MIRZA SUGAR MILLS LIMITED

CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED MARCH 31, 2012 (REVIEWED)

COMPANY PROFILE

BOARD OF DIRECTORS:

DR. (MRS). FEHMIDA MIRZA	Chairperson & Chief Executive
DR. ZULFIQAR ALI MIRZA	
MS. FARIDA ABBASI	
MR. ARSHAD ABID ABBASI	
MS. FAREHA ABID KAZI	
MIRZA SAULAT RAZA	
MR. IRSHAD HUSSAIN MIRZA	

AUDIT COMMITTEE:

MIRZA SAULAT RAZA	-	Chairman
MS. FARIDA ABBASI	-	Member
MR. IRSHAD HUSSAIN MIRZA	-	Member

CHIEF FINANCIAL OFFICER
& COMPANY SECRETARY:

MR. TARIQ MAHMOOD

LEGAL ADVISOR:

MR. GHULAM QADIR ZARGAR

AUDITORS:

M/S. RAHMAN SARFARAZ
RAHIM IQBAL RAFIQ
(CHARTERED ACCOUNTANTS)

BANKERS TO THE COMPANY:

HABIB BANK LIMITED
NIB BANK LIMITED.
MCB BANK LIMITED.

SHARES REGISTRAR:

M/S. TECHNOLOGY TRADE (PVT) LIMITED
DAGIA HOUSE, 241-C,
BLOCK-2, P.E.C.H.S.
OFF: SHAHRAH-E-QUAIDEEN,
KARACHI. TEL NO. 021-34391316-7

REGISTERED OFFICE:

10TH FLOOR, PORTION ‘B’
LAKSON SQUARE, BUILDING NO. 1,
SARWAR SHAHEED ROAD, KARACHI.

MILLS:

DEH CHHARO TAPPO, LOWARI SHARIFF
DISTRICT BADIN, SINDH.

E-MAIL ADDRESS:

pmsml@hotmail.com

WEBSITE:

www.mirzasugar.com

DIRECTORS' REPORT

Dear Shareholders :

Directors are pleased to present half yearly accounts of the company duly reviewed by the company auditors along with brief resume of company's activities during the period ended March 31, 2012.

General

Mirza Sugar Mills Ltd. started the regular crushing from December 27, 2011 and finally closed the operations on March 04, 2012. Due to recent rains and floods, sugarcane crop in the district Badin was badly hit. Consequently, cane availability from MSML zone was limited to about only 22 lacs maunds of cane against the normal availability of 30 lac maunds.

The Government of Sindh had increased the support price of cane to Rs.154/maund for the Season 2011-12. There was no room to indulge in price-war of cane. We started the season aggressively and succeeded in achieving a daily average crushing of 60,000 maunds with an initial recovery rate of 8.50%. But industry sentiments were otherwise. Market price of sugar, which was well over Rs.50/kg in November, started sliding down and hit the rock-bottom of Rs.44/45 per kg in the last week of December, 2011. This cruel reality was beyond anybody's control. Mills in Southern Sindh including MSML badly suffered as cane-cost per kg of sugar produced was well over Rs.44/-.

On overall basis, performance of MSML during Season 2011-12 was not satisfactory primarily because of higher cane-cost resulting from higher support price of sugarcane and falling price of sugar in the market. The company crushed 162,690 M.T. of cane and produced 16,050 M.T. of sugar during the season under review with average recovery of 9.87% compared to 244,767 M.T. of cane crushed, 24,095 M.T. of sugar produced with average recovery of 9.85% during last crushing season, showing a decline of 33.39% in production.

Operating Results

The operating results upto March 31, 2012 and for full season are given below for purpose of comparison:

Particulars		**Season 2011-2012 Full Season & March 31, 2012**	**Season 2010-2011 Full Season & March 31, 2011**
Season started		27-12-2011	26-11-2010
Season closed		04-03-2012	28-03-2011
Days worked		69	123
Sugarcane crushing	(Tons)	162,690	244,767
" "	(Maunds)	4,067,257	6,119,180
Sugar recovery	(%)	9.87	9.850
Sugar production	(Tons)	16,050	24,095
Molasses recovery	(%)	4.95	4.854
Molasses production	(Tons)	8,042	11,876

Except for marginal improvement in sucrose recovery achieved, performance of the mills during the season show a steep decline for reasons already mentioned in the earlier section.

Financial Results

Accounts duly reviewed by the auditors show a gross loss of Rs. 25.25 million during the period under review compared to a gross profit of Rs.119.57 million during the corresponding period last year. Net loss after tax of Rs.69.75 million was booked during the period under report compared to a net profit of Rs.65.87 million during the same period last year. Losses incurred by the company during the season under review are attributable to higher cane-cost and lower market prices of sugar affecting company's cash flow adversely.

Auditors' Review Report

Auditors' Observations about Going Concern

As a matter of emphasis, the auditors have given a paragraph about going concern assumption used by the Company in preparation of the financial statements that it is dependent on the ultimate outcome of the matters disclosed in Note 1.2 to the financial statements.

Management, after fair assessment, has accordingly prepared the financial statements on going concern basis. During previous 3 years company has made handsome progress and gave robust performance. The company is also regularly liquidating its bank-liabilities as per mutual agreements reached with the banks, except for NIB & ICP which are pending due to adjudication in courts.

Non-confirmation of Outstanding Balance by IDBP (formerly ICP)

The Auditors have reported that they did not receive response by IDBP (formerly ICP) to their letter confirming balance outstanding in the Company's books as disclosed in note 9.2 to the annual audited financial statements for the year ended September 30, 2011.

As already disclosed company has entered into agreements with various banks and paying their dues on regular basis. For settlement with IDBP (formerly ICP), the management is making necessary efforts and also contesting the matter in the court. Under the circumstances, IDBP (formerly ICP) would have preferred not to send any response to confirmation requested by the auditors.

Future Prospects

Prospects of cane in district Badin which were badly hit by floods in recent past are not good. In the zone of MSML cane acreage is estimated at 10,000 acres which is 20% less than last year. In the areas from where flood-waters have receded, crop conditions are better.

MIRZA SAULAT RAZA
Director

IRSHAD HUSSAIN MIRZA
Director

May 17, 2012

Note: The Chief Executive presently being out of station, the Directors' Report is signed by two directors.

AUDITORS' REPORT TO MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Mirza Sugar Mill Limited ("the Company") as at March 31, 2012** and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement for the half year then ended together with the notes forming part thereof (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of the interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on the interim financial information based on our review.

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended March 31, 2012 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the half year ended March 31, 2012.

Scope of review

Except for the matter discussed in qualified opinion paragraph below, we conducted our review in accordance with International Standards on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consist 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 then 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.

Basis of Qualified Conclusion

We did not receive response to our letter confirming balance outstanding in the Company's books against a financial institution namely Industrial Development Bank of Pakistan (formerly Investment Corporation of Pakistan) disclosed in note 9.2 to the annual audited financial statements for the year ended September 30, 2011. We could not satisfy ourselves as to the accuracy and completeness of the balance appearing in the Company's books against it through alternative review procedures. Therefore, we are unable to determine as to whether any adjustments are required to related carrying value appearing in the Company's books of account and financial statements thereof.

Conclusion

Based on our review, except for the effect of the adjustments that might have been determined to be necessary had we been able to satisfy ourselves as to the matter described in qualification conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at March 31, 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Emphasis of matter paragraph

Without further qualifying our conclusion, we draw attention to note 1.2 to the interim financial information which indicates that the company has incurred a net loss of Rs. 69.749 million (March 31, 2011: Profit Rs. 65.870 million) during the period ended March 31, 2012 and, as of that date accumulated losses of the Company amounted to Rs. 688.958 million (September 30, 2011: Rs. 619.208 million). The equity of the Company is negative by Rs. 547.958 million (September 30, 2011: Rs.478.21million). The Company's current liabilities exceeds its current assets by Rs. 330.170 million (September 30, 2011:Rs. 269.292 million).These conditions along with other matters as set forth in note 1.2 indicate existence of material uncertainty which may cast significant doubt about the ability of the Company to continue as a going concern.

Dated: May 17, 2012

Karachi.

Chartered Accountants
Engagement Partner: Muhammad Rafiq Dosani

CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2012

	Note	Unaudited March 31, 2012	Audited September 30, 2011
		Rupees	
ASSETS			
NON - CURRENT ASSETS			
Property Plant and Equipment	5	**185,698,132**	194,570,041
CURRENT ASSETS			
Stores, spares and loose tools		**27,438,309**	28,486,958
Stock in trade		**228,860,336**	140,826,612
Trade debts- unsecured/ considered good		**246,637**	36,010,130
Prepayments, loan and advances		**20,615,941**	64,309,370
Cash and bank balances		**4,002,395**	14,195,373
		281,163,618	283,828,443
		466,861,750	**478,398,484**
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
AUTHORIZED CAPITAL			
15,000,000 Ordinary shares of Rs. 10/- each		**150,000,000**	150,000,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
14,100,000 (September 2011:14,100,000) Ordinary shares of Rs. 10/-each fully paid in cash		**141,000,000**	141,000,000
Accumulated losses		**(688,958,612)**	(619,208,871)
		(547,958,612)	(478,208,871)
NON-CURRENT LIABILITIES			
Long Term finance		**16,788,482**	16,788,482
Deferred liabilites		**386,698,201**	386,698,201
CURRENT LIABILITIES			
Current portion of long term finances		**348,301,612**	359,692,308
Trade and other payables		**232,447,970**	143,128,407
Accrued mark up on finances		**18,991,931**	18,991,927
Provision for taxation		**11,592,166**	31,308,029
		611,333,680	553,120,671
CONTINGENCIES	6	**-**	-
		466,861,750	478,398,484

The annexed notes from 1 to 12 form an integral part of these condensed interim financial information.

Director **Director**

The Chief Executive Officer presently being out of station, therefore, these condensed interim financial information have been signed by two directors as per the requirements of section 241 of the Companies Ordinance, 1984.

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED MARCH 31, 2012

	Note	Half year ended		Quarter ended	
		March 31, 2012	March 31, 2011	**March 31, 2012**	March 31, 2011
		Rupees			
Sales - net		**630,440,822**	1,108,050,809	**549,580,127**	1,000,396,106
Cost of sales	7	**(655,688,382)**	(988,478,507)	**(502,288,952)**	(885,048,216)
Gross (loss)/profit		**(25,247,560)**	119,572,302	**47,291,175**	115,347,890
Operating expenses					
Administrative expenses		**35,092,766**	31,095,386	**18,877,675**	17,061,300
Distribution costs		**882,599**	1,121,701	**855,540**	1,055,103
		(35,975,365)	(32,217,088)	**(19,733,215)**	(18,116,403)
Operating (loss)/profit		**(61,222,925)**	87,355,215	**27,557,960**	97,231,487
Finance costs		**(2,229,911)**	(4,700,786)	**(1,808,287)**	(3,853,277)
Workers profit participation fund		**-**	(4,132,721)	**-**	(4,132,721)
Workers welfare fund		**-**	(1,570,434)	**-**	(1,570,434)
Other (charges) / income		**7,504**	-	**1,708**	-
		(2,222,407)	(10,403,941)	**(1,806,579)**	(9,556,433)
Net (loss)/profit before taxation		**(63,445,333)**	76,951,273	**25,751,380**	87,675,054
Taxation - current		**(6,304,408)**	(11,080,508)	**(5,495,801)**	(10,003,961)
Net (loss)/profit after taxation		**(69,749,741)**	65,870,765	**20,255,579**	77,671,093
Earnings per share - basic & diluted		**(4.95)**	4.67	**1.44**	5.51

The annexed notes from 1 to 12 form an integral part of these condensed interim financial information.

Director **Director**

The Chief Executive Officer presently being out of station, therefore, these condensed interim financial information have been signed by two directors as per the requirements of section 241 of the Companies Ordinance, 1984.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER AND HALF YEAR ENDED MARCH 31, 2012

	Half year ended		Quarter ended	
	March 31, 2012	**March 31, 2011**	**March 31, 2012**	**March 31, 2011**
	-----------------------Rupees-----------------------			
(Loss)/profit after taxation	**(69,749,741)**	65,870,765	**20,255,579**	77,671,093
Other comprehensive income/(loss) for the period	**-**	-	**-**	-
Total comprehensive (loss)/income for the period transferred to equity	**(69,749,741)**	65,870,765	**20,255,579**	77,671,093

The annexed notes from 1 to 12 form an integral part of these condensed interim financial information.

Director **Director**

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED MARCH 31, 2012

	Share Capital	Accumulated Losses	Total
		Rupees	
Balance as at October 01, 2010 (Audited)	141,000,000	(637,961,903)	(496,961,903)
Comprehensive income for half year	-	65,870,765	65,870,765
Cash dividend (Rs.1 per share) paid to minority shareholders	-	(5,859,830)	(5,859,830)
Balance as at March 31, 2011 (Un Audited)	**141,000,000**	**(577,950,968)**	**(436,950,968)**
Comprehensive loss for half year	-	(41,257,903)	(41,257,903)
Balance as at September 30, 2011 (Audited)	**141,000,000**	**(619,208,871)**	**(478,208,871)**
Comprehensive loss for half year	-	**(69,749,741)**	**(69,749,740)**
Balance as at March 31, 2012 (Un Audited)	**141,000,000**	**(688,958,612)**	**(547,958,611)**

The annexed notes from 1 to 12 form an integral part of these condensed interim financial information.

Director **Director**

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2012

	October 1, 2011 to March 31, 2012	October 1, 2010 to March 31, 2011
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	**(63,445,333)**	76,951,273
Adjustments for:		
Depreciation	**9,958,807**	10,445,369
Finance cost	**2,229,911**	4,700,786
Gain on sale of Property, Plant and Equipment	**(7,504)**	-
	12,181,214	15,146,155
Operating (loss)/ profit before working capital changes	**(51,264,119)**	92,097,428
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	**1,048,649**	(1,111,625)
Stock in trade	**(88,033,724)**	(380,990,556)
Trade debtors - unsecured	**35,763,493**	1,749,262
Loans and advances	**20,223,940**	21,516,693
Increase in current liabilities		
Trade and other payables	**89,135,541**	290,816,324
	58,137,899	(68,019,902)
Cash generated from operations	**6,873,780**	24,077,527
Taxes paid	**(2,550,778)**	(3,615,179)
Finance cost paid	**(891,652)**	(4,700,782)
	(3,442,430)	(8,315,961)
Net cash generated from operating activities	**3,431,350**	15,761,566
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant & equipment	**(1,162,294)**	(7,802,500)
Proceed from disposal of property, plant and equipment	**82,900**	-
Net cash used in investing activities	**(1,079,394)**	(7,802,500)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term finance	**(12,544,934)**	(10,221,546)
Dividend payment	**-**	(5,859,830)
Net cash used in financing activities	**(12,544,934)**	(16,081,376)
Net (decrease)/increase in cash and cash equivalents during the period	**(10,192,978)**	(8,122,310)
Cash and cash equivalents at beginning of the period	**14,195,373**	18,275,800
Cash and cash equivalents at end of the period	**4,002,395**	10,153,490

The annexed notes from 1 to 12 form an integral part of these condensed interim financial information.

Director **Director**

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED MARCH 31, 2012

1 THE COMPANY AND ITS OPERATIONS

1.1 The company was incorporated in Pakistan on January 16, 1990, as a public limited company and listed on Karachi and Lahore Stock Exchanges. The principal business of the company is to manufacture and sell white sugar.

1.2 The company has incurred a net loss of Rs. 69.749 million for the period (March 31, 2011: profit Rs.65.870 million) and as of the reporting date the accumlated losses of the company is Rs. 688.958 million (September 2011: Rs. 619.208 million). Its equity is negative by Rs. 547.958 million (September 30, 2011: Rs.478.21million) and its current liabilities exceeds current assets by Rs. 330.170 million (September 2011: Rs. 269.29 million). Moreover there are contingencies as disclosed in note 12 to annual audited financial statements for the year ended September 30, 2011 which include settlement of NIB Bank Limited loan liability that is currently contested by the company and pending in court. The ultimate outcome of which can not be presently determinable.

These conditions indicate existence of material uncertainty which may cast significant doubt about the ability of the Company to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The current period's unsatisfactory operating performance is due to erratic event of floods in the factory area but even though the company was able to produce 16,050 metric tons of sugar in prevailing deteriorating circumstances.The company's accumulated loss and negative equity would be substantially reduced by an amount of Rs. 285.821 million as at September 2012 due to transfer of defferred liability to profit and loss on completion of rescheduled loan payment to HBL. The net current liability postion is mainly due to overdue obligations of NIB Bank limited which are Rs. 329.827 million as at the reporting period. The company sought the matter to be settled through proceedings in the Court or through out of the Court settlement at substantialy reduced amount as disclosed in note 9.1 to the annual audited financial statements for the year ended September 30, 2011 and expects that it shall be able to meet its obligations as and when arise at the end of proceeding or earlier through negotiations with the bank based on returns from its operations or through injection of funds by sponsors as and when required.

In view of the above, these interim financial information have been prepared on going concern basis.

1.3 SEASONALITY OF OPERATIONS

Due to the seasonal availability of sugarcane during the period beginning from November to March next year, the Company's production facilities operated at full capacity during the period covered under this interim financial information. Therefore, costs of production and stock levels are expected to decline in the upcoming half year compared to the period covered under this interim financial information.

2 STATEMENT OF COMPLIANCE

2.1 The condensed interim financial information have been prepared in accordance with the requirements of the International Accounting Standard - 34 “Interim Financial Reporting” as applicable in Pakistan and the requirements under section 245 of the Companies Ordinance 1984. The condensed interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Companies Annual Financial Statements for the year ended September 30, 2011.The figures for the half year ended March 31, 2012 have been subjected to limited scope review by the auditors as required by the Code of Corporate Governance.

2.2 This condensed interim financial information comprises of the condensed interim balance sheet as at March 31, 2012 and the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and the condensed interim cash flow statement for the half year then ended which have not been audited but subjected to a review. This condensed interim financial information also includes the condensed interim profit and loss account for the quarter ended March 31, 2012 which is not subject to the review.

2.3 The comparative condensed balance sheet, presented in this condensed interim financial information, as at September 30, 2011 has been extracted from the annual audited financial statements of the Company for the year ended September 30, 2011 whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement for the half year ended March 31, 2011 have been extracted from the condensed interim financial information for the half year ended March 31, 2011 which were subjected to a review but not audited. The comparative condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended March 31, 2011 included in this condensed interim financial report was not subject to the review.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended September 30, 2011.

3.1 The company has adopted the following amended IFRS and related interpretations which became effective during the period:

IFRS 7 Financial Instruments: Disclosures - Amendments enhancing Disclosures about transfers of Financial assets.

IAS 24: Related Party Transactions (Revised)

The Company expects that the adoption of the above new and amended standards will not have any significant effect on the Company's financial statements in the period of initial application except for certain additional disclosures.

3.2 Standards not yet effective

Following are the new and amended standards that have been issued and are mandatory for the accounting periods effective from the dates mentioned below against the respective revised standards:

IAS 12 Income Tax (Amendment) - (Effective from the periods beginning on or after July 1, 2012) Deferred Taxes : Recovery of Underlying Assets.

IAS 1 Presentation of Financial Statements - (Effective from the periods beginning on or after July 1, 2012) Amendments to revise the way other comprehensive income is presented.

IAS 19 Employee Benefits - (Effective from the periods beginning on or after July 1, 2012) Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects

The adoption of the above standards, amendments / improvements and interpretations did not have any material effect on the condensed interim financial information of the Company.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial information in conformity with approved accounting standards require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing the condensed interim financial information, the significant judgments made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceding published annual financial statements of the Company as at and for the year ended September 30, 2011.

5 PROPERTY, PLANT & EQUIPMENT

	Note	March 31,2012	September 30,2011
		---------------------Rupees-------------------	
Opening WDV		194,570,041	206,455,303
Addition to Property Plant and Equipment during the period			
Furniture and Fixture		165,570	-
Office equipment		926,724	-
Plant and machinery		-	7,752,000
Vehicles		70,000	7,810,500
Disposal in Property, Plant and Equipment			-
Vehicles		(75,396)	-
Impairment loss		-	(6,000,000)
Depreciation for the period		(9,958,807)	(21,447,762)
Closing WDV		185,698,132	194,570,041

6 CONTINGENCIES

The status of contingencies is the same, as have been reported in the financial statements for the year ended September 30, 2011 with the exception of the following;

The Company is contesting demand for S.E.D arising out of order dated Oct 13, 2011 issued by DCIR. The Company's appeal against impugned order was fixed and heard but the order is still pending. The DCIR's order resulted in a demand for SED amounting Rs 17.460 million on sales from July 2007 to March 2011 alongwith default surcharge and penalty on the ground that SED was payable on whole sale cash price and not on the value fixed by the Federal Government. The Company's legal counsel is of the opinion that the company has duly complied with the requirement of Federal Excise law and to the Government notification and no liability is likely to arise in this respect.

In view of above, no provision has been made in these financial information.

7 COST OF SALES

	Half year ended		Quarter ended	
	March 31, 2012	March 31, 2011	**March 31, 2012**	March 31, 2011
	Rupees			
Raw material consumed (including procurement and development exp.)	**656,263,325**	1,280,993,418	**624,493,266**	1,220,896,336
Chemicals	**7,663,637**	7,819,346	**7,118,965**	7,245,572
Oil & Lubricants	**2,272,517**	2,410,671	**1,482,354**	1,864,914
Stores and spares consumed	**24,502,161**	22,310,316	**14,445,805**	4,076,411
Packing material consumed	**6,586,199**	8,868,330	**6,484,943**	8,659,255
Salaries and allowances	**25,942,037**	26,067,110	**17,185,985**	18,077,549
Repair and maintenance	**1,171,883**	1,189,490	**665,936**	431,699
Fuel and power	**4,321,094**	4,404,927	**2,140,782**	1,833,745
Insurance	**2,514,116**	2,182,400	**1,257,058**	1,091,200
Freight and handling	**1,438,212**	1,487,318	**536,721**	892,435
Depreciation	**8,564,436**	9,612,418	**4,282,218**	4,896,109
Others	**2,482,489**	2,123,319	**2,153,988**	1,738,591
	743,722,106	1,369,469,063	**682,248,021**	1,271,703,816
Opening stock				
Finished stock	**138,967,362**	76,675,587	**48,901,267**	35,294,429
Sugar in process	**1,859,250**	973,919	**-**	35,484,034
Molasses	-	-	-	1,206,000
	140,826,612	77,649,506	**48,901,267**	71,984,463
	884,548,718	1,447,118,569	**731,149,288**	1,343,688,279
Closing stock				
Finished stock	**227,007,132**	427,099,862	**227,007,132**	427,099,862
Sugar in process	**1,853,204**	1,859,250	**1,853,204**	1,859,250
Molasses	-	29,680,950	-	29,680,950
	(228,860,336)	(458,640,062)	**(228,860,336)**	(458,640,062)
	655,688,382	988,478,507	**502,288,952**	885,048,217

8 LOSS FOR THE HALF YEAR

The Company sold 13,309.3 metric tonnes of sugar during this half year compared with sales of 17,405 metric tonnes in the same period last year. The number of working days of plant remain as below as 69 days only as compared with 123 days in previous corresponding period because cane crop was severely affected in current period due to flood in factory area which led to decline in production by 33.39% as compared to corresponding period. Average market price of sugar during peak crushing season 2011-12 was only Rs.45/kg compared to Jan-March'2011 price of Rs.60/kg showing a decline of 25%. Prices of sugar during last season kept on rising with close of season to a price of Rs.70/kg but during the year 2011-12 market price of sugar remained depressed. Even an overall decline in average cane cost during 2011-12 i.e. Rs.158/40 kg compared to Rs.205/40 kg last year, could not compensate and absorb major portion of fixed costs. These factors contributed mainly to the loss in this period. This loss is expected to reduce in next reporting period as only minimal manufacturing cost is required to be incurred by the company in that period.

9 RELATED PARTY TRANSACTIONS

	Half year ended	
	March 31, 2012	March 31, 2011
	Rupees	
Significant transactions with the related parties during the half year ended are as follows:		
Contribution to Workers' profit participation fund	**184,022**	4,132,721
Contribution to Provident fund trust	**235,805**	710,705
Chief executive and directors' remuneration	**2,251,500**	1,796,925
Balances with related parties at the end of the period are as follows:		
Payable to Workers' profit participation fund	**2,630,951**	12,965,190
Payable to Provident fund trust	**2,068**	13,233
Loan from related party	**16,788,482**	16,788,482

10 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

Financial risk management objectives and policies used to meet these objectives were same as being followed as at September 30, 2011.

11 AUTHORIZATION FOR ISSUE

These condensed interim financial information have been authorized by the Board of Directors of the Company for issue on May 17, 2012 .

12 GENERAL

Figures have been rounded off to the nearest rupee.

Director **Director**

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