period last year.

Management is also considering to list shares of the Company on Pakistan Stock Exchange. Proposal in this respect has been submitted to shareholders of the Company and subject to their approval, further action will be taken accordingly.

## FUTURE OUTLOOK

The crop survey shows that sugarcane output is expected to remain more or less similar to last year's figure. Sucrose recovery as mentioned earlier will be lower due to lesser rainfall and climatic conditions.

Mehran's production is expected to remain similar to that of last year while sucrose recovery may fall. Improvement in sugar selling price is expected to enable us to attain good operating results.

Unicol Limited continues to contribute positively after attaining stability in its operations. The Equities Portfolio is expected to contribute significantly in the profitability of the Company and is expected to continue its satisfactory performance.

For and on behalf of the Board of Directors



Mohammed Ebrahim Hasham  
Chief Executive Officer

Karachi: January 28, 2017

## یونی کول لمیٹڈ

کمپنی نے اس مدت کے دوران تسلی بخش طور پر کام کرنا برقرار رکھا۔ اسٹھانول اور CO<sub>2</sub> پلانٹس نے موثر طور پر کام کیا۔ تیل کی عالمی قیمتوں میں حالیہ اضافہ سے توقع ہے کہ اگلی سہ ماہی کے نتائج مثبت ہوں گے۔ موسم سرما کے اثر کی وجہ سے مدت کے دوران CO<sub>2</sub> کے مارجنز میں کمی ہوئی۔ یونی کول کے لئے ٹیکس سے پہلے نفع 76.34 ملین روپے تھا جب کہ پچھلے سال کی اسی مدت میں 87.74 ملین روپے تھا۔

انتظامیہ کمپنی کے شیئر (حصص) کو پاکستان اسٹاک ایکسچینج پر اندارج کرنے پر غور و خوض کر رہی ہے۔ اس سلسلے میں کمپنی کے شیئر ہولڈرز کو تجویز پیش کی جا چکی ہے اور ان کی منظوری سے مزید کارروائی باضابطہ طور پر عمل میں لائی جائے گی۔

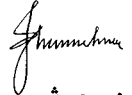
## مستقبل کا منظر

فصل کا سروے ظاہر کرتا ہے کہ گنے کی پیداوار کم و بیش پچھلے سال کی مانند رہنے کی توقع ہے۔ Sucrose ریکوری جیسا کہ پہلے بیان کیا گیا ہے۔ بارشیں کم ہونے اور موسمی حالات کی وجہ سے کم ہوں گی۔

مہران کی پیداوار توقع ہے کہ پچھلے سال کے مانند رہے گی۔ جب کہ sucrose ریکوری کم ہو سکتی ہے۔ چینی کی قیمتوں میں اضافے کی توقع ہے تاکہ ہم اچھے آپریٹنگ نتائج حاصل کرنے کے قابل ہوں۔

یونی کول اپنی اطمینان بخش کارکردگی کی وجہ سے کمپنی کے منافع میں مناسب حصہ ڈال رہا ہے۔ اسی طرح پاکستان اسٹاک ایکسچینج کی حالیہ کارکردگی کو مدنظر رکھتے ہوئے ہمیں امید ہے کہ ہماری حصص میں سرمایہ کاری سے بھی بہتر نتائج برآمد ہوں گے۔

از طرف بورڈ آف ڈائریکٹرز



محمد ابراہیم ہاشمی

چیف ایگزیکٹو آفیسر

کراچی 28 جنوری 2017

صوبہ سندھ میں چینی کی ملوں کے لئے کرشنگ میزن کا جلد آغاز موافقانہ نہ تھا۔ گنے کی کٹائی میں تاخیر اور کمی کا مطلب ہے کہ ملوں کو ان کی پیداواری صلاحیت کے مطابق گنے کی فراہمی ممکن نہیں تھی۔ اسے مہران کے کرشنگ فیکرز میں اجاگر کیا گیا ہے اس کے ساتھ ہی اس مدت کے دوران پچھلے سال کی اسی مدت کے مقابلے میں 33 فیصد کم کرش کرنے کے اہل تھے۔ پیداواری صلاحیت میں منفی رجحان گنے کے نرخوں میں اضافہ کا سبب بنا۔

دوسری جانب سکرو ریکوریز کے اعداد و شمار پچھلے سال کی مناسبت سے کم رہے۔ باوجود اس کے یہ رجحان قومی سطح پر بھی غالب ہے۔ جہاں ریکوریز 7 سے 10 فیصد کم ہیں۔ اس کی اہم وجہ موسمی حالات دکھائی دیتے ہیں اور بالخصوص گنے کی بعض اقسام کا وقت سے پہلے پکنے کا اثر ہے۔

سکرو ریکوری میں کمی اور گنے کی قیمت خرید میں اضافے کا رجحان متوقع ہے جس سے پیداواری لاگت مزید بڑھ جائے گی۔ ہمیں امید ہے کہ چینی کی قیمت فروخت میں اضافہ ہوگا بالخصوص سال کے اگلے چھ مہینوں میں تاکہ بڑھی ہوئی پیداواری لاگت کے اثر کو کم کیا جائے۔ حکومت کا چینی برآمد کرنے کے لئے اجازت دینے کا بروقت فیصلہ بھی پیداواری لاگت اور قیمت فروخت کے مابین پیدا ہونے والے فرق کو کم کرنے میں معاون ہو سکتا ہے۔

BMRE سے متعلق اہم کاموں کو مکمل کر لیا گیا ہے۔ جیسا کہ اس سے قبل بتایا گیا تھا کہ اس سال کی capex کا بنیادی مقصد پلانٹ کی انرجی کی کارکردگی میں اضافہ ہے جو کہ ہماری Co-Generation پاور پروڈیکٹ کے لئے بنیاد فراہم کرے گا۔ پچھلے سال کے BMRE کے نتیجے کے طور پر ہم گنے کی % Steam کم کرنے کے قابل ہو جائیں گے۔ جو ہماری Bagasse کی بچت میں اضافہ کرے گا۔ ہم پر امید ہیں کہ اس سال اس اقدام سے Bagasse کی بچت گنی ہو جائے گی۔

ہماری حصص میں سرمایہ کاری نے بھی حوصلہ افزاء کارکردگی دکھائی۔ 144.23 Capital Gain ملین روپے اور 19.42 Dividend ملین روپے رہا۔ سرمایہ کے دوران HESCO کو بیٹی کی فروخت اطمینان بخش رہی اور ہمیں امید ہے کہ ہم اپنا پروف باآسانی حاصل کر لیں گے۔ اس مدت تک ہم قومی گڈ وائیڈ 1.15 ملین پونے کی ترسیل کر چکے ہیں۔

## صنعتی جائزہ

کرشنگ میزن کا آغاز مثبت رہا۔ اور حکومت نے انسٹیبل ہولڈرز سے مشاورت کے بعد گنے کے نرخ مقرر کئے اور ملوں نے اسی مقرر کردہ گنے کی قیمت جو کہ 182 روپے فی 40 کلوگرام پر 15 نومبر 2016 سے کرشنگ کا آغاز کیا۔

اس عرصہ کے دوران صوبہ میں گنے کی دستیابی موزوں رہی۔ مگر کاشتکاروں نے زیادہ قیمت کے حصول میں میزن کے شروع کے حصہ میں سست روی برقرار رکھی۔ sucrose کی ریکوری کا رجحان پچھلے سال کے مقابلہ میں کم رہا۔

ابتدائی اندازہ لگایا گیا تھا کہ سندھ میں فصل کا حجم پچھلے سال کی مانند رہے گا جب کہ پنجاب میں 10-15 فیصد اضافہ کی توقع کی گئی ہے۔ پنجاب میں ملوں نے اپنی صلاحیت کے مطابق کرشنگ کی اور مقررہ قیمت پر گنا خرید لیا۔ لہذا انہیں سندھ پر پیداواری لاگت کے سلسلے میں سندھ کی ملوں پر فوقیت حاصل ہو سکتی ہے۔ اس کے باوجود مجموعی پیداوار اور اسٹاک کی مقداروں کے بارے میں پیش گوئی قبل از وقت ہے۔ حالات اگلے 60 دنوں میں واضح ہو جائیں گے۔ پیداواری تعداد میں کوئی کمی صرف فاضل اسٹاک کو کم کرنے کی کیونکہ چینی کی کھپت میں استحکام متوقع ہے۔

وفاقی حکومت نے 225,000 میٹرک ٹن کی ایکسپورٹ کے لئے ایکسپورٹ پالیسی کا اعلان کیا ہے۔ مگر پالیسی کسی سبسڈی کے بغیر ہے۔ چنانچہ پنجاب اور پنجتون خواہ کی ملیں افغانستان کو ایکسپورٹ کرنے کے لئے بہتر پوزیشن رکھتی ہیں جبکہ سمندری راستے کے ذریعے ایکسپورٹ سندھ کی ملوں کے لئے زیادہ سود مند ہوں گی۔ مگر چینی کی بین الاقوامی قیمتیں یو اے ڈالر 600 سے گر کر 540-535 یو اے ڈالر فی ٹن ہو گئی ہیں۔ چنانچہ اس مرحلے پر ایکسپورٹس بہت زیادہ سود مند نہیں ہیں ماسوائے کہ انہیں فاضل اسٹاکس میں کلیئر کیا جائے۔

## ڈائریکٹرز رپورٹ

ہم 31 دسمبر 2016 کو ختم ہونے والی سہ ماہی کے لئے مالیاتی نتائج پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

2015-2016	2016-2017	آپریٹل معلومات
24-11-2016	15-11-2016	بیزنس کا آغاز
38	47	بیزنس کے دن
38	38	کرٹنگ کے دن
382,451	255,444	کرٹنگ (میٹرک ٹن)
91.50 فیصد	58.45 فیصد	پیداواری صلاحیت کا استعمال
10.75 فیصد	10.04 فیصد	sucrose ریکوری
39,590	23,988	چینی کی پیداوار (میٹرک ٹن)
14,320	9,860	مولیسس کی پیداوار (میٹرک ٹن)
4.06 فیصد	4.35 فیصد	مولیسس کی ریکوری

2015-2016	2016-17	مالیاتی معلومات
(روپے ہزاروں میں ماسوائے فی حصص آمدنی)		
2,286,554	946,507	مجموعی فروخت
164,023	78,091	سیلونیٹس / ایف ای ڈی
276,076	148,940	خالص منافع
13.01 فیصد	17.15 فیصد	خالص منافع کی شرح
253,653	272,306	قبل از ٹیکس منافع
11.95 فیصد	31.36 فیصد	قبل از ٹیکس منافع کی شرح
196,600	259,785	بعد از ٹیکس منافع
9.26 فیصد	29.91 فیصد	بعد از ٹیکس منافع کی شرح
6.14	8.11	فی حصص آمدنی

مذکورہ نتائج حاصل کرنے میں مندرجہ ذیل عوامل کا اثر مانتے۔

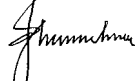
- چینی، مولیسس اور bagasse کی اوسط قیمت فروخت میں اضافہ
- قیمت فروخت میں اضافہ کی وجہ سے خالص منافع کی شرح میں اضافہ
- اسٹاکس میں کمی کی وجہ سے چینی کی ترسیل میں کمی
- یونی کول لمیٹڈ سے حاصل ہونے والا نفع 22.11 ملین روپے رہا
- مختلف کمپنیوں کے حصص کی فروخت سے حاصل ہونے والا Capital Gain اور حصص سے ملنے والے Dividend میں نمایاں اضافہ۔

# Condensed Interim Balance Sheet

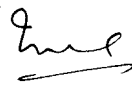
as at December 31, 2016

	Note	Un-audited Dec 31, 2016 Rupees	Audited Sep 30, 2016 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	2,081,705,987	1,952,924,527
Long term investments	5	837,677,925	765,563,846
Long term deposits		893,170	853,170
		<u>2,920,277,082</u>	<u>2,719,341,543</u>
<b>CURRENT ASSETS</b>			
Biological assets		29,133,220	43,848,243
Stores and spare parts		115,204,028	72,254,949
Stock-in-trade		1,065,158,796	412,035,787
Trade debts - unsecured		45,810,271	10,559,935
Loans and advances - unsecured		82,801,438	108,221,611
Trade deposits and short term prepayments		33,867,600	6,519,310
Other receivables		3,776,616	3,717,367
Short term investments		1,345,639,427	1,105,801,019
Cash and bank balances		18,917,875	34,438,332
		<u>2,740,309,271</u>	<u>1,797,396,553</u>
<b>TOTAL ASSETS</b>		<u><b>5,660,586,353</b></u>	<u><b>4,516,738,096</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed and paid-up capital		320,312,450	320,312,450
Reserves		2,336,631,060	2,003,103,005
		<u>2,656,943,510</u>	<u>2,323,415,455</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing - secured		576,994,175	304,848,460
Liabilities against assets subject to finance leases		52,037,045	21,210,474
Deferred liabilities		4,344,856	4,646,722
Deferred taxation		321,338,986	322,643,511
Provision for quality premium		119,290,919	119,290,919
Market committee fee payable		77,560,519	70,334,256
		<u>1,151,566,500</u>	<u>842,974,342</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,040,318,597	1,113,134,038
Accrued mark-up		11,009,609	8,841,589
Short term borrowings - secured		607,584,957	-
Current portion of long term financing		155,855,435	167,716,209
Current maturity of liabilities against assets subject to finance lease		19,636,313	15,128,895
Provision for market committee fee		2,554,442	9,406,263
Current Portion of market committee fee payable		3,757,652	3,757,652
Income tax payable		1,188,970	22,202,133
Sales Tax / F.E.D payable		10,170,368	10,161,520
		<u>1,852,076,343</u>	<u>1,350,348,299</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	6	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>5,660,586,353</b></u>	<u><b>4,516,738,096</b></u>

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



Chief Executive Officer



Director

# Condensed Interim Profit and Loss Account

For the period ended December 31, 2016 (Un-Audited)

	Dec 31, 2016 Rupees	Dec 31, 2015 Rupees
<b>Turnover</b>	<b>946,507,715</b>	2,286,553,693
Less: Sales Tax / F.E.D	<u>(78,091,921)</u>	<u>(164,023,290)</u>
<b>Turnover - net</b>	<b>868,415,794</b>	2,122,530,403
Cost of Sales	<u>(719,475,381)</u>	<u>(1,846,454,404)</u>
<b>Gross Profit</b>	<b>148,940,413</b>	276,075,999
Distribution costs	(4,767,554)	(9,591,697)
Administrative expenses	(45,866,215)	(39,302,001)
Other operating expense	(7,390,598)	(21,876,743)
Other operating income	173,451,615	23,515,829
	<b>115,427,248</b>	(47,254,612)
<b>Operating profit</b>	<b>264,367,661</b>	228,821,387
Finance costs	(14,175,186)	(12,320,741)
Profit from associate	22,114,079	37,152,443
<b>Profit before taxation</b>	<b>272,306,554</b>	253,653,089
Taxation	(12,521,367)	(57,052,917)
<b>Net Profit</b>	<b>259,785,187</b>	196,600,172
<b>Basic and diluted earning per share</b>	<b>8.11</b>	6.14

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

  
Chief Executive Officer

  
Director

# Condensed Interim Statement of Comprehensive Income

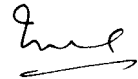
For the period ended December 31, 2016 (Un-Audited)

	Dec 31, 2016 Rupees	Dec 31, 2015 Rupees
<b>Net profit for the period</b>	259,785,187	196,600,172
<b>Other comprehensive income/(loss)</b>		
<b>Items to be classified to profit and loss account in subsequent periods</b>		
Unrealised gain / (loss) on revaluation of investments	172,530,258	(7,826,000)
"Reclassification to profit and loss account for (gain) / loss on sale of investments"	(98,787,390)	4,651,165
	73,742,868	(3,174,835)
<b>Total comprehensive income for the period</b>	<b>333,528,055</b>	<b>193,425,337</b>

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



Chief Executive Officer



Director

# Condensed Interim Cash Flow Statement

For the period ended December 31, 2016 (Un-Audited)

	Dec 31, 2016 Rupees	Dec 31, 2015 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	272,306,554	253,653,089
<b>Adjustemnts for non-cash and other items :</b>		
Depreciation	33,529,519	32,353,582
Share of profit from associate	(22,114,079)	(37,152,443)
Provision for market committee fee	2,554,442	3,824,509
Gain on disposal of fixed assets	(2,235,414)	(3,354,530)
Realised (gain) / loss on disposal of short term investments	(144,236,049)	5,311,396
Finance costs	14,175,186	12,320,741
Working Capital Changes	(784,116,226)	(603,672,695)
	(902,442,621)	(590,369,440)
Staff gratuity paid	(301,866)	-
Taxes paid	(34,839,055)	(16,516,128)
Market Committee fee paid	(2,180,000)	-
Finance costs paid	(12,007,166)	(16,250,390)
Long term deposits	(40,000)	-
<b>Net cash used in operating activities</b>	<b>(679,504,154)</b>	<b>(369,482,869)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(119,574,825)	(137,616,339)
Long term investment - associated undertaking	(50,000,000)	-
Increase in short term investments	(880,476,549)	(129,411,388)
Proceeds from disposal of short term investemnts	858,617,058	67,212,693
Proceeds from disposal of operating fixed assets	3,410,000	6,150,000
<b>Net cash used in investing activities</b>	<b>(188,024,316)</b>	<b>(193,665,034)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing obtained	260,284,941	166,155,269
Short term borrowing obtained	607,584,957	387,285,280
Liabilities against assets subject to finance lease	(8,576,751)	11,591,246
Dividend paid	(7,285,134)	(32,250,183)
<b>Net cash generated from financing activities</b>	<b>852,008,013</b>	<b>532,781,612</b>
Net decrease in cash and cash equivalents	(15,520,457)	(30,366,291)
Cash and cash equivalent at the beginning of the period	34,438,332	45,554,037
Cash and cash equivalents at the end of the period	18,917,875	15,187,746

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

  
Chief Executive Officer

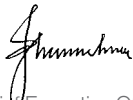
  
Director

# Condensed Interim Statement of Changes In Equity

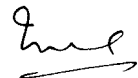
For the period ended December 31, 2016 (Un-Audited)

	Reserves					Total	
	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						
<b>Balance as at October 01, 2015</b>	320,312,450	63,281,250	85,000,000	46,860,781	(667,641)	1,346,978,499	1,861,765,339
Profit for the period	-	-	-	-	196,600,172	196,600,172	196,600,172
Net loss on revaluation of available for sale investments	-	-	(3,174,835)	-	-	(3,174,835)	(3,174,835)
Total comprehensive income for the period	-	-	(3,174,835)	-	196,600,172	193,425,337	193,425,337
<b>Balance as at December 31, 2015</b>	<u>320,312,450</u>	<u>63,281,250</u>	<u>85,000,000</u>	<u>43,685,946</u>	<u>(667,641)</u>	<u>1,543,578,671</u>	<u>2,055,190,676</u>
<b>Balance as at October 01, 2016</b>	320,312,450	63,281,250	85,000,000	146,743,888	3,473,393	1,704,604,475	2,323,415,455
Profit for the period	-	-	-	-	259,785,187	259,785,187	259,785,187
Net profit on revaluation of available for sale investments	-	-	73,742,868	-	-	73,742,868	73,742,868
Total comprehensive income for the period	-	-	73,742,868	-	259,785,187	333,528,055	333,528,055
<b>Balance as at December 31, 2016</b>	<u>320,312,450</u>	<u>63,281,250</u>	<u>85,000,000</u>	<u>220,486,756</u>	<u>3,473,393</u>	<u>1,964,389,662</u>	<u>2,656,943,510</u>

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



Chief Executive Officer



Director

# Condensed Notes to the Financial Statements

For the period ended December 31, 2016

## 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. STATEMENT OF COMPLIANCE

These condensed interim financial statements are unaudited, except for the figures of the condensed interim Balance Sheet for the year ended September 30, 2016. These are required to be presented to the shareholders under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard (IAS) – 34, “Interim Financial Reporting” and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. These condensed interim financial statements do not include all the information and disclosures 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, 2016.

## 3. SIGNIFICANT 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, 2016.

	Notes	Un-audited Dec 31, 2016	Audited Sep 30, 2016
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
<b>4.1 OPERATING FIXED ASSETS</b>			
Opening written down value		1,657,402,561	1,601,164,852
Additions during the period		<u>52,069,826</u>	<u>216,193,926</u>
		1,709,472,387	1,817,358,778
Written down value of disposal during the period		<u>1,174,586</u>	<u>22,545,390</u>
		1,708,297,801	1,794,813,388
Depreciation charged during the period		<u>33,529,519</u>	<u>137,410,827</u>
		<u><u>1,674,768,282</u></u>	<u><u>1,657,402,561</u></u>
<b>4.2 CAPITAL WORK-IN-PROGRESS</b>			
Buildings on freehold Land		62,181,556	53,838,481
Plant & Machinery		<u>344,756,149</u>	<u>241,683,485</u>
		<u><u>406,937,705</u></u>	<u><u>295,521,966</u></u>
<b>5. LONG TERM INVESTMENT - Associated Companies</b>			
Unicol Limited	5.1	767,742,717	745,628,638
UniEnergy Limited	5.2	19,935,208	19,935,208
Uni Foods Industries Limited	5.3	50,000,000	-
		<u><u>837,677,925</u></u>	<u><u>765,563,846</u></u>

# Condensed Notes to the Financial Statements

For the period ended December 31, 2016

- 5.1 The Company holds 23,059,573 (Sep 30, 2016: 23,059,573) shares representing 33.33 (Sep 30, 2016: 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 1,999,998 (Sep 30, 2016: 1,999,998) shares representing 20.00 (Sep 30, 2016: 20.00) percent of the total equity of UniEnergy Limited which is involved in the generation and supply of electric power.
- 5.3 The Company holds 5,000,000 (Sep 30, 2016: Nil) shares representing 24.00 (Sep 30, 2016: Nil) percent of the total equity of Uni foods Limited which is involved in the manufacturing and selling of confectionery and bakery products .

## 6. CONTINGENCIES & COMMITMENTS

### CONTINGENCIES

There is no significant change in the contingencies since the last audited annual financial statements for the year ended September 30, 2016.

### COMMITMENTS

Commitments in respect of capital expenditure as on December 31, 2016 amounted to Rs. 26.95 million (Sep 30, 2016: Rs. 52.35 million).

Commitments in respect of operating lease rentals for farms as on December 31, 2016 amounted to Rs. 1.15 million (Sep 30, 2016: Rs. 1.18 million).

Commitments in respect of equity investment as on December 31, 2016 amounted to Rs. 788.52 million (Sep 30, 2016: Rs. 838.52 million).

## 7. TRANSACTIONS WITH RELATED PARTIES

	Un-audited Dec 31, 2016	Un-audited Dec 31, 2015
Sales	80,043,827	83,829,409
Expenses shared	264,338	259,171
Provident fund contribution	2,438,450	2,166,342

## 8. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors in its meeting held on January 28, 2017 has declared an interim cash dividend of Re. 1.5 per share i.e. 15% (December 31, 2015: Re. 1.25 per share i.e.12.5%).

## 9. GENERAL

These financial statements were authorized for issue on January 28, 2017 by the Board of Directors of the Company.

Figures have been rounded off to the nearest rupee.

  
Chief Executive Officer

  
Director

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