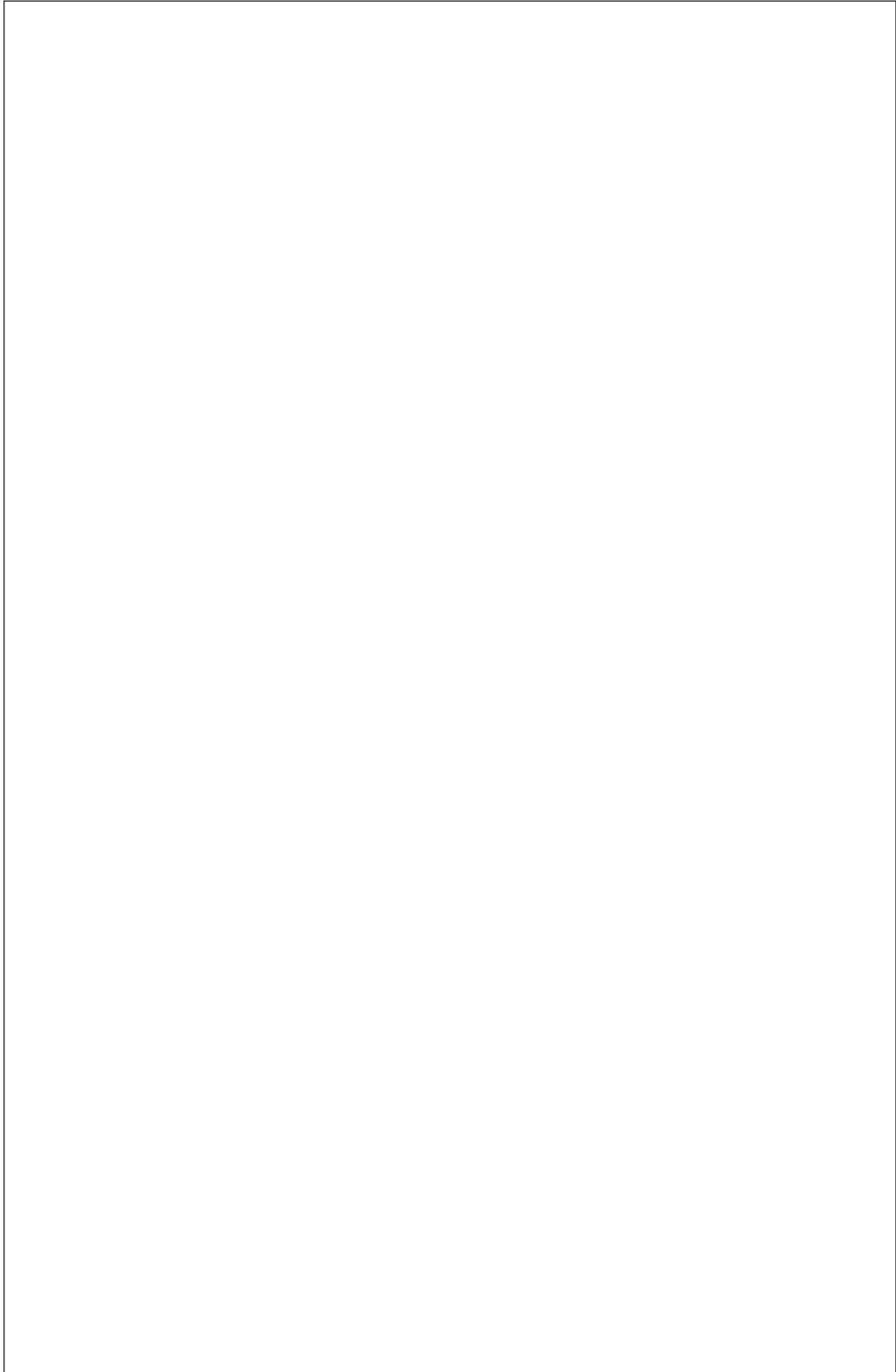


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company information

BOARD OF DIRECTORS

Mr. Mahmood Faruque
Mr. Aslam Faruque
Mr. Mohammed Faruque
Mr. Akbarali Pesnani
Mr. Arif Faruque
Mr. Tariq Faruque
Mr. Maqbool H.H. Rahimtoola (NIT)
Mr. Muhammad Iqbal Hussain (NIT)
Mr. Taufique Habib

Chairman
Chief Executive
Director
Director
Director
Director
Director
Director
Director

AUDIT COMMITTEE

Mr. Akbarali Pesnani
Mr. Arif Faruque
Mr. Tariq Faruque
Mr. Maqbool H.H. Rahimtoola

Chairman
Member
Member
Member

CHIEF FINANCIAL OFFICER

Mr. Wasif Khalid

COMPANY SECRETARY

Mr. Abid A. Vazir

AUDITORS

Hyder Bhimji & Co.
Chartered Accountants

LEGAL ADVISOR

K.M.S. Law Associates

SHARE REGISTRAR

Central Depository Company of Pakistan
CDC House, 99-B, Block "B", S.M.C.H.S.
Main Shahrach-e-Faisal, Karachi.

BANKERS

Allied Bank Ltd.
Bank Al-Falah Ltd.
Bank AL-Habib Ltd.
Habib Bank Ltd.
MCB Bank Ltd.
Meezan Bank Ltd.
National Bank of Pakistan
NIB Bank Ltd.
Soneri Bank Ltd.
United Bank Ltd.

REGISTERED OFFICE

Modern Motors House
Beaumont Road
Karachi-75530

FACTORY

Post Office Jamrao
District Mirpurkhas
Sindh

directors' review

The Board of Directors presents the un-audited financial results of the company for the first quarter ended December 31, 2010.

Production

The crushing for the season 2010/11 commenced on November 5, 2010 and the plant operated for 57 days during the first quarter of the year as against 50 days at the same time last year. During the period under review, the company crushed 105,140 metric tons of sugarcane to produce 9,177 metric tons of sugar compared to 164,199 metric tons of sugarcane crushed during the corresponding period last year to produce 15,630 metric tons sugar. During the period, the company also produced 3,688 metric tons of sugar from imported raw sugar. The sucrose recovery during the quarter remained at 9.41% as against 9.78% at the same time last year. The production of molasses declined to 4,555 metric tons as against 7,698 metric tons last year.

Financial Performance

During the period under review, the sales revenue of the company remained at PKR 675.48 million compared to PKR 689.48 million at the same period last year as reflected in the table below. An exorbitant increase was witnessed in the cost of production because of high rate of sugarcane fixed by the government and competition for cane amongst sugar mills. For the season 2010/11, Sind Government has fixed the price of sugarcane at PKR 127 per maund, an increase of 25% over last year. The company managed to sell 10,229 metric tons of sugar compared with 15,792 metric tons sold in the corresponding period. The company also accounted for its one-third share of profit in the joint venture distillery - Unicol Limited amounting to PKR 5.81 million and adjusted its investment in the associate by the same amount. After taking into consideration the above factors along with various expenses and government taxes, the after tax profit comes to PKR 33.80 million for the quarter under review

	December 31, 2010	December 31, 2009
	(Rs. in million)	
Net sales	675.48	689.48
Cost of sales	(599.17)	(609.92)
Gross profit	76.31	79.56
Other income	1.49	0.62
Share of profit in associate	5.81	10.21
Other expenses & taxes	(49.81)	(41.54)
Net profit	33.80	48.85

Acknowledgment

The management of the company would like to thank all the financial institutions, individuals, staff members and shareholders who have been associated with the company for their continued support and cooperation.

On behalf of the Board of Directors


Mahmood Faruque
Chairman

Karachi: January 25, 2011

condensed interim balance sheet
as at december 31, 2010

	Note	Dec. 31, 2010 (Un-audited)	Sep. 30, 2010 (Audited)
(Rupees in '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	855,491	807,230
Intangible asset		5,500	2,200
Long-term investment	6	181,890	176,077
Long-term deposits		732	732
		1,043,613	986,239
CURRENT ASSETS			
Stores, spare parts and loose tools		168,423	111,144
Stock-in-trade		396,207	125,715
Trade debts		7,765	90,979
Loans and advances		34,437	77,412
Short-term prepayments		5,033	1,380
Other receivables		53,858	6,803
Short-term investments		76,035	56,616
Cash and bank balances		70,101	31,152
		811,859	501,201
TOTAL ASSETS		1,855,472	1,487,440
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	7	84,332	70,277
Reserves		339,942	311,318
		424,274	381,595
SURPLUS ON REVALUATION OF FIXED ASSETS			
		173,056	173,056
NON-CURRENT LIABILITIES			
Long-term financing		88,890	88,890
Deferred liabilities		249,866	249,341
		338,756	338,231
CURRENT LIABILITIES			
Trade and other payables		592,361	365,993
Accrued mark-up		16,534	14,843
Taxation-net		7,569	7,400
Short-term borrowings	8	258,478	161,878
Current portion of long-term financing		44,444	44,444
		919,386	594,558
CONTINGENCIES AND COMMITMENTS			
	9		
TOTAL EQUITY AND LIABILITIES		1,855,472	1,487,440

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


ASLAM FARUQUE
Chief Executive


TARIQ FARUQUE
Director

condensed interim profit and loss account (un-audited)
for the quarter ended december 31, 2010

	Note	Dec. 31, 2010	Dec. 31, 2009
(Rupees in '000)			
Turnover - net	11	675,480	689,479
Cost of sales	12	(599,174)	(609,922)
Gross profit		76,306	79,557
Distribution cost		(694)	(1,820)
Administrative expenses		(19,056)	(14,075)
Other operating expenses		(2,853)	(3,954)
		(22,603)	(19,849)
Other operating income		1,489	623
Operating profit		55,192	60,331
Finance cost		(17,316)	(9,172)
		37,876	51,159
Share of profit in an associate		5,813	10,205
Profit before taxation		43,689	61,364
Taxation			
Current		(9,887)	(8,886)
Deferred		-	(3,631)
		(9,887)	(12,517)
Profit after taxation		33,802	48,847
Earnings per share - basic	13	Rs. 4.00	Rs. 5.79

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


ASLAM FARUQUE
Chief Executive


TARIQ FARUQUE
Director

condensed interim statement of comprehensive income (un-audited)
for the quarter ended december 31, 2010

	Dec. 31, 2010	Dec. 31, 2009
	(Rupees in '000)	
Profit after taxation	33,802	48,847
Fair value profit / (loss) on available-for-sale securities	19,419	(12,652)
Total comprehensive income for the quarter	<u>53,221</u>	<u>36,195</u>

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


ASLAM FARUQUE
Chief Executive


TARIQ FARUQUE
Director

condensed interim cash flow statement (un-audited)
for the quarter ended december 31, 2010

	Dec. 31, 2010	Dec. 31, 2009
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	43,689	61,364
Adjustments for :		
Depreciation	7,893	5,439
Dividend income from a related party	(810)	-
Share of profit in an associate	(5,813)	(10,205)
Gain on disposal of operating property, plant and equipment	(438)	-
Finance cost	17,316	9,172
	18,148	4,406
Operating profit before working capital changes	61,837	65,770
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(57,279)	47,986
Stock-in-trade	(270,492)	(149,286)
Trade debts	83,214	13,313
Loans and advances	42,975	4,830
Short-term prepayments	(3,653)	(1,092)
Other receivables	(47,055)	1,056
	(252,290)	(83,193)
Increase / (decrease) in current liabilities		
Trade and other payables	215,828	373,658
Short-term borrowings	96,600	(170,240)
	312,428	203,418
Cash generated from operations	121,975	185,995
Income tax paid - net	(9,718)	(5,948)
Increase in deferred liabilities	525	821
	(9,193)	(5,127)
Net cash generated from operating activities	112,782	180,868
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(9,635)	(2,987)
Additions to capital work in progress	(48,284)	(72,029)
Intangible asset acquired	(3,300)	-
Sale proceeds of operating property, plant and equipment	2,203	-
Dividend received from a related party	810	-
Net cash used in investing activities	(58,206)	(75,016)
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance cost paid	(15,625)	(18,721)
Payment of dividend	(2)	(23)
Net cash used in financing activities	(15,627)	(18,744)
Net increase in cash and cash equivalents	38,949	87,108
Cash and cash equivalents at the beginning of the period	31,152	35,036
Cash and cash equivalents at the end of the period	70,101	122,144

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


ASLAM FARUQUE
Chief Executive


TARIQ FARUQUE
Director

condensed interim statement of changes in equity (un-audited)
for the quarter ended december 31, 2010

	Issued subscribed and paid-up capital	Reserves			Total	Total
		General reserves	Unapp- ropriated profit	Fair value gain / (loss) on available -for-sale securities		
(Rupees in '000)						
Balance as at October 01, 2009	63,888	34,250	169,361	52,981	256,592	320,480
Total comprehensive income for the quarter	-	-	48,847	(12,652)	36,195	36,195
Balance as at December 31, 2009	63,888	34,250	218,208	40,329	292,787	356,675
Balance as at October 01, 2010	70,277	34,250	231,299	45,769	311,318	381,595
Total comprehensive income for the quarter	-	-	33,802	19,419	53,221	53,221
Cash dividend for the year ended Sep. 30, 2010 @ Rs. 1.50 per share (15%)	-	-	(10,542)	-	(10,542)	(10,542)
Issue of bonus shares @ 20% i.e 02 shares for every 10 shares held	14,055	-	(14,055)	-	(14,055)	-
Balance as at December 31, 2010	84,332	34,250	240,504	65,188	339,942	424,274

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


ASLAM FARUQUE
Chief Executive


TARIQ FARUQUE
Director

notes to the condensed interim financial statements (un-audited)
for the quarter ended december 31, 2010

1. STATUS AND NATURE OF THE BUSINESS

The Company was incorporated in Pakistan on May 27, 1964 as a public limited company and its shares are quoted on Karachi Stock Exchange. Principal activity of the Company is manufacturing and selling sugar. The registered office of the Company is situated at Modern Motors House, Beaumont Road, Karachi.

2. BASIS OF PRESENTATION

These condensed interim financial statements are un-audited and are being submitted to the shareholders in accordance with 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", as applicable in Pakistan. These 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, 2010.

3. ACCOUNTING POLICIES

These 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, 2010.

4. TAXATION

a) Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available, if any or one percent of turnover under section 113 of the income tax ordinance, 2001 whichever is higher. The Company falls under the final tax regime under sections 150, 154 and 169 of the Income Tax Ordinance, 2001 to the extent of dividend income and direct export sales.

b) Deferred

Deferred tax is provided using the liability method on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

5. PROPERTY, PLANT AND EQUIPMENT

	Dec. 31, 2010	Sep. 30, 2010
	(Rupees in '000)	
Operating property, plant and equipment	683,926	683,949
Capital work in progress	171,565	123,281
	<u>855,491</u>	<u>807,230</u>

5.1 Additions & disposals in operating property, plant and equipment

	Additions		Disposals at book value	
	Dec. 31, 2010	Sep. 30, 2010	Dec. 31, 2010	Sep. 30, 2010
	(Rupees in '000)			
Land - Free hold	-	7,544	-	-
Building - Factory	-	4,116	-	-
Building - Non-factory	-	-	-	-
Plant and machinery	-	155,392	-	-
Furniture & fittings	-	247	-	-
Vehicles	8,960	5,694	1,648	41
Office and other equipment	-	2,172	-	-
Computers & accessories	675	3,351	117	-
	<u>9,635</u>	<u>178,516</u>	<u>1,765</u>	<u>41</u>

6. LONG-TERM INVESTMENT

The Company holds 33.33 percent (Sep. 2010: 33.33 percent) interest in Unicol Limited, which is a public limited (Un-quoted) company. Share of profit / (loss) arising from the associate has been taken to profit and loss account in accordance with the accounting policy as mentioned in note no.3.7(a) to the annual financial statements for the year ended September 30, 2010. The share of Company in the net assets has been determined on the basis of the un-audited financial statements for the quarter ended December 31, 2010.

7. SHARE CAPITAL

7.1 Authorized capital

Dec. 31, 2010	Sep. 30, 2010		Dec. 31, 2010	Sep. 30, 2010
Number of shares			(Rupees in '000)	
15,000,000	15,000,000	Ordinary Shares of Rs.10/- each	150,000	150,000

7.2 Issued subscribed and paid-up capital

Dec. 31, 2010	Sep. 30, 2010		Dec. 31, 2010	Sep. 30, 2010
Number of shares			(Rupees in '000)	
1,770,000	1,770,000	Issued for cash	17,700	17,700
		Issued as fully paid bonus shares:		
5,257,680	4,618,800	-Opening balance	52,577	46,188
1,405,536	638,880	-Issued during the year	14,055	6,389
6,663,216	5,257,680		66,632	52,577
8,433,216	7,027,680		84,332	70,277

8. SHORT-TERM BORROWINGS - SECURED

These represent utilized portion of running finance facilities aggregating Rs.1,169 million (Sep. 2010: Rs.1,199 million) obtained from various commercial banks. These facilities are secured against registered first pari passu hypothecation charge over various assets of the Company. These facilities are repayable / renewable annually.

9. CONTINGENCIES AND COMMITMENTS

	Note	Dec. 31, 2010	Sep. 30, 2010
		(Rupees in '000)	
Letters of credit issued by a commercial bank.	9.1	2,588	2,775

9.1 These represents commitments relating to capital expenditure Rs. 1.69 million & spare parts Rs.0.90 million.

9.2 The status of other contingencies and commitments as at December 31, 2010 is same as reported in the annual financial statements for the year ended September 30, 2010.

10. SEASONAL PRODUCTION

Due to the seasonal availability of sugarcane, the manufacture 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 interim and annual financial statements.

11. TURNOVER-NET

Included herein are local sales net of sales tax.

12. COST OF SALES

Opening stock finished goods
Cost of goods manufactured
Closing stock finished goods

13. EARNINGS PER SHARE - Basic

Profit after taxation (Rs.'000)
Weighted average no. of shares

Earnings per share

Quarter ended	
Dec. 31, 2010	Dec. 31, 2009
(Rupees in '000)	
675,480	689,479
122,921	198,540
786,692	712,656
909,613	911,196
(310,439)	(301,274)
599,174	609,922
33,802	48,847
8,433,216	8,433,216
Rs. 4.00	Rs. 5.79

14. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of related group companies, associated companies, directors, executives and staff retirement funds. The Company in the normal course of business carries out transactions with various related parties. Material transactions with related parties are given below :

Relationship	Nature of Transaction	Quarter ended	
		Dec. 31, 2010	Dec. 31, 2009
(Rupees in '000)			
Group companies	Goods purchased	86	99
	Services received	956	590
	Sales made	2,847	25,000
	Dividend received	810	-
	Dividend declared	4,618	-
Other related parties	Charge for staff provident and gratuity funds	974	989
	Insurance premium	374	615
Chief Executive Directors Executives	Remuneration	3,965	3,594
	Remuneration	5,396	4,944
	Remuneration	2,510	3,868

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.

15. DATE OF AUTHORIZATION

These condensed interim financial statements have been authorized for issue on January 25, 2011 by the Board of Directors of the Company.

16. GENERAL

Figures presented in these condensed interim financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated.


ASLAM FARUQUE
Chief Executive


TARIQ FARUQUE
Director