

# Quarterly Report June **2022**

## **DIRECTORS' REPORT**

On behalf of the Board, I am pleased to present financial results for the period ended June 30, 2022.

Operational Highlights	June 2022	June 2021
Crushing - M. Tons Sucrose Recovery Sugar Production - M. Tons Molasses production - M. Tons Molasses Recovery	856,944 11.16% 95,642 39,811 4.65%	682,253 10.72% 73,092 31,880 4.67%
Financial Highlights	June 2022	June 2021
(Rupees in Thous	sand except EPS)	
Turnover Sales tax Gross Profit Gross Profit margin Profit before tax Profit before tax margin Net Profit after tax Net Profit margin Earnings per share	4,786,589 592,017 866,353 20.65% 344,828 8.22% 259,422 6.18% 4.28	5,552,942 704,723 642,543 13.25% 393,340 8.11% 263,154 5.43% 4.35

Following factors contributed to our operational and financial results:

- Due to relatively larger crop, prudent cane procurement and increased supply from within gate areas, sucrose recovery improved to 11.16% from 10.72% of previous year. This enabled for relatively better and consistent crushing.
- Gross profit margin increased due to lower cane procurement cost and better sucrose recovery. Good volume of molasses and Bagasse sales also allowed for this contribution.
- The reduction in Bagasse consumption as compared to last year because of further investments made in steam efficiency and electrical savings. The company intends to invest more in efficiency to attain further savings, which is now an important feedstock for other industries/sectors.
- Unicol's share of profit continue to remain impressive and amounted to Rs.388.97 million during this period.
- Dividend income from equity investments amounted to Rs. 85.10 million which
  is 47% more than compared to corresponding period of last year. This was
  larger due to the defensive nature of investments, which were switched to
  higher yielding investments. However, a large loss of Rs. 198.103 Million was
  booked on account of loss on disposal and lower valuations of investments
  due to the prevailing economic condition.

 Finance costs also increased substantially due to a higher of short-term borrowings as our quantity of sugarcane crushed increased and on account of increase borrowing rate. Almost 100 percent increase in the cost of borrowing from last year also played a major impact.

#### **SEASON 2021-2022**

Season 2021-2022 proved to be a larger crop compared to the previous 3 years. However, increase in the minimum support price by 24 percentage from the previous year to Rs.250 per 40 kgs plus QP by GoS became an anomaly since the price of sugar cane in Punjab was notified at Rs. 225 per 40 kgs. Such a large price difference of 10 percentage in different parts of the country created difficulty for mills in Sind, as they were rendered uncompetitive in the market.

Despite the higher crop expectations sugarcane harvesting remained slow in the initial period as growers expected higher prices. This prompted an unusual and abnormal increase in sugarcane price up to 30 percentage higher than the support price announced by the government.

This initial increase in pricing subsided as the season progressed. An improved supply brought stabilization in sugarcane price. However, due to the higher notified price and initial market buying the overall cost of cane in Sind remained substantially higher than Punjab.

Prompt payments to growers have now become a norm in the industry and thus created large requirement of liquidity. With increased mark up rates, our finance cost has also increased substantially and thus the overall cost of sugar production. The finance cost due to short-term working capital requirements has now become a major cost component alongside sugarcane and salaries.

In season 2021-2022, the final sugar production of 7.9 million tons was 38 percentage higher than the previous year. This production has been recorded as the highest ever in the history of sugar production in Pakistan whereas national sugar consumption is expected at approximately 6.5 million tons.

The highest ever production has created a surplus of approx. 1.5 million tons. Sadly, export permission is not being given due to the political uncertainty in the country. The exports of sugar can not only brings in valuable foreign exchange of approximately USD 1.0 Billion but also more importantly stabilise sugar prices, which are important to allow an equilibrium pricing between sugarcane and sugar prices for this year.

Rebalancing the requirement of sugar and thus stabilising the market is also imperative considering that the season 2023 initial survey points to a slightly larger crop size, which would again mean a surplus. In such a season ensuring sustainable sugarcane, prices to the farmer are critical so that overall sugar production numbers do not reduce in Pakistan.

#### UNICOL LIMITED

The Company's performance continued to remain commendable during the period. Bullish trend and gas shortages in Europe coupled with political turmoil in Ukraine created fresh demand for ethanol and improved selling price. Plant performance remained satisfactory.

The increased availability of molasses due to larger sugarcane crop at competitive prices during the season also proved beneficial. This phenomenon enabled the company to secure its sales commitments for the entire year.

Profit before tax for Unicol was Rs.1,294 million as compared to Rs.501 million in the same period last year. The profitability for the remaining period of the year is expected to further improve substantially because of higher ethanol pricing and better currency valuations.

Unicol continues to pay a quarterly dividend, which augurs well for our cash flows.

Following are the key data related to Unicol Ltd:

Financial Highlights	Units	June 2022	June 2021
Sales	Rs. in '000	7,060,637	5,700,709
Gross profit	Rs. in '000	1,810,499	931,129
Gross profit %	%	25.64%	16.33%
Profit before tax	Rs. in '000	1,294,135	501,614
Profit after tax	Rs. in '000	1,164,592	444,097
Net profit %	%	16.49%	7.79%
Earnings per share	Rs.	7.76	2.96

#### **UNI-FOOD INDUSTRIES LIMITED**

The business has been finally disposed-off after shareholders approval in the extra ordinary general meeting held on June 29, 2022. The Share Sale Agreement has been executed and it is expected that sale consideration shall be received in 4th quarter after completion of legal formalities. Losses suffered by the company have already been accounted for in our books and no further charge is expected to book on account of disposal.

#### **FUTURE OUTLOOK**

Pro Grower policies during last few years have brought better returns on the crop. As a result, continuous improvement is visible in plantation of sugarcane. This trend is encouraging and needs to be appreciated. However, the major focus of the industry has to be towards improving farm productivity and yields as availability of additional land for farming is limited. An improved farm yield will allow larger volume of sugarcane. This would improve farmer economics and allow mills to attain better capacity utilization in years to come. In line with this approach, Mehran has also planned investment in sugarcane development from this year. Various measures are taken to assist growers for attaining this objective.

While cane development is of utmost importance to the industry. We also feel that the government intervention has to reduce. However, due to lack of focus on the matter, we are yet to see any development on the Policy framework from Governments regarding sugarcane and sugar pricing. This matter is being discussed for long time without any result and is proving a hindrance to the development of this sector. We look forward to an early resolution of this matter for bringing mutual benefits to the Government, growers, millers and consumer in the long run.

During the present financial year, our biggest challenge is to get sustainable realised values for the sugar produced. Sadly, the sugar market has fallen by 10 percent since the close of the season predominantly due to the surplus production as well as the inaction of the government to allow much needed sugar exports. This coupled with the borrowing costs escalating from 7.50 percent last year to 16.00 percentage presently is causing a severe financial strain and could have a negative impact on financial results.

Thus in order to ensure that profitability from core operations remains intact, sugar price stability is vital. Unicol's consistent profitability and its ability to pay regular dividends will contribute positively to the bottom line.

We hope timely decisions are taken during the remaining period of the year, which would be important for the entire sugar industry.

For and on behalf of the Board of Directors

Ahmed Ebrahin

Ahmed Ebrahim Hasham Managing Director

Karachi: June 28, 2022

منافع بخش رہنے کے لئے چینی کی قیمت میں استحکام اشد ضروری ہے۔ یونیکول سے مستکم نفع اور منافع کی تقسیم ہمارے مالیاتی نتائج کو بہتر کرنے میں ید د گار ہو گا۔

ہم امید کرتے ہیں کہ سال کی بقیہ مدت میں بروقت فیصلے کیے جائیں گے ،جو پوری شو گرانڈ سٹری کے لیے اہم ہوں گے۔

از طرف بور دُآف ڈائر یکٹر ز

احدارابيم باشم چيف ايگزيکيو آفير

كراچى 28جولا كى 2022

501,614	1,294,135	روپے ہزاروں میں	قبل از ٹیکس منافع
444,097	1,164,592	روپے ہزاروں میں	بعداز ٹیکس منافع
7.79%	16.49%	(%)	بعداز ٹیکس منافع کی شرح
2.96	7.76	روپي	فی خصص آمدن

# بونی فوڈ زانڈ سٹری کمبیٹڈ

29 جون 2022 کو ہونے والے غیر معمولی اجلاس عام میں شیئر ہولڈرز کی منظوری کے بعد کاروبار کو فروخت کر دیا گیا ہے۔ حصص کی فروخت کے معاہدے پر دستخط ہو بچکے ہیں اور تو قع ہے کہ قانونی رسمی کارروائیوں کی سیمیل کے بعد چو تھی سہ ماہی میں نقدر قم وصول ہو جائے گی۔ حصص کی فروخت سے ہونے والے نقصانات کو کو پہلے ہے کھاتوں میں ریکارڈ کیا جاچکا ہے للذامزید کوئی نقصان آنے والی سہ ماہے میں ریکارڈ نہیں کیا جائے گا اور تصرف کے حیاب سے مزید کوئی چارج لینے کی تو تع نہیں ہے۔

## مستقبل كامنظرنامه

گذشتہ تین سالوں کے دوران کسان دوست پالیسیوں کی ہدولت کسانوں کو گئے کی فصل کی بہتر قیمت ملی ہے جس کی بناء پر ہم گئے کی کاشت میں مسلسل بہتر کی دیکھ رہے ہیں اور یہ رجحان خوش آئندہ اوراسے سراہاجاناچا ہیئے، چینی کی صنعت سے جڑے تمام فریقین کاشت میں مسلسل بہتر کی دیکھ رہے گئے گئے مار کی من پیداوار میں اضافہ کی طرف توجہ کرنی چا ہیئے کیونکہ گئے کی فصل کو بڑھانے کے بہتر ہوگی اور صنعتوں کو کو بڑھانے کے لئے ہمارے پاس مزید زمین کی دستیابی محدود ہے، جس سے کسانوں کی اقتصادی حالت بھی بہتر ہوگی اور صنعتوں کو بھی اپنی پیداوار کی صلاحیت کے مطابق گناد ستیاب ہو سکے گا۔ اس نقطہ نظر کے مطابق مہران نے اس سال سے گئے کی ترقی میں سرمایہ کاریکا منصوبہ بھی بنایا ہے۔ اس مقصد کے حصول کے لیے کاشکاروں کی مدد کے لیے مختلف اقدامات کیے جارہے ہیں۔

گئے کی اچھی پیداوار صنعت کے لئے انتہائی اہمیت کی حامل ہے اس سلسلے میں حکومتی مداخلت کو کم کرنے کی ضرورت ہے، گئے اور چینی کی قیمتوں کے حوالے سے حکومتوں کی جانب سے پالیسی فریم ورک پر کوئی پیش رفت نظر نہیں آتی، یہ معاملہ پیچھلے کئ سالوں سے زیر بحث رہا ہے اور صنعت کی ترقی میں رکاوٹ کا باعث ہے۔ اس معاملے کے پائیدار حل سے حکومت، کاشتکار، ملرز اور صارفین کو طویل المدتی فوائد حاصل ہو سکتے ہیں۔

موجودہ مالی سال کے دوران، ہماراسب سے بڑا چینی کی متحکم اور مناسب قیت حاصل کرنا ہے بد قشمتی سے سیزن کے اختتام کے بعد سے اب تک چینی کی قیمت میں 10 فیصد کی کمی واقع ہو چی ہے جس کی بنیاد کی وجہ کھیت سے زیادہ پیداوار اور حکومت کی جانب سے اضافی چینی کے لئے برآمدات کی اجازت دینے میں عدم فعالیت ہے جبکہ شرح سود گذشتہ سال کے 7.50 فیصد سے بڑھ کراس وقت 16 فیصد تک پہنچ گئے ہے جس سے مالیاتی نتائج پر منفی اثر پڑے گا۔ ملک میں سیز ن 22-2021 میں چینی کی ٹوٹل ہیداوار 7.9 ملین ٹن حاصل ہوئی، یہ پیداوار گذشتہ سال کے مقابلے میں 38 فیصد زیادہ ہے، یہ پیداوار پاکستان میں چینی کی پیداوار کی تاریخ میں اب تک سب سے زیادہ ہے جبکہ پاکستان میں چینی کی متوقع کھیت تقریباً 6.5 ملین ٹن ہے۔

ملکی تاریخ کی اب تک کی سب سے زیادہ پیداوار کی وجہ سے نقریباً 5.1 ملین ٹن، ملکی کھپت سے اضافی چینی کاؤ خیرہ موجود ہے، لیکن افسوس کہ ملک میں جاری سیاسی غیریقینی کی وجہ سے ملوں کو بروقت برآ مدات کی اجازت نہیں دی جارہی، جبکہ اضافی چینی کی برآ مدات کی اجازت نہیں دی جارہی، جبکہ اضافی چینی کی برآ مدات کی اجازت جس مناسب سطح پر مستحکم رہ سکتی ہے است سے خینی کی قیمت بھی مناسب سطح پر مستحکم رہ سکتی ہے جو کہ گئے اور چینی کی قیمت بھی مناسب سطح پر مستحکم رہ سکتی ہے۔

مارکیٹ کو منتخکم رکھنے کے لئے چینی کی دستیابی کو متوازن رکھنا ضروری ہے جبکہ 2023 کا ابتدائی سروے گئے کی فصل میں مزید اضافہ کا اشارہ دے رہا ہے۔ جس کا مطلب مزید اضافی ذخائر ہیں۔ جبکہ مستقبل میں بھی کسان کو گئے کی فصل کا مناسب معاوضہ ملنا اشد ضروری ہے تاکہ اس کی گئے کی فصل میں دلچپی ہر قرار رہے اور پاکستان میں چینی کی مجموعی پیداوار میں کمی کا سبب نہ ہیئے۔

# يونی کول

متذکرہ عرصہ کے دوران کمپنی کی کارکردگی مثبت اور اطمینان بخش رہی۔ایھونول اور CO<sub>2</sub> کے پلانٹس نے اچھی کارکردگی کا مظاہرہ کیا۔روس اور یوکرین میں تنازع کی وجہ سے تیل کی قیمتوں میں بہت زیادہ اضافہ ہواہے اور یورپ میں گیس بحران پیدا ہوا ہے جس کی وجہ سے ایتصول کی طلب اور قیمت فروخت میں بہتری آئی ہے

گنے کی بہتر پیداوار کے باعث زیادہ مقدار میں مولاسس کی دستیابی اور قیمتوں میں استحکام ہمارے لئے بہتر ثابت ہوا۔ بہتر مسابقتی قیمت کے باعث کمپنی نے یورے سال کے لئے مولیسس کی خریداری کرلی تھی۔

قبل از نیکسس منافع،اس سال 1 ارب 29 کروڑروپے رہاجو کہ پچھلے سال اس مدت کے دوران 50 کروڑروپے تھا۔ جبکہ ایتھنول کی بڑھتی ہوئی قیت اور کرنسی کی گرتی ہوئی قدر کے باعث سال کے باقی دورانیہ میں نفع میں مزید بڑھو تری کی توقع ہے ہے۔

یو نیکول،سہ ماہی ڈیویڈنڈ کی ادائیگی جاری رکھے ہوئے ہے، جو کہ ہماری نقد ضروریات کے لیے بہت مدد گارہے۔

یونی کول سے متعلق اہم مالیاتی اعداد وشار مندر جہذیل ہیں:

جون 2021	جون 2022		مالياتی معلومات ( فنانشل ہائی لا ئٹس )
5,700,709	7,060,637	روپے ہزاروں میں	مجموعی فروخت (ٹرناوور)
931,129	1,810,499	ر وپے ہزار وں میں	خالص منافع
16.33%	25.64%	(%)	خالص منافع کی شرح

- گنے کی مناسب قیمت پر خریداری اور بہتر سکروز ریکوری کی وجہ سے خالص منافع کے مار جن میں اضافہ ہوا ، جبکہ مولا سس اور نگاس کی فروخت سے حاصل ہونے والی رقم نے بھی مجموعی منافع میں اینا کر دار اداکیا۔
- جماپ (توانائی) کی کھیت کو کم کرنے کے لئے کی گئی سرمایہ کاری کے نتیجے میں بگاس کے استعمال میں کمی واقع ہوئی اس کے باعث بگاس کی بچت میں اضافیہ ہوا۔ اس ضمن میں کمپنی آنے والے سالوں میں مزید سرمایہ کاری کاارادہ رکھتی ہے جس سے بگاس کی بچت میں مزید اضافیہ ہوگا۔ واضح رہے کہ بگاس کئی دیگر صنعتوں کے لیے ایک اہم فیڈ اسٹاک ہے۔
  - اس مدت کے دوران ایو نیکول سے انتہائی شاندار منافع ریکارڈ کیا گیاجو کہ 38.82 کروڑرو بے رہا۔
- حصص سے حاصل ہونے والا نفتہ منافع (8.51(Dividend کروٹر روپے رہاجو پچھلے سال کی اسی مدت کے مقابلے میں 47 فیصد زیادہ ہے، تاہم ملک کے موجودہ میں علی کے نوجودہ معاثی حالات کی وجہ سے حصص کی قیتوں میں ہونے والی گراوٹ کی وجہ سے کمپنی نے 19.81 کروٹر روپے کا نقصان ریکارڈ کیا۔
- گنے کے حصول کے لئے، نقدادائیگی کی پالیسی کی وجہ سے قلیل مدتی قرضوں میں بھی اضافہ ہوا، یہ اضافہ بچھلے سال کی نسبت 100 فیصد زائد ہے قلیل مدت کے قرضوں میں اضافہ اور شرح سود میں اضافے کے باعث ہمارے مالیاتی افزاجات میں اضافہ ہوا ہے۔

## سيزن 2022-2021

سیزن 22-2021 پیچلے سال کی نسبت گئے کی پیداوار کے لحاظ سے بہتر سال تھا، تاہم سندھ حکومت کی جانب سے فی من قیت میں 24 فیصد اضافہ یعنی فی من قیمت 250 روپے علاوہ کوالٹی پر یمینئم کر دیا گیا جب کہ پنجاب حکومت نے امدادی قیمت میں 24 فیصد اضافہ یعنی فی من قیمت کے اس بڑے فرق کی وجہ سے سندھ کی شو گر ملز کے لئے مسابقت مشکل ہو گئی ہے۔

فصل کے جم میں اضافہ کے باوجود ابتدامیں گئے کی کٹائی ست روی کا شکار رہی جس کی وجہ کا شتکاروں کی جانب سے اضافی قیمت کی تو قعات تھیں اس کے باعث قیمتوں میں غیر معمولی 30 فیصد تک اضافہ دیکھا گیا۔

قیتوں میں بیابتدائی اضافہ سیزن کے آگے بڑھنے کے ساتھ ہی کم ہو گیا، گنے کی بہتر فراہمی سے قیمت میں استحکام آیا، تاہم پنجاب کی نسبت سندھ کی شو گرملز کو گئے کی زائد قیمت اداکر نی پڑی، جس کی وجہ سے سندھ میں گئے کی مجموعی قیمت خرید پنجاب سے زیادہ رہی۔

گنے کے کاشنکاروں کو فور کی ادائیگی اب چینی کی صنعت میں ایک معمول بن گیاہے جس کی وجہ سے نقذر قم کی فور می ضرورت پیش آتی ہے، نیز سود کی شرح میں ہونے والے مسلسل اضافے نے مالیاتی لاگت میں بہت زیادہ اضافہ کردیا، جس کا اثر چینی کی مجموعی لاگت میں اضافے کی صورت میں سامنے آیا۔ قلیل مدتی سرمایہ کی ضروریات کی وجہ سے مالیاتی لاگت اب گنے اور تنخواہوں کے بعد مجموعی لاگت کا ایک بڑا حصہ بن گئی ہے۔

# ڈائر یکٹر زربورٹ

میں 30 جون 2022 کو ختم ہونے والی تیسر ی سہ ماہی کے مالی نتائج کوآپ کی خدمت میں پیش کرتے ہوئے مسرت محسوس کررہا ہوں۔

جون 2021	بون 2022	آپریشنل معلومات
682,253	856,944	كرشنگ (ميٹرك ٿن)
10.72%	11.16%	سکر وز کی ریکوری
73,092	95,642	چینی کی پیداوار (میٹرکٹن)
31,880	39,811	مولیسس کی پیداوار (میٹرکٹن)
4.67%	4.65%	مولیسس کی ریکوری

جون 2021	جون 2022		مالياتی معلومات ( فنانشل ہائی لا ئٹس )
5,552,942	4,786,589	روپے ہزاروں میں	مجموعی فروخت (ٹوٹل ٹرن اوور)
704,723	592,017	روپے ہزاروں میں	سياز ئيکس
642,543	866,353	روپے ہزاروں میں	خالص منافع
13.25%	20.65%	(%)	خالص منافع کی شرح
393,340	344,828	روپے ہزاروں میں	قبل از شکیس منافع
8.11%	8.22%	(%)	قبل از ٹیکس منافع کی شرح
263,154	259,422	روپے ہزاروں میں	بعداز ٹیکس منافع
5.43%	6.18%	(%)	بعداز ٹیکس منافع کی شرح
4.35	4.28	روپي	فی حصص آمدن

# بنیادی عوامل جو مندر جه بالانتائج کے حصول میں کار فرمارہے:

• ہمتر فصل، بہتر خریداری اور مل گیٹ ایریاسے زیادہ مقدار میں گنے کی خریداری کے باعث سکروزریکوری پچھلے سال کی 10.72 فیصد ہوئی، جبکہ کرشگ بھی نسبتاً بہتر اور مسلسل ہوئی۔

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at June 30, 2022

		Un-audited	Audited
		Jun 30, 2022	Sep 30, 2021
ASSETS	Note	Rupees	Rupees
ACCETO			
NON-CURRENT ASSETS			
Property, plant and equipment	4	2,442,564,878	2,372,810,929
Right-of-use assets		59,161,598	51,579,492
Long-term receivable		51,165,265	204,660,877
Long-term investments	5	1,240,056,613	1,051,768,517
Long-term deposits	-	3,696,400	852,400
9		3,796,644,754	3,681,672,215
CURRENT ASSETS			
Biological assets		6,491,894	23,767,355
Stores and spare parts		146,712,933	110,502,305
Stock-in-trade		4,131,903,242	561,564,239
Trade debts		140,405,644	69,668,130
Loans and advances		61,936,986	54,975,038
Trade deposits and short-term prepayments		11,772,525	6,480,747
Other receivables		149,469	990,764
Short-term investments		704,223,428	1,317,093,191
Taxation - net		78,837,210	55,218,392
Cash and bank balances		78,483,923	10,848,736
Sacri and Sam Salamos		5,360,917,254	2,211,108,897
			, , , , -, -
TOTAL ASSETS		9,157,562,008	5,892,781,112
EQUITY AND LIABILITIES			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
75,000,000 (2021: 75,000,000) ordinary shares of Rs.10	/- each	750,000,000	750,000,000
leaved aubacribed and paid up abare equital		605,475,636	489,273,246
Issued, subscribed and paid-up share capital Reserves		2,107,662,023	2,006,553,883
Reserves		2,713,137,659	2,495,827,129
NON-CURRENT LIABILITIES		2,713,137,039	2,490,027,129
Long-term financing		754,390,902	922,593,072
Lease Liabilities		30,676,559	30,602,944
Market committee fee payable		50,074,512	51,182,345
Deferred liabilities		4,301,305	4,301,305
Deferred income - government grant		112,505,289	70,762,929
Deferred taxation - net		89,500,660	79,579,039
Provision for quality premium		119,290,919	119,290,919
Trovision for quality promitant		1,160,740,146	1,278,312,553
CURRENT LIABILITIES		-,,,	.,,,
Trade and other payables		451,301,233	471,459,188
Contract liabilities (advances from customers)		258,978,821	34,592,406
Unclaimed dividends		19,827,589	19,331,423
Accrued mark-up		148,982,329	50,683,240
Short-term borrowings		3,836,348,209	1,063,921,237
Provision for market committee fee		15,391,972	6,822,533
Current portion of non-current liabilities		413,776,158	394,933,910
Sales tax and federal excise duty payable		139,077,892	76,897,493
7 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		5,283,684,203	2,118,641,430
CONTINGENCIES AND COMMITMENTS	6	· · · · -	
TOTAL EQUITY AND LIABILITIES		9,157,562,008	5,892,781,112
The approved notes form an integral part of these o	andoneod intor	im financial statomo	nte

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

## **CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**

for the period ended June 30, 2022 (Un-Audited)

	Nine mon	ths ended	Quarter ended		
	Jun 30, 2022	Jun 30, 2021 Jun 30, 2022		Jun 30, 2021	
	Rupees	Rupees	Rupees	Rupees	
Turnover - gross	4,786,588,974	5,552,941,915	2,195,346,485	2,767,360,477	
Sales Tax	(592,016,587)	(704,723,421)	(320,252,650)	(401,755,159)	
Turnover - net	4,194,572,387	4,848,218,494	1,875,093,835	2,365,605,318	
Cost of Sales	(3,328,219,316)	(4,205,675,743)	(1,676,897,329)	(2,290,475,722)	
Gross profit	866,353,071	642,542,751	198,196,506	75,129,596	
Distribution costs	(39,405,914)	(34,460,935)	(8,774,750)	(9,057,858)	
Administrative expenses	(178,997,925)	(172,716,134)	(52,837,255)	(60,295,786)	
Other expenses	(413,873,426)	(96,229,696)	(157,683,923)	(19,443,997)	
Other income	102,819,927	168,784,787	32,477,628	63,628,874	
	(529,457,338)	(134,621,978)	(186,818,300)	(25,168,767)	
Operating profit	336,895,733	507,920,773	11,378,206	49,960,829	
				,	
Share of profits from associates - net	388,387,084	75,365,917	220,650,097	(330,000)	
Finance costs	(380,454,842)	(189,946,276)	(185,386,899)	(63,146,747)	
				(	
Profit / (loss) before tax	344,827,975	393,340,414	46,641,404	(13,515,918)	
Taxation	(05.400.05)	(100100011)	00154040	(00,000,000)	
Taxation	(85,406,071)	(130,186,644)	39,154,849	(22,238,889)	
Net profit / (loss) for the period	259,421,904	263,153,770	85,796,253	(35,754,807)	
Net profit / (loss) for the period	200,421,004	200,100,110	00,700,200	(00,704,007)	
		Restated		Restated	
Earnings per share - basic and diluted	4.28	4.35	1.42	(0.59)	
•				(2.30)	

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the period ended June 30, 2022 (Un-Audited)

	Nine month	s ended	Quarter ended		
	Jun 30, 2022 Rupees	Jun 30, 2021 Rupees	Jun 30, 2022 Rupees	Jun 30, 2021 Rupees	
Net profit / (loss) for the period	259,421,904	263,153,770	85,796,254	(35,754,807)	
Other comprehensive income					
"Other comprehensive income that will not be reclassified to profit or loss in subsequent periods"					
"Loss on disposal of equity instruments designated at fair value through other comprehensive income (net of current tax)"	(2,873,404)	(97,370)	-	191,440	
Unrealised (loss) / gain on remeasurement of equity instruments designated at fair value through other					
comprehensive income (net of deferred tax)	1,127,303	(8,196,399)	766,497	961,413	
(s. s. s.s.s.s. cary)	(1,746,101)	(8,293,769)	766,497	1,152,852	

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

257,675,803

CHIEF EXECUTIVE OFFICER

Total comprehensive

income / (loss) for the period -

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## **CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**

for the period ended June 30, 2022 (Un-audited)

		Reserve						
		Capital	Reve	enue	Other compor	nents of equity		
	Issued, Subscribed and Paid-up Capital	Share Premium	General Reerve	Unappropriated profits	FV reserve of financial assets at FVOCI	Actuarial gains on defined benefit plan	Sub-total	Total equity
				Rup	ees			
Balance as at October 01, 2020 (Audited)	465,974,526	63,281,250	85,000,000	1,980,249,741	9,978,051	3,023,268	2,141,532,310	2,607,506,830
Bonus Issued for the year ended September 30, 2020 in the ratio of 5 Ordinary shares for every 100 shares held	23,298,720			(23,298,720)			(23,298,720)	-
Profit for the Period								
Other comprehensive income for the period  Transfer of fair value reserve of equity	-	-	-	263,153,770	(8,293,769)	-	263,153,770 (8,293,769)	263,153,770 (8,293,769)
instruments designated at FVOCI	-	-	-	(4,462,725)	4,462,725	-	-	-
Total comprehensive income for the Period	_		-	258,691,045	(3,831,044)	-	254,860,001	254,860,001
Balance as at June 30, 2021 (Un-audited)	465,974,520	63,281,250	85,000,000	2,238,940,786	6,147,007	3,023,268	2,373,093,591	2,862,366,831
Balance as at October 01, 2021 (Audited)	489,273,246	63,281,250	85,000,000	1,864,001,210	(8,596,106)	2,867,529	2,006,553,883	2,495,827,129
Bonus Issued for the year ended September 30, 2021 in the ratuio of 10 Ordinary shares for every 100 shares held	48,927,320	-	-	(48,927,320)	-	-	(48,927,320)	-
Interim dividend for the year ending September 30, 2022 @ Re. 0.75 per share	-	-	_	(40,365,273)	-	-	(40,365,273)	(40,365,273)
Bonus Issued for the year ending September 30, 2022 in the ratio of 12.5 Ordinary shares for every 100 shares held	67.275.070			(07.075.070)			(07.075.070)	
,	67,275,070	-	-	(67,275,070)	-	-	(67,275,070)	-
Profit for the period Other comprehensive loss for the period Transfer of fair value reserve of equity	-	-	-	259,421,904	(1,746,101)	-	259,421,904 (1,746,101)	259,421,904 (1,746,101)
instruments designated at FVOCI	_	_	_	(5,763,525)	5,763,525			
Total comprehensive income for the Period	-		-	253,658,379	4,017,424	-	257,675,803	257,675,803
Balance as at June 30, 2022 (Un-audited)								

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

## **CONDENSED INTERIM STATEMENT OF CASH FLOWS**

for the period ended June 30, 2022 (Un-Audited)

	Jun 30, 2022 Rupees	Jun 30, 2021 Rupees
	ote	
CASH FLOWS FROM OPERATING ACTIVITIES	0.4.4.007.075	000040414
Profit before taxation	344,827,975	393,340,414
Adjustments for non-cash charges and other items:		
Depreciation		
- Operating fixed assets	126,416,311	126,569,590
- Right of use assets	11,689,894	4,342,852
Ammortization of deferred income - government grant	(15,864,613)	(2,523,462)
Share of profit from associates - net	(388,387,084)	(75,365,917)
Gain on disposal of operating fixed assets	(1,813,594)	(7,075,465)
Finance costs	380,454,842	189,946,276
Provision for market committee fee	8,569,439	6,822,530
Provision for Impairment of Long term Investment	46,349,040	80,462,716
Allowance for expected credit loss on Long term receivables	153,495,657	-
Loss/ (Gain) on disposal of equity instruments at fair value		
through profit or loss	109,611,948	(119,752,379)
Unrealised loss on remeasurement of equity instruments at		
fair value through profit or loss	88,492,747	26,688,241
Working Capital Changes	7 (3,404,519,090)	(1,939,713,211)
	(2,885,504,503)	(1,709,598,229)
Gratuity paid	_	(1,350,338)
Income taxes paid	(98,853,829)	(102,278,217)
Finance costs paid	(253,471,180)	(167,882,992)
Market committee fee paid	(1,577,652)	(4,009,153)
Long term deposits - net	(2,844,000)	-
Cash used from operating activities	(2,897,423,189)	(1,591,778,515)
CASH FLOWS FROM INVESTING ACTIVITIES	(100,000,551)	(50,000,100)
Fixed capital expenditure	(196,228,551)	(53,362,169)
Proceeds from disposal of operating fixed assets Investments made	1,871,885 (1,950,345,226)	13,939,695
Proceeds from disposal of short-term investments Dividend Received from Associated Companies	2,316,796,155	3,663,398,469 162,499,990
Cash generated from / (used in) investing activities	200,098,988 372,193,251	(170,412,378)
cash generated from / (used in) investing activities	3/2,193,231	(1/0,412,376)
CASH FLOWS FROM FINANCING ACTIVITIES	(00000000000	
(Repayment) / receipt of long-term financing (net)	(122,163,019)	121,304,955
(Repayment) / receipt of short term loans (net)	2,772,426,972	1,655,812,621
Lease rentals paid	(17,528,700)	(18,605,603)
Dividends paid	(39,870,128)	
Cash generated from financing activities	2,592,865,125	1,758,511,973
Net increase / (decrease) in cash and cash equivalents	67,635,187	(3,678,920)
		10140045
Cash and cash equivalent at the beginning of the period	10,848,736	10,140,845

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

CHIEF EXECUTIVE OFFICER

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### CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the period ended June 30, 2022 (Un-audited)

#### 1. THE COMPANY AND ITS OPERATIONS

Mehran Sugar Mills Limited (the Company) was incorporated in Pakistan as a public limited company in December, 1965 under the repealed Companies Act, 1912. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Company is principally engaged in the manufacturing and sale of sugar and its by-products. 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 PREPARATION**

#### 2.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRS) issued by International Accounting Standard Board (IASB) as notified under Companies Act, 2017 (the Act) and, provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRS standards, the provisions of and directives issued under the Act have been followed.

#### 2.2 **ACCOUNTING CONVENTION**

These condensed interim financial statements have been prepared under the historical cost convention except for short-term investments which are carried at fair value, investment in associates calculated using equity method of accounting, biological assets carried at fair value less costs to sell and staff gratuity carried at present value of defined benefit obligation and market committee fee payable recorded at present value.

#### SIGNIFICANT ACCOUNTING POLICIES 3.

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, 2021.

		Un-audited Jun 30, 2022	Audited Sep 30, 2021
4.	PROPERTY, PLANT AND EQUIPMENT		
4.1	OPERATING FIXED ASSETS		
	Opening written down value Additions during the period	1,969,321,508 517,806,259 2,487,127,767	2,098,419,192 28,593,739 2,127,012,931
	Written down value of disposal during the period	(58,291) 2,487,069,476	(2,175,290) 2,124,837,641
	Depreciation charged during the period	126,416,311 2,360,653,165	155,516,133

### CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the period ended June 30, 2022 (Un-audited)

			Un-audited Jun 30, 2022	Audited Sep 30, 2021
4.2	CAPITAL WORK-IN-PROGRESS			
	Buildings - Civil Works Plant & Machinery		11,904,461 70,007,252 81,911,713	44,225,039 359,264,382 403,489,421
		Note	Un-audited Jun 30, 2022	Audited Sep 30, 2021
5.	LONG TERM INVESTMENT			
	Subsidiary Mehran Energy Limited Advance against Right issue of shares Provision for impairment	5.1	40,000,000 2,596,739 (42,596,739)	40,000,000 2,596,739 (42,596,739)
	Associates Unicol Limited UniEnergy Limited	5.2 5.3	1,219,689,927 20,366,686	1,031,591,605 20,176,912
	Uni Foods Industries Limited Provision for impairment	5.4	126,181,860 (126,181,860) -	79,832,819 (79,832,819) -
			1,240,056,613	1,051,768,517
			1,240,056,613	1,051,768,517
			>	

- 5.1 The Company holds 4,000,000 (Sep 30, 2021: 4,000,000) shares representing 100 (Sep 30, 2021: 100) percent of the total equity of Mehran Energy Limited.
- 5.2 The Company holds 49,999,997 (Sep 30, 2021: 49,999,997) shares representing 33.33 (Sep 30, 2021: 33.33) percent of the total equity of Unicol Limited.
- 5.3 The Company holds 1,999,998 (Sep 30, 2021: 1,999,998) shares representing 20 (Sep 30, 2021: 20) percent of the total equity of UniEnergy Limited.
- 5.4 The Company holds 44,634,904 (Sep 30, 2021: 35,734,561) shares representing 24 (Sep 30, 2021: 24) percent of the total equity of Uni foods Limited.

#### 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, 2021.

COMMITMENTS	Un-audited Jun 30, 2022	Audited Sep 30, 2021
Capital commitments Letter of augrantee	70,038,845 11,520,225	67,791,092 11.520,225

#### CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the period ended June 30, 2022 (Un-audited)

		Un-audited Jun 30, 2022	Un-audited Jun 30, 2021
7.	WORKING CAPITAL CHANGES		
	(Increase) / decrease in current assets Biological assets Stores and spare parts Stock-in-trade Trade debts Loans and advances Trade deposits and short-term prepayments Other receivables  (Increase) / decrease in current assets	17,275,461 (36,210,628) (3,570,339,003) (70,737,514) (6,961,948) (5,291,778) 841,295 (3,671,424,115)	12,333,825 (9,021,132) (1,594,386,066) (181,706,693) (162,579,633) (16,939,162) (163,882) (1,952,462,743)
	Trade and other payables Contract liabilities Sales tax payable	(19,661,789) 224,386,415 62,180,399 266,905,025 (3,404,519,090)  Un-audited	36,688,362 13,343,273 (37,282,103) 12,749,532 (1,939,713,211) Un-audited
8.	TRANSACTIONS WITH RELATED PARTIES	Jun 30, 2022	Jun 30, 2021
0.	Associates		
	Investment made during the period Sales Expenses shared Donation  Retirment benefits Plan	46,349,040 900,669,670 - 750,000	56,600,000 726,657,376 814,645 7,000,000
	Provident fund contribution	4,498,221	4,454,218

#### 9. GENERAL

These financial statements were authorized for issue on July 28, 2022 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.

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