



Quarterly Report June 2024

20  
24

[mehransugar.com](http://mehransugar.com)

# Company Information

## Board of Directors

Mr. Mohammed Kasim Hasham	Chairman
Mr. Iftikhar Soomro	Independent Director
Mr. Hasan Aziz Bilgrami	Independent Director
Mr. Mohammed Hussain Hasham	Director
Mr. Khurram Kasim	Director
Mr. Ahmed Ebrahim Hasham	Director/Chief Executive Officer
Mrs. Anushey A. Hasham	Director

## Management Team

Mr. Ahmed Ebrahim Hasham	Chief Executive Officer
Mr. Muhammad Hanif Aziz	Chief Financial Officer
Mr. Syed Ehtesham-ud-din	Resident Director
Mr. Ubaid-ur-Rehman	Senior GM Technical
Mr. Ali Hassan	GM Finance & Company Secretary

## Board Committees

### Audit Committee

Mr. Hasan Aziz Bilgrami	Chairman
Mr. Khurram Kasim	Member
Mrs. Anushey A. Hasham	Member

## Human Resource &

### Remuneration Committee

Mr. Iftikhar Soomro	Chairman
Mr. Ahmed Ebrahim Hasham	Member
Mr. Khurram Kasim	Member



### Executive Committee

Mr. Ahmed Ebrahim Hasham      Chairman  
Mr. Muhammad Hanif Aziz  
Mr. Syed Ehtesham-ud-din

### Auditors

Grant Thornton Anjum Rahman  
Chartered Accountants

### Legal Advisor

Hafeez Pirzada Law Associates  
Advocate & Legal Consultants  
KMS Law Associates  
Advocates & Corporate Consultants

### Share Registrar

CDC Share Registrar Services Limited  
CDC House, 99-B, Block B S.M.C.H.S,  
Main Shahrah-e-Faisal, Karachi  
Tel: (92-21) 111-111-500

### Bankers

Bank Al Habib Limited.  
Meezan Bank Limited.  
MCB Bank Limited  
Bank Islami Pakistan Limited.  
Bank Alfalah Limited.  
Habib Metropolitan Bank Ltd.  
Bank of Punjab Limited.  
Askari Bank Limited.

### Registered Office

Executive Tower, Dolmen City,  
14th Floor, Block-4, Marine Drive, Clifton,  
Karachi-75600  
Tel: (92 21) 35297814-17  
Fax: (92 21) 35297818, 35297827  
msm@mehransugar.com  
www.mehransugar.com

### Mills

Tando Adam Road, Distt. Tando Allahyar.  
Tel: (022) 3414501, 3414502, 3414503  
Fax: (022) 3414504



# DIRECTORS' REPORT

On behalf of the Board, I am pleased to present financial results for the period ended June 30, 2024.

Operational Highlights	June 2024	June 2023
Crushing - M. Tons	902,931	804,872
Sucrose Recovery	10.79	10.66%
Sugar Production - M. Tons	97,384	85,796
Molasses production - M. Tons	40,255	37,867

Financial Highlights	June 2024	June 2023
	(Rupees in Thousand except EPS)	
Turnover	8,963,174	7,406,804
Sales tax	1,190,465	909,433
Gross Profit	1,227,762	1,277,409
Finance cost	1,010,365	555,493
Profit before tax	305,645	1,440,693
Net Profit after tax	298,355	1,045,766
Earnings per share- Rupees	3.98	13.96

Following are the key highlights on the operational and financial results for the period ended June 30, 2024.

- During the crushing season 2023-24, our sugar production increased by 13.5%. Our mills sucrose recovery was seen rising to 10.79% from 10.66% the previous year. Pakistan's overall sugar production surpassed the previous year's figures, with a total output of 6.762 million tons (MT) from sugarcane.
- Contrary to earlier expectations of a shorter cane crop and lower yield, competition among millers intensified, resulting in a substantial increase in sugarcane prices. The notified prices of cane were already up by 40.7 % compared to last season while market prices escalated a further 15-20% higher. Given that the cost of sugarcane constitutes approximately 80% - 85% of the total production cost of sugar, this significant price hike has increased our overall production cost.
- In addition to the high cane prices our financing costs for the year have increased tremendously. The Sugar industry requires huge working capital since cane payments are made within a short window of when cane is harvested while sugar is sold on a monthly basis as per market demand. This peculiar situation of record high cane prices compounded with record high cost of borrowing (22-23 percent) has meant that financial costs have ballooned. Finance costs were nearly Rs. 0.5 Billion in this quarter which has been difficult to absorb or pass through in the sugar prices.
- The Company paid Rs. 1.3 Billion in excess cane payments over notified price. Also the finance cost crossed Rs. 1.0 Billion which is predominantly short term borrowing requirements.
- Profit before tax decreased by 80%. As explained this was due to higher cane prices, higher finance cost and non-absorption of this in sugar prices due to the glut in the sugar market and hesitance by the government to allow timely exports.

# DIRECTORS' REPORT

- A significant difference in the comparative financial results is the substantial increase in the finance cost borne by the company. The finance cost rose from Rs. 555 million to Rs. 1,010 million, marking an 82% increase from the corresponding period.
- Compared to the Rs 868 million profit shared in the same period last year, Unicol's share of loss for the concluded period is Rs354 million. Unicol's loss is predominantly due to lower ethanol prices along with a revaluation of currency. Another major impact is the higher financing cost for both short term borrowing as well as long term borrowing for the acquisition of the sugar mill.

## SEASON 2023-2024

Season 2023-24 began with a 700,000 Tons carryover stock in the country. The minimum support price was increased to Rs.425 per 40 kgs from Rs.302 per 40 kgs showing an increase of 41%.

As an industry the price increase was welcomed to allow sugarcane to compete with other crop prices. However the price announced in Punjab and KP was Rs. 400 per 40 kgs which was 33% higher than last year. The difference of Rs.25 per 40 kgs in the same country puts the Sind industry at a natural disadvantage. Further, Punjab contributes 65% of overall production of Pakistan and out of which mainly lower to central Punjab contributes more than 50% so such price parity keeps Sind at a much tougher position comparatively.

The total area under cultivation in our planted region declined by 10-15 percent. This was mostly brought on by fewer sugarcane plantations as a result of the disastrous 2022 flood. But farm yields have been good, offsetting much of this decline in acreage; in fact, Sindh's production figures have surpassed earlier estimates by a margin when compared to Punjab. Overall sugar cane production increased by 25%, from 16.7 million MT to 19.3 million MT, while Sindh's recovery stayed relatively stable at 10.4%, meaning that overall Sindh production increased by 15% from the previous year.

The recently announced Federal Budget includes new taxes, such as FED on manufacturers and higher taxes on retailers and whole sellers. These metrics have a big impact on the company's profitability and margins.

## UNICOL LIMITED

With a production of 60,481 M. Tons, the new segment of Unicol's Sugar division performed well. The difficulties associated with rising sugarcane prices, longer inventory holding periods, and higher KIBOR rates, however, have resulted in a significant increase in the cost of working capital. As a result, it doesn't seem like the Sugar's current selling price will cover its production costs for the fiscal year that ends on September 30, 2024.

Comparably, the ethanol market is also feeling the pinch from increased cost of raw material molasses, declining finished goods selling prices, and the strengthening of the PKR versus the USD, which has lowered margins. Additionally, the benefit of obtaining financing at a reduced rate for exports through the Export Refinance Facility (ERF) has virtually vanished in terms of finance costs which has ballooned financial expenses.

# DIRECTORS' REPORT

## FUTURE OUTLOOK

In February 2024 and September/October 2023, we saw good cane plantations. For the 2024–2025 season, a bumper crop and sugar production of about 8 million MTs are anticipated. In order to facilitate operations and procurements for the upcoming crushing season in 2024–2025, millers need the federal government to support them by permitting the export of surplus sugar. This would make it possible for them to get margins from the global market, guaranteeing the timely payment of all debts, including principal and financing charges. Furthermore, desperately needed foreign exchange would also build up.

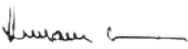
The price of sugar in the future will have a significant influence on profitability for the remaining period, as we usually report at this time of year. As a result, prompt approval and authorization of sugar exports will aid in relieving the industry's current precarious position. The Federal Government has approved the first tranche of 150,000 tons of sugar. It has also assured that additional allocation is possible provided policy guidelines are followed. But, global markets are contracting, so the earlier we export, the better.

Given the scarcity of new farmland and the high returns on competing crops, the industry as a whole must make significant efforts to increase farm productivity and yields. A higher volume of sugarcane will only be possible with intercropping and increased agricultural yield. This would boost farmer profitability and enable mills to achieve higher capacity utilization in the future.

While the industry places the utmost importance on cane development. We also believe that less government involvement is desirable. One issue that has persisted for a few years and is starting to impede the growth of this industry is the price correlation between sugarcane and sugar. In the long run, the government, growers, millers, and consumers will benefit from a peaceful resolution of this issue. We also suggest—and will continue to suggest—hiring a respectable domestic or foreign audit company that is capable of establishing a framework for this advancement.

We hope that prompt decisions are made before the upcoming season, as this will be crucial for the sugar industry as a whole.

For and on behalf of the Board of Directors



Khurram Kasim  
Director



Ahmed Ebrahim Hasham  
Chief Executive Officer

Karachi: July 30, 2024

وفاقی حکومت نے 150,000 ٹن چینی کی پہلی قسط کی منظوری دے دی ہے۔ اس نے یہ بھی یقین دہانی کرائی ہے کہ اضافی کوٹہ مختص کرنا بھی ممکن ہے بشرطیکہ پالیسی رہنما خطوط پر عمل کیا جائے۔ لیکن، عالمی منڈیوں میں چینی کی قیمت مسلسل گر رہی ہے، اس لیے جتنی جلدی اور جتنی زیادہ ہم برآمدات کر سکیں، اتنا ہی بہتر ہے۔

صنعت کی سطح پر ہمیں فارم کی پیداواری صلاحیت اور پیداوار کو بہتر بنانے کے لیے بڑے پیمانے پر کام کرنے کی ضرورت ہے کیونکہ کاشتکاری کے لیے اضافی زمین کی دستیابی محدود ہے اور مسابقتی فصلوں پر منافع زیادہ ہے۔ گنے کے ساتھ دوسری فصلوں کی مخلوط کاشت کاری گنے کو ایک منافع بخش فصل میں تبدیل کر سکتی ہے فارم کی صورت میں گنے کی بہتر پیداوار ممکن ہے۔ اس سے کسانوں کی اقتصادیات میں بہتری آئے گی اور ملوں کو آنے والے سالوں میں بہتر پیداواری صلاحیت کے استعمال کا موقع ملے گا۔

گنے کی اچھی پیداوار صنعت کے لئے انتہائی اہمیت کی حامل ہے تاہم، اس سلسلے میں حکومتی مداخلت کو کم کرنے کی ضرورت ہے۔ ایک مسئلہ جو چند سالوں سے برقرار ہے اور اس صنعت کی ترقی میں رکاوٹ ہے وہ ہے گنے اور چینی کے درمیان قیمت کا باہمی تعلق، اگر یہ قائم ہو جاتا ہے تو اس سے طویل المدتی فوائد حاصل ہو سکتے ہیں جس سے حکومت، کاشتکار، ملرز اور صارفین سب فائدہ اٹھائیں گے۔ ہم اس سلسلے میں ایک قابل احترام ملکی یا غیر ملکی آڈٹ کمپنی کی خدمات حاصل کرنے کی بھی تجویز کرتے ہیں اور یہ تجویز کرتے رہیں گے جو اس پیشرفت کے لیے ایک فریم ورک قائم کرنے کے قابل ہو۔

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

از طرف

بورڈ آف ڈائریکٹرز

Ahmed Elshikh

احمد ابراہیم ہاشم

چیف ایگزیکٹو آفیسر

محمد قاسم

خرم قاسم

ڈائریکٹر

کراچی - 30 جولائی 2024

توقعات سے کہیں زیادہ بہتری واقع ہوئی، گنے کی مجموعی پیداوار 25 فیصد اضافے کے ساتھ 16.7 ملین میٹرک ٹن سے بڑھ کر 19.3 ملین میٹرک ٹن ہوگئی جبکہ سندھ کی ریکوری 10.4 کے لگ بھگ رہی اس طرح سندھ کی مجموعی پیداوار میں گذشتہ سال کے مقابلے میں 15 فیصد کا اضافہ ہوا۔

حال ہی میں اعلان کردہ وفاقی بجٹ میں نئے ٹیکس شامل ہیں، جسے کہ میمنو فیکچرز پر FED اور خوردہ فروشوں اور مکمل فروخت کنندگان پر زیادہ ٹیکس۔ ان میٹرس کا کٹپنی کے منافع اور مارجن پر بڑا اثر پڑتا ہے۔

## یونی کول

متذکرہ عرصہ کے دوران یونیکول کے نئے حصے شوگر ڈویژن نے 60,481 میٹرک ٹن کے ساتھ اچھی کارکردگی کا مظاہرہ کیا۔ تاہم بلند شرح سود، چین کی فروخت میں کمی کی وجہ سے سرمایہ کی قلت اور اس کمی کو دور کرنے کے لئے طویل المدت قرضہ جات کا حصول اور اس پر لگنے والا بھاری سود نیز اس سے منسلک دیگر مشکلات، ان سب کی وجہ سے مالیاتی اخراجات میں انتہائی بھاری اضافے کو دیکھتے ہوئے ایسا نہیں لگتا کہ چین کی موجودہ قیمت فروخت 30 ستمبر 2024 کو ختم ہونے والے مالی سال کے لیے اس کی پیداواری لاگت کو بھی پورا کرے گی۔

اس کے مقابلے میں، انتھونل مارکیٹ کے لئے خام مال (مولاسس) کی بڑھتی ہوئی قیمت، تیار کردہ اشیاء کی فروخت کی قیمتوں میں کمی، اور امریکی ڈالر کے مقابلے پاکستانی روپے کی مضبوطی نے سبھی مارجن کو کم کیا ہے، مزید برآں، ایکسپورٹ ری فنانس سہولت کے ذریعے برآمدات کے لیے کم شرح پر فنانسنگ حاصل کرنے کا فائدہ مالیاتی اخراجات کے لحاظ سے عملی طور پر نہ ہونے کے برابر رہ گیا ہے۔

## مستقبل کا منظر نامہ

ستمبر/اکتوبر 2023 اور فروری 2024 میں گنے کی کاشت میں اچھے اضافے کا مشاہدہ کیا گیا ہے۔ جس کے نتیجے میں سیزن 2024-2025 میں گنے کی بڑی فصل اور تقریباً 8 ملین میٹرک ٹن چین کی پیداوار متوقع ہے۔ 2024-2025 کے کرشنگ سیزن کے لیے ہموار آپریشنز اور گنے کی خریداری کو یقینی بنانے کے لیے ملوں کو، وفاقی حکومت کی جانب سے اضافی چین کی برآمد کی اجازت دینے کی فوری ضرورت ہے۔ اس سے ملین بین الاقوامی مارکیٹ سے مارجن حاصل کر کے صنعت کو منافع بخش صورتحال کی جانب لے جاسکتی ہیں، اور اس بات کو بھی یقینی بنا سکتی ہیں کہ تمام مالی ذمہ داریاں، بشمول تمام مالیاتی اخراجات اپنے وقت پر پورے ہوں اس کے علاوہ ملک کے لئے قیمتی زرمبادلہ بھی حاصل کر سکیں۔

مستقبل میں منافع کا انحصار چین کی قیمتوں پر ہوگا جو کہ بقیہ مدت کے لیے منافع کو طے کریں گی، جیسا کہ ہم عام طور پر سال کے اس وقت رپورٹ کرتے ہیں۔ نتیجے کے طور پر، چین کی برآمدات کی فوری منظوری اور اجازت، صنعت کی موجودہ غیر یقینی صورتحال کو دور کرنے میں معاون ثابت ہوگی۔



زیادہ اضافہ ہوا ہے۔ اس مدت کے دوران مالیاتی اخراجات لگ بھگ 50 کروڑ ہیں اتنے بڑے اضافے کو چینی کی قیمت میں جذب / ایڈجسٹ کرنا بہت ہی مشکل ہے۔

• کمپنی نے گنے کی طے شدہ قیمت کے علاوہ گنے کے حصول کے لئے اضافی ادائیگی کی مد میں 1.3 بلین روپے ادا کئے ہیں جبکہ مالیاتی اخراجات بھی 1.0 بلین روپے سے تجاوز کر گئے ہیں یہ رقم بنیادی طور پر قلیل المدت قرض لینے کی ضروریات ہیں۔

• قبل از ٹیکس منافع میں 80 فیصد کمی ہوئی ہے اس کی وجہ گنے کی زیادہ قیمتیں، بھاری مالیاتی لاگت، چینی کی قیمت میں عدم استحکام، حکومت کی جانب سے بروقت برآمدات کی اجازت دینے میں ہچکچاہٹ۔ چینی کی قیمتوں میں ان سب اخراجات کا جذب / ایڈجسٹ ہونا بے حد مشکل ہے۔

• مالیاتی نتائج کے تقابلی جائزے کے مطابق مالیاتی اخراجات 555 ملین روپے سے بڑھ کر 1,010 ملین روپے ہو چکی ہے جو کہ گذشتہ اسی مدت کے مقابلے میں 82 فیصد زائد ہے۔

• پچھلے سال کی اسی مدت میں مشترکہ 868 ملین روپے کے منافع کے مقابلے میں، اختتامی مدت کے لیے یونیکول کا حصہ 354 ملین روپے ہے۔ یونیکول کا نقصان بنیادی طور پر پاکستانی روپے میں استحکام اور اسٹینڈنوں کی کم قیمتوں کی وجہ سے ہے۔ ایک اور بڑی وجہ شوگر مل کے حصول کے لیے قلیل مدتی قرضے کے ساتھ ساتھ طویل مدتی قرضوں کے لیے زیادہ مالیاتی لاگت ہے۔

## سیزن 2023-2024

سیزن 2023-2024 کا آغاز پچھلے سال کے 700,000 ٹن چینی کے بھاری ذخائر کے ساتھ ہوا۔ حکومت کی جانب سے گنے کی کم از کم امدادی قیمت 302 روپے فی 40 کلو گرام سے بڑھا کر 425 روپے فی 40 کلو گرام کر دی گئی یہ بھاری اضافہ گذشتہ سیزن کی نسبت 41 فیصد زیادہ تھا۔

اس بھاری اضافے کا بھی ہم نے بطور صنعت خوشدلی سے خیر مقدم کیا تاکہ گنے کی فصل دوسری فصلوں کے مقابلے میں کاشتکار کے لئے پرکشش رہے تاہم پنجاب اور کے پی کے حکومتوں نے گنے کی کم از کم امدادی قیمت 400 روپے فی 40 کلو گرام کر دی جو کہ پچھلے سال کے مقابلے میں 33 فیصد زائد تھی ایک ہی ملک میں 25 روپے فی 40 کلو گرام کے نمایاں فرق کی وجہ سے سندھ کی ملوں کی لاگت مقابلتاً زیادہ ہو گئی پنجاب کی پیداوار پاکستان کی مجموعی پیداوار کا 65 فیصد ہے اور اس میں مرکزی پنجاب کا حصہ 50 فیصد سے بھی زیادہ ہے، اسی لئے سندھ کی صنعت کو پنجاب کے مقابلے میں گنے کی قیمتوں کے واضح فرق نے، مارکیٹ میں چینی کی برابر کی قیمت پر فروخت کو مشکل ترین بنا دیا ہے۔

سیزن کے لئے کئے گئے سروے کے مطابق گنے کی کاشت میں پچھلے سیزن کے مقابلے میں 10 سے 15 فیصد کمی ریکارڈ کی گئی جس کی بنیادی وجہ 2022 کا تباہ کن سیلاب تھا تاہم بہتر فی ایڈر پیداوار نے اس کمی کو بہت حد تک پورا کر دیا۔ درحقیقت سندھ کے پیداواری اعداد و شمار پنجاب کے مقابلے میں

میں 30 جون 2024 کو ختم ہونے والی تیسری سہ ماہی کے مالی نتائج کو آپ کی خدمت میں پیش کرتے ہوئے مسرت محسوس کر رہا ہوں۔

آپریٹل جائزہ	جون 2024	جون 2023
کرسٹنگ (میٹرک ٹن)	902,931	804,872
سکروز کی ریکوری	10.79	10.66%
چینی کی پیداوار (میٹرک ٹن)	97,384	85,796
مولیسس کی پیداوار (میٹرک ٹن)	40,255	37,867

مالیاتی جائزہ	جون 2024	جون 2023
مجموعی فروخت (ٹوٹل ٹرن اور)	8,963,174	7,406,804
سیلز ٹیکس	1,190,465	909,433
خالص منافع	1,227,762	1,277,409
مالیاتی اخراجات	1,010,365	555,493
قبل از ٹیکس منافع	305,645	1,440,693
بعد از ٹیکس منافع	298,355	1,045,766
فی حصص آمدن	3.98	13.96

30 جون 2024 کو ختم ہونے والی مدت کے لیے آپریٹل اور مالیاتی نتائج کی اہم جھلکیاں درج ذیل ہیں۔

- سیزن 2023-24 کے دوران چینی کی پیداوار میں گذشتہ سیزن کے مقابلے میں 13.5 فیصد اضافہ ہوا۔ ملک میں چینی کی مجموعی پیداوار 6.762 ملین ٹن رہی جو کہ پچھلے سال سے زیادہ ہے، سکروز ریکوری 10.79 فیصد کے ساتھ پچھلے سال سے معمولی بہتر رہی جو کہ گذشتہ سال 10.66 فیصد تھی۔

- گنے کی قیمت میں چونکہ بھاری اضافہ ہوا ہے اور اس کی ادائیگی بھی نقد اور فوری کی جاتی ہے اس کے لئے بھاری ورکنگ کپیمینٹل کی ضرورت پڑتی ہے جو کہ بھاری شرح سود (22 فیصد سے 23 فیصد) پر حاصل کیا گیا ہے جبکہ چینی کی فروخت سارے سال جاری رہتی ہے اسی لئے قرضہ جات کے دورانیہ میں بھی اضافہ ہو جاتا ہے جس کے باعث مالیاتی اخراجات میں بہت

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

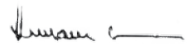
AS AT JUNE 30, 2024

	Note	Un-audited Jun 30, 2024 Rupees	Audited Sep 30, 2023 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	2,376,616,751	2,397,952,211
Right-of-Use-Assets		173,739,821	65,718,360
Long term investment	5	1,424,462,168	1,803,697,500
Long term deposits		3,436,400	3,436,400
		3,978,255,140	4,270,804,471
<b>CURRENT ASSETS</b>			
Biological assets		4,398,961	12,848,750
Stores and spare parts		138,300,535	151,581,936
Stock-in-trade		5,914,623,993	592,614,705
Trade debts		540,791,715	288,597,782
Loans and advances		88,967,730	129,276,926
Trade deposits and short term prepayments		50,329,966	77,961,056
Other receivables		-	63,496,884
Short term investments		1,143,559,409	913,979,145
Taxation - net		83,431,772	55,532,497
Cash and bank balances		145,403,019	46,795,976
		8,109,807,100	2,332,685,657
<b>TOTAL ASSETS</b>		<b>12,088,062,240</b>	<b>6,603,490,128</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital			
150,000,000 (2023: 150,000,000) ordinary shares of Rs.10/- each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital		749,276,090	749,276,090
Reserves		3,128,818,431	3,130,173,972
		3,878,094,521	3,879,450,062
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing		321,627,150	391,504,062
Lease Liabilities		107,482,796	48,601,679
Market committee fee payable		43,108,109	46,835,731
Deferred liabilities		2,851,429	3,280,132
Deferred income - government grant		81,070,723	98,724,221
Deferred taxation - net		573,749,350	678,769,650
		1,129,889,557	1,267,715,475
<b>CURRENT LIABILITIES</b>			
Trade and other payables		431,660,467	557,146,014
Advances from customers		220,287,175	408,681,857
Unclaimed dividends		26,816,767	23,378,823
Accrued mark-up		490,355,344	27,520,528
Short-term borrowings		5,135,509,554	14,213,010
Provision for market committee fee		32,470,011	23,440,691
Current portion of non-current liabilities		191,818,743	142,709,752
Taxation - net		-	-
Sales tax and federal excise duty payable		551,160,101	259,233,916
		7,080,078,162	1,456,324,591
<b>CONTINGENCIES AND COMMITMENTS</b>	6	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,088,062,240</b>	<b>6,603,490,128</b>

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

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS

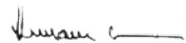
for the period ended June 30, 2024 (un-audited)

	Nine Months Ended		Quarter Ended	
	Jun 2024	Jun 2023	Jun 2024	Jun 2023
<b>Turnover</b>	<b>8,963,173,967</b>	7,406,804,141	<b>5,047,696,044</b>	3,835,314,218
Less: Sales Tax	<b>(1,190,464,712)</b>	(909,433,014)	<b>(772,110,242)</b>	(509,020,285)
<b>Turnover - net</b>	<b>7,772,709,255</b>	6,497,371,127	<b>4,275,585,802</b>	3,326,293,933
Cost of sales	<b>(6,544,947,412)</b>	(5,219,962,268)	<b>(3,990,064,575)</b>	(2,429,465,639)
<b>Gross profit</b>	<b>1,227,761,843</b>	1,277,408,859	<b>285,521,227</b>	896,828,294
Distribution costs	<b>(84,862,644)</b>	(56,585,283)	<b>(24,173,204)</b>	(17,118,500)
Administrative expenses	<b>(262,059,468)</b>	(203,196,269)	<b>(91,558,281)</b>	(75,558,484)
Other operating expense	<b>(15,208,327)</b>	(57,698,817)	<b>(8,312,555)</b>	(11,940,351)
Other operating income	<b>804,614,247</b>	167,981,594	<b>191,658,893</b>	32,707,288
	<b>442,483,808</b>	(149,498,775)	<b>67,614,853</b>	(71,910,047)
<b>Operating profit</b>	<b>1,670,245,651</b>	1,127,910,084	<b>353,136,081</b>	824,918,247
Share of profit from associates	<b>(354,235,333)</b>	868,275,701	<b>(354,706,619)</b>	99,286,994
Finance costs	<b>(1,010,365,220)</b>	(555,492,864)	<b>(474,867,033)</b>	(250,485,655)
<b>Profit before tax</b>	<b>305,645,098</b>	1,440,692,921	<b>(476,437,571)</b>	673,719,587
Taxation	<b>(7,290,203)</b>	(394,927,310)	<b>64,992,285</b>	(24,946,669)
<b>Profit after tax</b>	<b>298,354,895</b>	1,045,765,611	<b>(411,445,286)</b>	648,772,918
<b>Earnings per share-basic and diluted</b>	<b>3.98</b>	13.96	<b>(5.49)</b>	8.66

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

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

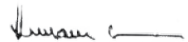
for the period ended June 30, 2024 (un-audited)

	Nine Months Ended		Quarter Ended	
	Jun 2024	Jun 2023	Jun 2024	Jun 2023
<b>Net profit for the period</b>	<b>298,354,895</b>	1,045,765,611	<b>(411,445,286)</b>	648,772,918
<b>Other comprehensive income</b>				
<b>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods</b>				
Gain on disposal of equity instruments designated at fair value through other comprehensive income (net of current tax)	-	13,251,269	-	-
Unrealised gain on remeasurement of equity instruments designated at fair value through other comprehensive income (net of deferred tax)	-	-	-	-
	-	13,251,269	-	-
<b>Total comprehensive income for the period</b>	<b>298,354,895</b>	1,059,016,880	<b>(411,445,286)</b>	648,772,918

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

  
 CHIEF EXECUTIVE OFFICER

  
 CHIEF FINANCIAL OFFICER

  
 DIRECTOR

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

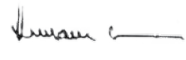
for the period ended June 30, 2024 (un-audited)

	Reserves						Subtotal	Total Equity	
	Capital	Revenue		Other Components of Equity					
		Share Premium	General Reserve	Unappropriated Profits	FV reserve of financial assets at FVOCI	Actuarial gain/ (loss) on defined benefit plan			
	Rupees								
Balance as at October 01, 2022 (Audited)	605,475,641	63,281,250	-	85,000,000	1,992,080,223	329,100	3,484,739	2,144,175,312	2,749,650,953
Bonus Issued for the year ended September 30, 2022 in the ratio of 12.5 Ordinary shares for every 100 shares held	75,684,450	-	-	(75,684,450)	-	-	-	(75,684,450)	-
Interim dividend for the year ending September 30, 2023 @ Re. 1.50 per share	-	-	-	(102,174,447)	-	-	-	(102,174,447)	(102,174,447)
Interim Bonus Issued for the year ending September 31, 2023 in the ratio of 10 Ordinary shares for every 100 shares held	68,116,009	-	-	(68,116,009)	-	-	-	(68,116,009)	-
Profit for the Period	-	-	-	1,045,765,611	-	-	-	1,045,765,611	1,045,765,611
Other comprehensive loss for the period	-	-	-	-	13,251,269	-	-	13,251,269	13,251,269
Total comprehensive income for the Period	-	-	-	1,045,765,611	13,251,269	-	-	1,059,016,880	1,059,016,880
Transfer of fair value reserve of equity instruments designated at FVOCI on account of disposal	-	-	-	13,580,369	(13,580,369)	-	-	-	-
<b>Balance as at June 30, 2023 (Unaudited)</b>	<b>749,276,090</b>	<b>63,281,250</b>	<b>85,000,000</b>	<b>2,805,451,296</b>	<b>-</b>	<b>3,484,739</b>	<b>2,957,217,285</b>	<b>3,706,493,389</b>	
<b>Balance as at October 01, 2023 (Audited)</b>	<b>749,276,090</b>	<b>63,281,250</b>	<b>85,000,000</b>	<b>2,977,852,332</b>	<b>-</b>	<b>4,040,389</b>	<b>3,130,173,972</b>	<b>3,879,450,062</b>	
Final dividend for the year ended September 30, 2023 @ Rs.3 per share	-	-	-	(224,782,827)	-	-	-	(224,782,827)	(224,782,827)
Interim dividend for the year ending September 30, 2024 @ Rs.1 per share	-	-	-	(74,927,609)	-	-	-	(74,927,609)	(74,927,609)
Profit for the Period	-	-	-	298,354,895	-	-	-	298,354,895	298,354,895
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	298,354,895	-	-	-	298,354,895	298,354,895
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	-	-	-	-	-	-	-
<b>Balance as at June 30, 2024 (Unaudited)</b>	<b>749,276,090</b>	<b>63,281,250</b>	<b>85,000,000</b>	<b>2,976,496,792</b>	<b>-</b>	<b>4,040,389</b>	<b>3,128,818,431</b>	<b>3,878,094,521</b>	

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

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# CONDENSED INTERIM STATEMENT OF CASH FLOWS

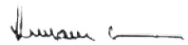
for the period ended June 30, 2024 (un-audited)

	Note	June 30,2024 Rupees	June 30,2023 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		305,645,098	1,440,692,921
Adjustments for non-cash charges and other items:			
Depreciation		123,561,014	126,991,905
- Operating fixed assets		39,503,039	16,652,827
- Right of use assets		(18,513,920)	(17,794,868)
Ammortization of deferred income - government grant		354,235,333	(868,275,701)
Share of (profit)/loss from associates - net		(3,000,000)	(2,292,835)
Gain on disposal of operating fixed assets		1,010,365,220	555,492,864
Finance costs		9,029,320	8,048,716
Provision for market committee fee			(92,056,444)
Gain on Disposal of Investment-Discontinued Operations		(50,886,695)	-
Gain on disposal of mutual fund at fair value through profit or loss		(390,773,225)	(4,710,261)
Gain on disposal of equity instruments at fair value through profit or loss			
Unrealised (gain)/loss on remeasurement of equity instruments at fair value through profit or loss		(248,437,080)	24,412,103
Unrealized gain on investment held for trading(MFs)		(19,968)	-
Working Capital Changes	7	(5,442,988,905)	(2,548,022,063)
		(4,617,925,867)	(2,801,553,757)
Staff gratuity paid		(428,703)	(437,034)
Income taxes paid		(140,209,778)	(101,393,261)
Finance costs paid		(526,333,002)	(384,408,581)
Market committee fee paid		(6,189,153)	(4,009,153)
<b>Cash used in operating activities</b>		<b>(4,985,441,405)</b>	<b>(1,851,108,865)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(102,225,554)	(135,238,278)
Proceeds from disposal of operating fixed assets and right-of-use assets		3,000,000	3,740,000
Investments made		(4,170,707,261)	(191,226,035)
Proceeds from disposal of short-term investments		4,631,243,965	278,624,378
Proceeds from disposal of Discontinued Operations		-	138,405,484
Dividend received		24,999,999	174,999,990
<b>Cash generated from investing activities</b>		<b>386,311,149</b>	<b>269,305,539</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term financing-net		(77,793,921)	(199,703,907)
Lease rentals paid		(49,492,831)	(17,588,110)
Short term borrowing-net		5,121,296,544	1,908,996,051
Dividend paid		(296,272,492)	(102,174,447)
<b>Cash generated from financing activities</b>		<b>4,697,737,300</b>	<b>1,589,529,587</b>
<b>Net increase in cash and cash equivalents</b>		<b>98,607,043</b>	<b>7,726,260</b>
Cash and cash equivalent at the beginning of the period		46,795,976	33,265,542
<b>Cash and cash equivalents at the end of the period</b>		<b>145,403,019</b>	<b>40,991,802</b>

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

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the period ended June 30, 2024 (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.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended September 30, 2023.

## 4. PROPERTY, PLANT AND EQUIPMENT

### 4.1 OPERATING FIXED ASSETS

	Un-audited Jun 30, 2024	Audited Sep 30, 2023
Opening written down value	2,209,371,259	2,213,684,001
Additions during the period	38,409,406	165,692,646
Disposal during the period (WDV)	-	(103,206)
	<u>2,247,780,665</u>	<u>2,379,273,441</u>
Depreciation charged during the period	<u>(133,231,014)</u>	<u>(169,902,182)</u>
	<u>2,114,549,651</u>	<u>2,209,371,259</u>

### 4.2 CAPITAL WORK-IN-PROGRESS

Buildings - Civil Works	15,287,909	443,840
Plant and Machinery	196,249,549	150,794,843
Advance against capital expenditure	50,529,642	37,342,269
	<u>262,067,100</u>	<u>188,580,952</u>
	<u>2,376,616,751</u>	<u>2,397,952,211</u>



# CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the period ended June 30, 2024 (un-audited)

<b>5. LONG TERM INVESTMENT</b>		<b>Un-audited Jun 30, 2024</b>	Audited Sep 30, 2023
<b>Subsidiary</b>			
Mehran Energy Limited	5.1	<b>40,000,000</b>	40,000,000
Advance against Right issue of shares		<b>2,596,739</b>	2,596,739
Provision for impairment		<b>(42,596,739)</b>	<b>(42,596,739)</b>
		-	-
<b>Associates</b>			
Unicol Limited	5.2	<b>1,403,847,450</b>	1,783,082,782
UniEnergy Limited	5.3	<b>20,614,718</b>	20,614,718
		<b>1,424,462,168</b>	1,803,697,500
		<b>1,424,462,168</b>	1,803,697,500
<b>5.1</b>	The Company holds 4,000,000 (Sep 30, 2023: 4,000,000) shares representing 100 (Sep 30, 2023: 100) percent of the total equity of Mehran Energy Limited.		
<b>5.2</b>	The Company holds 49,999,997 (Sep 30, 2023: 49,999,997) shares representing 33.33 (Sep 30, 2023: 33.33) percent of the total equity of Unicol Limited.		
<b>5.3</b>	The Company holds 1,999,998 (Sep 30, 2023: 1,999,998) shares representing 20 (Sep 30, 2023: 20) percent of the total equity of UniEnergy Limited.		
<b>6. CONTINGENCIES &amp; COMMITMENTS</b>			
	There is no significant change in the contingencies & commitments since the last audited annual financial statements for the year ended September 30, 2023.		
<b>7. WORKING CAPITAL CHANGES</b>		<b>Un-audited Jun 30, 2024</b>	Un-audited Jun 30, 2023
<b>(Increase) / decrease in current assets</b>			
Biological assets		<b>8,449,789</b>	23,408,404
Stores and spare parts		<b>13,281,401</b>	(61,045,800)
Stock-in-trade		<b>(5,322,009,288)</b>	(2,162,331,959)
Trade debts		<b>(252,193,933)</b>	(224,913,743)
Loans and advances		<b>40,309,196</b>	(13,550,963)
Trade deposits and short-term prepayments		<b>27,631,090</b>	(689,123)
Other receivables		<b>63,496,884</b>	-
		<b>(5,421,034,861)</b>	(2,439,123,184)
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		<b>(125,485,547)</b>	(15,328,231)
Contract liabilities		<b>(188,394,682)</b>	(92,647,876)
Unclaimed Dividend		-	1,035,002
Sales tax payable		<b>291,926,185</b>	(1,957,774)
		<b>(21,954,044)</b>	(108,898,879)
		<b>(5,442,988,905)</b>	(2,548,022,063)
<b>8. TRANSACTIONS WITH RELATED PARTIES</b>		<b>Un-audited Jun 30, 2024</b>	Un-audited Jun 30, 2023
<b>Associates</b>			
Sales		<b>1,460,027,457</b>	1,160,619,566
Donation		<b>9,082,000</b>	3,062,763
<b>Retirement benefits Plan</b>			
Provident fund contribution		<b>4,908,756</b>	4,333,961

**9 GENERAL**

These financial statements were authorized for issue on **July 30, 2024** 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.





Executive Tower, Dolmen City, 14th Floor,  
Block-4, Marine Drive, Clifton, Karachi-75600  
Tel : (92 21) 35297814-17  
Fax : (92 21) 35297818, 35297827  
info@mehransugar.com