

Limitless Potential



THIRD QUARTER ACCOUNTS
[Unaudited] June 30, 2024



Mirpurkhas
Sugar Mills
Limited

A Ghulam Faruque Group Company

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Company Information

Board of Directors

| | |
|--------------------------|-----------------|
| Mr. Arif Faruque | Chairman |
| Mr. Aslam Faruque | Chief Executive |
| Mr. Amer Faruque | Director |
| Ms. Farzana Faruque | Director |
| Mr. Wasif Khalid | Director |
| Mr. Hasan Reza Ur Rahim | Director |
| Mr. Abdul Shakoor Shaikh | Director |

Audit Committee

| | |
|-------------------------|----------|
| Mr. Hasan Reza Ur Rahim | Chairman |
| Mr. Arif Faruque | Member |
| Mr. Amer Faruque | Member |

Human Resource and Remuneration Committee

| | |
|--------------------------|----------|
| Mr. Abdul Shakoor Shaikh | Chairman |
| Mr. Aslam Faruque | Member |
| Ms. Farzana Faruque | Member |

Chief Operating Officer & Chief Financial Officer

Mr. Wasif Khalid

Company Secretary

Mr. Asim H. Akhund

Head of Internal Audit

Mr. Aamir Saleem

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99 - B, Block - B, S.M.C.H.S.
Main Shahrah-e-Faisal Karachi – 74400
Tel: 0800-23275 UAN: 111-111-500
Email: info@cdcsrsl.com

Bankers (Islamic)

Askari Bank Ltd.
Al Baraka Bank (Pakistan) Ltd.
Bank Alfalah Ltd.
Bank Islami Pakistan Ltd.
Dubai Islamic Bank Pakistan Ltd.
Faysal Bank Ltd.
Meezan Bank Ltd.
MCB Islamic Bank Ltd.

Credit Rating

Long-term rating: A-
Short-term rating: A2
by The Pakistan Credit Rating Agency Limited (PACRA)

Bankers (Conventional)

Allied Bank Ltd.
Bank Al Habib Ltd.
Bank Alfalah Ltd.
Habib Bank Ltd.
Habib Metropolitan Bank Ltd.
MCB Bank Ltd.
National Bank of Pakistan
Samba Bank Ltd.
Soneri Bank Ltd.
United Bank Ltd.
The Bank of Punjab

Registered Office / Factory

Sub Post Office Sugar Mill
Jamrao, Umerkot Road
Mirpurkhas, Sindh

Head Office

Modern Motors House
Beaumont Road
Karachi-75530 Pakistan
UAN: +92 - 21-111- 354 -111
Fax: + 92 - 21- 35688036
Web: www.gfg.com.pk/msm/

External Auditors

Kreston Hyder Bhimji & Co.
Chartered Accountants

Cost Auditors

UHY Hassan Naeem & Co.
Chartered Accountants

Legal Advisor

K.M.S. Law Associates

Directors' Review

The Board of Directors presents the un-audited financial results of the Company for the nine months ended June 30, 2024.

Sugar Division

The crushing season 2023/24 started on November 15, 2023, and the plant operated for 97 days compared to 87 days the previous year. This resulted in the factory being able to crush 616,103 metric tons of sugarcane to produce 66,100 metric tons of sugar as compared to 562,641 metric tons of sugarcane to produce 59,325 metric tons of sugar during the corresponding period last year. The plant operated efficiently throughout the crushing season. The crushing season started early as most of the area mills started their crushing anticipating a larger crop and better recoveries. The sucrose recovery improved to 10.73% compared to 10.55% the last season. The Company also produced 30,110 metric tons of molasses during the period under review, compared to 28,772 metric tons produced during the corresponding period last year. The Government of Sindh increased the minimum support price of sugarcane from Rs. 302 per maund to Rs. 425 per maund this year, an exorbitant increase of approx. 41% over the sugarcane price last year which resulted in the Company's cane cost to increase by around 47%.

During the period under review, the Company sold 53,732 metric tons of sugar compared to 43,755 metric tons during the corresponding period last year. During the season 2023/24, total sugar produced in Sindh rose to 2.022 million metric tons compared to 1.740 million metric tons, an increase of 16.2% over the last year. National sugar production for the crushing season 2023/24 stood at 6.77 million tons (2022/23: 6.50 million tons). The Economic Coordination Committee (ECC) in its meeting dated June 13, 2024 approved the export of 150,000 tons of sugar, as ratified by the Federal Cabinet on June 25, 2024. The ECC in its approval decided that Sindh will get a share of 30%, which comes to 45,000 tons.

Paper Division

The plant produced 23,239 tons of paper with sales of 22,427 tons for the nine months ended June 30, 2024. Capacity utilization was around 34% during the period. It is meeting all the operational parameters. The management continues maximum efforts to increase the revenue and customer base in a highly competitive market. A constant rise in local and international prices for one of the main inputs, old corrugated cartons, is negatively impacting costs, which are further compounded by higher interest rates and extension of credit to customers. Due to continuing high inflation and challenging economic conditions, consumer spending remains on a downward trend, directly impacting all FMCG businesses, and leading to a reduced demand of packaging and corrugated products.

Financial Performance

The Company has made a pre-tax loss of Rs. 1,189.57 million (Profit June 30, 2023: Rs. 870.959 million). The financial results of the Company for the nine months ended June 30, 2024 are summarized as follows:

Financial Results:

| | June 2024 | June 2023 |
|--|---------------------|---------------|
| | (Rupees in million) | |
| Net Sales | 9,016.35 | 4,868.84 |
| Cost of Sales | (8,022.08) | (4,164.29) |
| Gross Profit | 994.27 | 704.55 |
| Other Income | 43.46 | 480.99 |
| Share of (Loss) / profit in associates-net | (354.24) | 868.01 |
| Other expenses & taxes | (1,796.62) | (1,428.46) |
| Net (Loss) / Profit | <u>(1,113.13)</u> | <u>625.09</u> |

During the quarter under review, other income of the Company decreased to Rs. 43.46 million, comprising mainly of dividend income and profit on PLS accounts, compared to Rs. 480.99 million in the corresponding period, which was mainly due to the gain on disposal of a non-current real estate asset held for sale. Furthermore, finance costs significantly increased by 83% to Rs. 1,420 million (2023: Rs. 775.57 million), primarily due to significantly higher discount rates and higher working capital requirements for sugar and paper due to increase in prices of sugarcane and old corrugated cartons, which are the main raw materials. The Company accounted for its one-third share of loss in Unicol Limited amounting to Rs. 354.24 million (Profit 2023: Rs. 868.01 million) and adjusted its investment in the associate by the same amount. Unicol's sugar division produced 60,481 metric tons on its first year of operations under the company's management. However, the challenges of sugar industry and increased cost of borrowing continues to put pressure. Simultaneously, the ethanol segment is also under pressure due to dollar devaluation, reduction in ethanol prices and higher cost of raw material.

Future Outlook

Profitability of the Company's sugar division performance is dependent on the export of sugar and improvement of sugar prices in the domestic market. Although the Government has approved exports for 150,000 tons, timely completion of the necessary formalities by the Federal and Provincial Governments and speedy transportation of sugar stocks will be critical for the industry to meet its financial obligations and earn foreign exchange for the country. The operating environment will likely remain challenging in light of the difficult economic conditions, including Pakistan's low foreign exchange reserves that continue to put pressure on the economy. The country's economic situation is expected to largely depend on the relationship with the IMF and the question of political stability. Even with the recently announced budget and the introduction of new taxes, the IMF is demanding an increase in electricity charges and the abolishment of all subsidies. Continued adherence to the IMF program remains critical to ensure the continuity of the current stabilizing momentum. Consequently, the Company continues to focus on plans that reduce the negative impact of high interest rates, low economic growth and devaluation, and maximize shareholders value by spreading borrowings amongst different banks, reducing inventory and aggressively managing trade debts, amongst other measures.

Acknowledgment

The management of the Company would like to thank all its stakeholders, especially its customers and shareholders, for their continued confidence in the Company, its staff for their hard work and loyalty and the financial institutions for their ongoing support.

On behalf of the Board of Directors



Arif Faruque
Chairman



Aslam Faruque
Chief Executive

Karachi, July 26, 2024

Condensed Interim Statement of Financial Position

As at June 30, 2024

| | Note | June 30, 2024 (Unaudited) | September 30 2023 (Audited) |
|---|------|---------------------------------|-----------------------------------|
| (Rupees '000) | | | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 6 | 6,719,922 | 6,846,091 |
| Long-term investments | | 2,147,768 | 2,362,945 |
| Long-term loans and deposits | | 6,168 | 27,654 |
| Deferred tax asset-net | | 209,515 | - |
| | | 9,083,373 | 9,236,690 |
| CURRENT ASSETS | | | |
| Stores, spare parts and loose tools | | 835,701 | 739,189 |
| Stock-in-trade | | 3,776,767 | 2,407,741 |
| Trade debts | | 1,264,499 | 667,539 |
| Loans and advances | | 227,920 | 219,379 |
| Trade deposits and short-term prepayments | | 60,053 | 50,383 |
| Other receivables | | 262,426 | 282,317 |
| Short-term investments | | 41,291 | 31,254 |
| Tax refunds due from the Government | | 180,438 | 154,574 |
| Cash and bank balances | | 98,372 | 34,879 |
| | | 6,747,467 | 4,587,255 |
| TOTAL ASSETS | | 15,830,840 | 13,823,945 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Share capital | 7 | 665,579 | 465,579 |
| Reserves | | 2,305,867 | 2,964,938 |
| Surplus on revaluation of property, plant & equipment | | 661,496 | 661,496 |
| | | 3,632,942 | 4,092,013 |
| NON-CURRENT LIABILITIES | | | |
| Long-term financing | | 2,533,635 | 2,183,659 |
| Long-term lease liabilities | | 9,746 | 11,845 |
| Deferred liabilities | | 637,159 | 618,976 |
| Government grant | | 198,128 | 246,622 |
| | | 3,378,668 | 3,061,102 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 1,113,398 | 969,935 |
| Accrued mark-up | | 563,631 | 381,562 |
| Short-term borrowings | | 6,618,242 | 4,772,246 |
| Current portion of long-term financing | | 445,048 | 458,964 |
| Current portion of long-term lease liabilities | | 7,709 | 11,941 |
| Current portion of government grant | | 63,523 | 68,429 |
| Unclaimed dividend | | 7,679 | 7,753 |
| | | 8,819,230 | 6,670,830 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 8 | | |
| TOTAL EQUITY AND LIABILITIES | | 15,830,840 | 13,823,945 |

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


Aslam Faruque
Chief Executive


Amer Faruque
Director


Wasif Khalid
Director & Chief Financial Officer

Condensed Interim Statement of Profit or Loss (Unaudited)

For The Period Ended June 30, 2024

| Note | Period ended | | Quarter ended | |
|--|------------------|---------------|---------------|---------------|
| | June 30, 2024 | June 30, 2023 | June 30, 2024 | June 30, 2023 |
| | (Rupees in '000) | | | |
| Turnover - net | 9,016,345 | 4,868,840 | 2,948,341 | 2,655,110 |
| Cost of sales | (8,022,076) | (4,164,288) | (2,548,787) | (2,155,666) |
| Gross profit | 994,269 | 704,552 | 399,554 | 499,444 |
| Distribution cost | (225,452) | (117,910) | (83,403) | (78,906) |
| Administrative expenses | (226,072) | (202,454) | (77,669) | (70,990) |
| Other operating expenses / income | (1,878) | (86,666) | 552 | (3,717) |
| | (453,402) | (407,030) | (160,520) | (153,613) |
| Other income | 43,456 | 480,992 | 12,413 | 10,568 |
| Operating profit | 584,323 | 778,514 | 251,447 | 356,399 |
| Finance cost | (1,419,659) | (775,565) | (530,649) | (410,539) |
| | (835,336) | 2,949 | (279,202) | (54,140) |
| Share of (Loss) / profit in associates - net | (354,235) | 868,010 | (354,706) | 99,287 |
| (Loss) / Profit before taxation | (1,189,571) | 870,959 | (633,908) | 45,147 |
| Taxation | 76,439 | (245,863) | (36,898) | (53,374) |
| (Loss) / Profit after taxation | (1,113,132) | 625,096 | (670,806) | (8,227) |
| | | (Re-stated) | | (Re-stated) |
| (Loss) / Earnings per share - basic & diluted (Rupees) | 10 | (16.72) | 9.39 | (10.08) |
| | | | | (0.12) |

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



Aslam Faruque
Chief Executive



Amer Faruque
Director



Wasif Khalid
Director & Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Unaudited)

For The Period Ended June 30, 2024

| | Period ended | | Quarter ended | |
|---|------------------|----------------|------------------|---------------|
| | June 30, 2024 | June 30, 2023 | June 30, 2024 | June 30, 2023 |
| | (Rupees in '000) | | | |
| (Loss) / Profit after taxation | (1,113,132) | 625,096 | (670,806) | (8,227) |
| Other Comprehensive loss | | | | |
| Items that will not be subsequently reclassified to statement of profit or loss: | | | | |
| Unrealised Gain / (loss) on remeasurement of equity investment at fair value through other comprehensive income | 164,058 | 23,567 | 16,234 | 61,223 |
| Total comprehensive ((Loss) Income | <u>(949,074)</u> | <u>648,663</u> | <u>(654,572)</u> | <u>52,996</u> |

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


Aslam Faruque
 Chief Executive


Amer Faruque
 Director


Wasif Khalid
 Director & Chief Financial Officer

Condensed Interim Statement of Cash Flows (Unaudited)

For The Period Ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

(Loss) / Profit before taxation

Adjustments for :

| | | |
|--|------------------|------------------|
| Depreciation | 281,563 | 137,774 |
| Depreciation on right-of-use asset | 6,041 | 6,041 |
| Provision for market committee fee | 6,203 | 5,639 |
| Accrued profit term deposit | (3,442) | (391) |
| Dividend income from related parties | (19,676) | (17,850) |
| Share of loss / (profit) in associates | 354,235 | (868,010) |
| Loss / (gain) on disposal of property, plant and equipment | | |
| equipment / non-current asset held for sale | 3 | (451,972) |
| Provision of deferred liabilities-net | 11,979 | - |
| Finance cost on lease liabilities | 2,565 | - |
| Finance cost | 1,417,094 | 775,565 |
| | <u>2,056,565</u> | <u>(413,204)</u> |
| | 866,994 | 457,755 |

June 30,
2024

June 30,
2023

(Rupees '000)

(1,189,571)

870,959

Working capital changes

(Increase) / decrease in current assets:

| | | |
|---|--------------------|--------------------|
| Stores, spare parts and loose tools | (96,512) | (391,285) |
| Stock-in-trade | (1,369,026) | (2,115,071) |
| Biological assets | - | 4,140 |
| Trade debts | (596,960) | (521,921) |
| Loans and advances | (8,541) | (258,086) |
| Trade deposits and Short-term prepayments | (9,670) | (6,299) |
| Other receivables | 19,891 | 1,773 |
| | <u>(2,060,818)</u> | <u>(3,286,749)</u> |

Increase in current liabilities:

Trade and other payables

Cash used in operations

Long-term loans and deposits-net
Income tax paid

| | | |
|--|--------------------|--------------------|
| | 143,463 | 517,274 |
| | <u>(1,050,361)</u> | <u>(2,311,720)</u> |
| | 21,486 | 3,043 |
| | <u>(158,939)</u> | <u>(111,776)</u> |
| | <u>(137,453)</u> | <u>(108,733)</u> |

(1,187,814)

(2,420,453)

CASH FLOWS FROM INVESTING ACTIVITIES

| | | |
|--|------------------|------------------|
| Additions to property, plant and equipment | (162,194) | (1,000,830) |
| Sale proceeds of property, plant and equipment | 756 | 8,319 |
| Investment in Term deposit receipt | (10,000) | (18,500) |
| Redemption on investment in term deposit receipt | - | 1,500 |
| Profit realised on term deposits | 3,405 | 152 |
| Dividend received from an associate | 25,000 | 175,000 |
| Dividend received from related parties | 19,676 | 17,850 |
| | <u>(123,357)</u> | <u>(816,509)</u> |

Net cash used in investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

| | | |
|--|------------------|------------------|
| Finance cost paid | (1,235,025) | (488,527) |
| Short-term borrowings-net | 1,845,996 | 3,612,395 |
| Long-term financing-net | 282,660 | 127,254 |
| Payment of lease liability-net | (8,896) | (8,177) |
| Proceeds from issuance of right shares-net | 490,003 | - |
| Payment of dividend | (74) | (36) |
| | <u>1,374,664</u> | <u>3,242,909</u> |

Net cash generated from financing activities

Net increase in cash and cash equivalents

Cash and cash equivalents at the beginning of the period

Cash and cash equivalents at the end of the period

| | | |
|--|---------------|---------------|
| | 63,493 | 5,947 |
| | <u>34,879</u> | <u>19,570</u> |
| | <u>98,372</u> | <u>25,517</u> |

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



Aslam Faruque
Chief Executive



Amer Faruque
Director



Wasif Khalid
Director & Chief Financial Officer

Condensed Interim Statement of Changes In Equity

For The Period Ended June 30, 2024

| Description | Issued, subscribed and paid-up capital | Reserves | | | | | Total reserves | Surplus on Revaluation of property, plant and equipment | Total |
|--|--|------------------|-----------------------|---------------|---|---|----------------|---|-------------|
| | | General reserves | Unappropriated profit | Share premium | Actuarial gain / (loss) on defined benefit plan net-off tax | Unrealised/ realised gain / (loss) on investment at fair value through other comp. income | | | |
| (Rupees '000) | | | | | | | | | |
| Balance as at October 01, 2022 (Audited) | 134,950 | 34,250 | 1,583,835 | - | 61,191 | 452,715 | 2,131,991 | 844,259 | 3,111,200 |
| Profit after taxation | - | - | 625,096 | - | - | - | 625,096 | - | 625,096 |
| Surplus on revaluation of land realized on account of disposal | - | - | 299,564 | - | - | - | 299,564 | (299,564) | - |
| Other comprehensive loss | - | - | - | - | - | 23,567 | 23,567 | - | 23,567 |
| Total comprehensive income / (loss) | - | - | 924,660 | - | - | 23,567 | 948,227 | (299,564) | 648,663 |
| Transaction with owners | | | | | | | | | |
| Bonus shares issued -15 ordinary shares for each 100 shares held for the year ended September 30, 2022 | 20,243 | - | (20,243) | - | - | - | (20,243) | - | - |
| Interim bonus shares issued in proportion of 200 ordinary shares for each 100 shares held in June 2023 | 310,386 | - | (310,386) | - | - | - | (310,386) | - | - |
| Balance as at June 30, 2023 (unaudited) | 465,579 | 34,250 | 2,177,866 | - | 61,191 | 476,282 | 2,749,589 | 544,695 | 3,759,863 |
| Balance as at October 01, 2023 (Audited) | 465,579 | 34,250 | 2,392,086 | - | 58,320 | 480,282 | 2,964,938 | 661,496 | 4,092,013 |
| Loss after taxation | - | - | (1,113,132) | - | - | - | (1,113,132) | - | (1,113,132) |
| Other comprehensive income | - | - | - | - | - | 164,058 | 164,058 | - | 164,058 |
| Total comprehensive (loss) / income | - | - | (1,113,132) | - | - | 164,058 | (949,074) | - | (949,074) |
| Transaction with owners | | | | | | | | | |
| Issuance of right shares @ 42.957% (i.e. 42.957 shares for every 100 shares held) | 200,000 | - | - | 300,000 | - | - | 300,000 | - | 500,000 |
| Transaction cost incurred on issuance of right shares | - | - | - | (9,997) | - | - | (9,997) | - | (9,997) |
| Balance as at June 30, 2024 (unaudited) | 665,579 | 34,250 | 1,278,954 | 290,003 | 58,320 | 644,340 | 2,305,867 | 661,496 | 3,632,942 |

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


Aslam Faruque
 Chief Executive


Amer Faruque
 Director


Wasif Khalid
 Director & Chief Financial Officer

June 30, 2024 | 09

Notes to the Condensed Interim Financial Statements (Unaudited)

For The Period Ended June 30, 2024

1. STATUS AND NATURE OF BUSINESS

- 1.1 The Company was incorporated in Pakistan on May 27, 1964 as a public limited company and its shares are quoted at Pakistan Stock Exchange. Principal activity of the Company is manufacturing and selling of sugar and paper.

The geographical location and addresses of the Company's business units / immovable assets are as under:

| Business Unit | Address |
|---|---|
| Head Office | Modern Motors House, Beaumont Road, Karachi. |
| Registered Office / Factory and Land Sugar and Paper Division (Immovable assets) | Sub Post Office Sugar Mill Jamrao, Umerkot Road, Mirpurkhas Sindh. (Land measuring 619.60 acres and covered area 723,139 sq.ft) |
| Land for drainage (Immovable assets) | Deh 245, Tapo Butto Kot. Taluqa Shujaabad, Mirpurkhas. (Land measuring 1.49 acres) |

1.2 Significant Events & Transactions During the Period

As referred to in note 1.2 of the second quarter financial statements, the Company has received the full amount of right issue during the quarter i.e. Rs. 500,000,000 which is being utilised according to the purpose mentioned in the offering document.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting & reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Islamic Financial Accounting standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. BASIS OF PRESENTATION

3.1 These condensed interim financial statements are un-audited and are being submitted to the shareholders as required by the listing regulation of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017. 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, 2023.

4. ACCOUNTING POLICIES

4.1 The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended September 30, 2023, except for the adoption of amendments to approved accounting standards which became effective for the current period as disclosed in note 4.2 to these condensed interim financial statements.

4.2 Amendments and improvements to approved accounting standards adopted during the period

The Company has adopted the following amendments and improvements to International Financial Reporting Standards (IFRSs) which became effective for the current period:

Amendments

| | |
|-------------------------------------|---|
| IAS 8 | Definition of Accounting Estimates (Amendments) |
| IAS 1 and IFRS Practice Statement 2 | Disclosure of Accounting Policies (Amendments) |
| IAS 12 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments) |
| IAS 12 | International Tax Reform—Pillar Two Model Rules (Amendments) |

5. SIGNIFICANT ACCOUNTING ESTIMATES & JUDGEMENTS

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

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied to annual financial statements as at and for the year ended September 30, 2023.

6. PROPERTY, PLANT AND EQUIPMENT

| | Note | June 30, 2024 (Unaudited) | September 30 2023 (Audited) |
|--|------|---------------------------------|-----------------------------------|
| (Rupees '000) | | | |
| Opening book value | | 6,670,357 | 2,383,890 |
| Additions / transfers during the period / year | 6.1 | 165,142 | 4,411,775 |
| | | <u>6,835,499</u> | <u>6,795,665</u> |
| Surplus on revaluation of land | | - | 116,801 |
| Disposals during the period / year at book value | 6.1 | (759) | (5,342) |
| Depreciation charged during the period / year | | (281,563) | (236,767) |
| | | <u>6,553,177</u> | <u>6,670,357</u> |
| Opening: Capital work in progress | | 156,679 | 3,370,475 |
| Addition to capital work in progress / advance made during the period / year | | 111,535 | 1,020,964 |
| Transferred to property plant & equipment during the period / year | | (114,483) | (4,234,760) |
| Closing: Capital work in progress | 6.2 | 153,731 | 156,679 |
| Right-of-use asset - net | 6.3 | 13,014 | 19,055 |
| | | <u>6,719,922</u> | <u>6,846,091</u> |

6.1 Additions & disposals in property, plant and equipment

| | Additions at cost | | Disposals at book value | |
|--|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| | June 30, 2024 (Unaudited) | September 30 2023 (Audited) | June 30, 2024 (Unaudited) | September 30 2023 (Audited) |
| (Rupees '000) | | | | |
| Free hold land | 8,740 | - | - | - |
| Building on free hold land - factory | 16,994 | 516,697 | - | - |
| Building on free hold land - Non factory | 1,933 | 82,142 | - | - |
| Plant and machinery | 127,128 | 3,694,885 | - | - |
| Vehicles | 5,760 | 75,487 | 759 | 5,342 |
| Furniture & fittings | - | 2,319 | - | - |
| Office and other equipment | 2,561 | 23,525 | - | - |
| Computers & accessories | 2,026 | 16,720 | - | - |
| | <u>165,142</u> | <u>4,411,775</u> | <u>759</u> | <u>5,342</u> |

6.2 Capital work in progress:

| | June 30, 2024 (Unaudited) | September 30 2023 (Audited) |
|--------------------------|---------------------------------|-----------------------------------|
| (Rupees '000) | | |
| Plant and machinery | 132,310 | 129,431 |
| Civil Works | 21,421 | 23,516 |
| Advance against vehicles | - | 3,732 |
| | <u>153,731</u> | <u>156,679</u> |

6.3 Right-of-use asset

The Company has recognized a right-of-use asset in respect of head office and godown for OCC under rental agreement.

7. SHARE CAPITAL

7.1 Authorized capital

| June 30, 2024 (Unaudited) | September 30 2023 (Audited) | | June 30, 2024 (Unaudited) | September 30 2023 (Audited) |
|---------------------------------|-----------------------------------|---------------------------------|---------------------------------|-----------------------------------|
| Number of shares | | | (Rupees '000) | |
| <u>150,000,000</u> | <u>150,000,000</u> | Ordinary shares of Rs.10/- each | <u>1,500,000</u> | <u>1,500,000</u> |

7.2 Issued subscribed and paid-up capital

| | | | | |
|---|-------------------|-----------------------------------|----------------|----------------|
| Fully paid ordinary shares of Rs. 10/- each | | | | |
| 1,770,000 | 1,770,000 | Issued for cash | 17,700 | 17,700 |
| 44,787,891 | 44,787,891 | Issued as fully paid bonus shares | 447,879 | 447,879 |
| 20,000,000 | - | Issued as right shares | 200,000 | - |
| <u>66,557,891</u> | <u>46,557,891</u> | | <u>665,579</u> | <u>465,579</u> |

8. CONTINGENCIES AND COMMITMENTS

Commitments against LCs

| | | |
|--|----------------|----------------|
| Other Commitments | <u>429,730</u> | <u>533,957</u> |
| Letter of guarantee issued by commercial bank for Excise & Taxation office | <u>30,000</u> | <u>20,000</u> |
| Commitments for lease rentals under ijarah contracts | <u>31,458</u> | <u>12,666</u> |

8.1 The status of contingencies as at June 30, 2024 is the same as reported in the annual financial statements for the year ended September 30, 2023.

9. SEASONAL PRODUCTION - SUGAR

Due to the seasonal availability of sugarcane, the production 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 condensed interim financial statements.

10. (LOSS) / EARNINGS PER SHARE- Basic & Diluted

| | Period ended | | Quarter ended | |
|--|---------------|---------------|---------------|---------------|
| | June 30, 2024 | June 30, 2023 | June 30, 2024 | June 30, 2023 |
| (Loss) / Profit after taxation (Rs.'000) | (1,113,132) | 625,096 | (670,806) | (8,227) |
| | | (Re-stated) | | (Re-stated) |
| Weighted average no. of ordinary shares in issue | 66,557,891 | 66,557,891 | 66,557,891 | 66,557,891 |
| | | (Re-stated) | | (Re-stated) |
| (Loss) / Earnings per share-basic (Rupees.) | (16.72) | 9.39 | (10.08) | (0.12) |

There is no dilutive effect on basic earnings per share of the Company.

11. SEGMENT REPORTING

Segment information is presented in respect of Company's business. The primary format and business segment are based on the Company's management reporting structure.

| Type of segment | Nature of Business |
|--------------------------|---------------------|
| Sugar Division | Sugar manufacturing |
| Paper and Board Division | Paper manufacturing |

11.1 Segment analysis and reconciliation:

| | Sugar division | | Paper division | | Total | |
|---|-----------------------|-------------|-----------------------|-----------|-----------------------|----------------|
| | Period ended June 30, | | Period ended June 30, | | Period ended June 30, | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | (Rupees '000) | | | | | |
| Turnover-net | 6,073,552 | 3,651,243 | 2,942,793 | 1,217,597 | 9,016,345 | 4,868,840 |
| Cost of sales | (5,334,564) | (3,084,115) | (2,423,106) | (954,241) | (7,757,670) | (4,038,356) |
| Distribution cost | (31,614) | (41,399) | (193,417) | (76,202) | (225,031) | (117,601) |
| Depreciation and amortisation | (94,067) | (94,189) | (193,538) | (49,626) | (287,605) | (143,815) |
| Profit before tax and unallocated expenses | 613,307 | 431,540 | 132,732 | 137,528 | 746,039 | 569,068 |
| Unallocated income and expenses: | | | | | | |
| Administrative expenses | | | | | (203,294) | (184,880) |
| Other operating expenses | | | | | (1,878) | (86,666) |
| Other income | | | | | 43,456 | 480,992 |
| Finance cost | | | | | (1,419,659) | (775,565) |
| Share of (loss) / profit in associates - net | | | | | (354,235) | 868,010 |
| (Loss) / Profit before taxation | | | | | (1,189,571) | 870,959 |
| Taxation | | | | | 76,439 | (245,863) |
| (Loss) / Profit after taxation | | | | | <u>(1,113,132)</u> | <u>625,096</u> |

| | Sugar division | | Paper division | | Total | |
|---|------------------------|----------------|------------------------|----------------|------------------------|----------------|
| | Quarter ended June 30, | | Quarter ended June 30, | | Quarter ended June 30, | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | (Rupees '000) | | | | | |
| Turnover-net. | 1,850,127 | 1,631,409 | 1,098,214 | 1,023,701 | 2,948,341 | 2,655,110 |
| Cost of sales | (1,687,028) | (1,312,466) | (777,860) | (775,556) | (2,464,888) | (2,088,022) |
| Distribution cost | (5,491) | (18,987) | (77,759) | (59,851) | (83,250) | (78,838) |
| Depreciation and amortisation | (31,940) | (32,686) | (64,705) | (40,982) | (96,645) | (73,668) |
| Profit before tax and unallocated expenses | 125,668 | 267,270 | 177,890 | 147,312 | 303,558 | 414,582 |

Unallocated income and expenses:

| | | | | | | |
|--|--|--|--|--|------------------|----------------|
| Administrative expenses | | | | | (65,076) | (65,034) |
| Other operating income / (expenses) | | | | | 552 | (3,717) |
| Other income | | | | | 12,413 | 10,568 |
| Finance cost | | | | | (530,649) | (410,539) |
| Share of (loss) / profit in associates - net | | | | | (354,706) | 99,287 |
| (Loss) / Profit before taxation | | | | | (633,908) | 45,147 |
| Taxation | | | | | (36,898) | (53,374) |
| (Loss) / Profit after taxation | | | | | (670,806) | (8,227) |

11.2 Segment asset and liabilities:

| | Sugar division | | Paper division | | Total | |
|----------------------------------|----------------|--------------------|----------------|--------------------|-------------------|--------------------|
| | June 30, 2024 | September 30, 2023 | June 30, 2024 | September 30, 2023 | June 30, 2024 | September 30, 2023 |
| | (Un-audited) | (Audited) | (Un-audited) | (Audited) | (Un-audited) | (Audited) |
| | (Rupees '000) | | | | | |
| Segment assets- allocated | 8,751,991 | 7,349,985 | 6,381,251 | 6,064,815 | 15,133,242 | 13,414,800 |
| Segment assets- unallocated | | | | | 697,598 | 409,145 |
| Total assets | | | | | 15,830,840 | 13,823,945 |
| Segment liabilities- allocated | 832,516 | 866,178 | 2,669,832 | 2,199,370 | 3,502,349 | 3,065,548 |
| Segment liabilities- unallocated | | | | | 8,695,548 | 6,666,384 |
| Total liabilities | | | | | 12,197,897 | 9,731,932 |

12. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

These condensed interim financial statements do not include all financial risk management information and disclosures which are 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, 2023. There have been no changes in any risk management policies since the year end.

The carrying values of all financial and non-financial assets and liabilities measured at other than amortized cost in these condensed interim financial statements approximate their fair values.

13. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiary companies, related group companies, associated companies, key management personnel and staff retirement funds. The Company in the normal course of business carries out transactions with various related parties.

| Relationship | Nature of Transaction | June 30, 2024 | June 30, 2023 |
|---|---|------------------|------------------|
| | | (Rupees in' 000) | |
| Group companies / (Common directorship) | Goods purchased | 44,738 | 388,396 |
| | Services received | 18,038 | 31,625 |
| | Dividend received | 19,676 | 17,850 |
| Associated Company | Sales made | 1,067,407 | 867,281 |
| | Dividend received | 25,000 | 175,000 |
| Other related parties | Charge for staff provident and gratuity funds | 12,789 | 8,458 |
| Key management personnel | Remuneration | 108,586 | 94,795 |
| | Sales made under employee car scheme | - | 1,547 |
| Directors, Group companies, Provident & gratuity funds | Right shares issued | 292,728 | - |

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.

Following are the related parties with whom the Company has entered into transaction or have arrangement / agreement in place.

| Name | Basis of association | Aggregate % of Shareholding |
|---|-------------------------------------|--------------------------------|
| Faruque (Pvt) Ltd. | Common directorship | - |
| Cherat Cement Company Ltd. | Common directorship / Share holding | 1.41 |
| Greaves Pakistan (Pvt) Ltd. | Common directorship | - |
| Cherat Packaging Ltd. | Common directorship / Share holding | 4.97 |
| Greaves Engineering Services (Pvt) Ltd. | Common directorship | - |
| Greaves Airconditioning (Pvt) Ltd. | Common directorship | - |
| Unicol Ltd. | Associated Company | 33.33 |
| UniEnergy Ltd. | Associated Company | 7.69 |
| Zensoft (Pvt) Ltd. | Group Company | - |
| Mirpurkhas Sugar Mills Limited- Employee Provident Fund | Retirement Benefit fund | - |
| Mirpurkhas Sugar Mills Limited Paper & Board division- Staff Provident Fund | Retirement Benefit fund | - |
| Mirpurkhas Sugar Mills Limited- Employee Gratuity Fund | Retirement Benefit fund | - |

Outstanding balances, as at the reporting date, are disclosed as follows:

| | June 30, 2024 (Unaudited) | September 30 2023 (Audited) |
|---------------------------|---------------------------------|-----------------------------------|
| Associated Company | | |
| Trade and other payables | - | 8,257 |
| Loans advances | 1,323 | - |
| Trade debts | 23,562 | - |

14. DATE OF AUTHORIZATION

These condensed interim financial statements have been authorized for issue on July 26, 2024 by the Board of Directors of the Company.

15. GENERAL

Figures presented in these condensed interim financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated. Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison and better presentation.



Aslam Faruque
Chief Executive



Amer Faruque
Director



Wasif Khalid
Director & Chief Financial Officer



GHULAM FARUQUE
GROUP

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