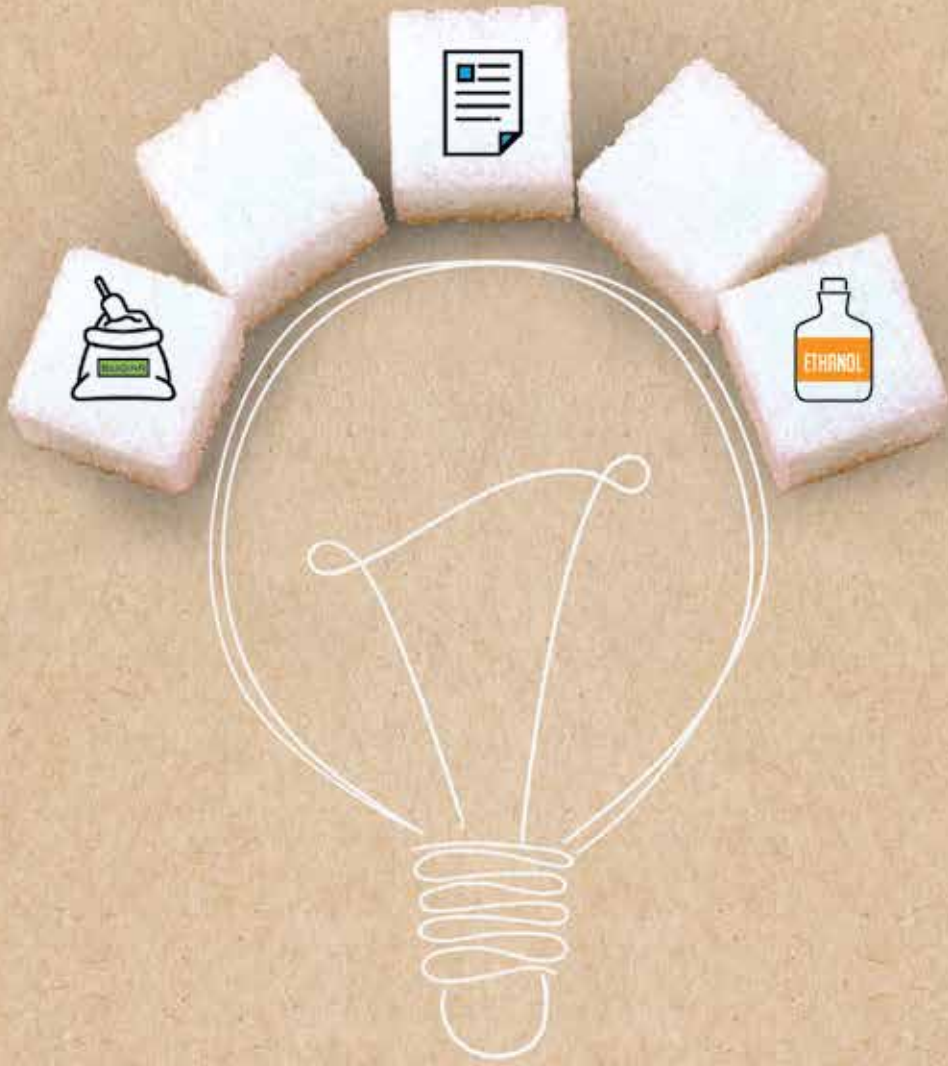




Mirpurkhas Sugar Mills Limited



Energising
DIVERSITY

ANNUAL
REPORT
2024

“**Energising DIVERSITY**” in MSM means harnessing the unique strengths of our diverse workforce to innovate and create sustainable solutions. Just as sugar can be transformed into various products, our team, much like craft paper, can take on different forms and ideas, enhancing creativity.

By producing ethanol from sugarcane molasses, we are not only diversifying our product offerings but also fostering a culture of collaboration and inclusivity that drives us forward.



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Content Overview

The report is structured into several key sections, each shedding light on vital aspects of our organization:



Organizational Overview & Strategy:

Introduces our business, core values, and major achievements, providing a brief glimpse of our strategic framework.



Governance:

We delve into our governance structure, featuring profiles of our board and presenting the Directors' Report and Chairman's review.



Sustainability & Corporate Social Responsibility:

Highlighting our initiatives under corporate social responsibility, emphasizing our alignment with the sustainable development goals and our contributions toward each goal.



Financial Statements:

We present our audited financial statements complying with international financial reporting standards and local laws.



Financial Performance & Position:

Offering a comprehensive financial analysis, explains major variations from prior periods, ensuring transparency in our financial health.



Shareholder's Information:

Includes secretarial details, such as AGM notices, proxy forms, to facilitate shareholders.



Stakeholder Engagement & Relationship Framework Adopted:

Exploring our policies and approach towards building and nurturing healthy relationships with all our stakeholders.





Organizational Overview and External Environment

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Energising INNOVATIONS



RESEARCH AND DEVELOPMENT

Focusing on research and development to innovate new products. This innovative approach not only reduces waste but also promotes sustainable practices.



Energising SUSTAINABILITY



SUSTAINABLE OPPORTUNITY

By converting molasses into ethanol, we are reducing waste and lower greenhouse gas emissions compared to fossil fuels.





Energising TEAMWORK



COHESIVE WORK ENVIRONMENT

Together, we not only achieve our goals but also cultivate a culture of support and shared achievement, making every effort count towards our mission of delivering the finest products to our customers.



Energising GENDER EQUALITY



At MSM, we promote diversity and are committed to create an inclusive work environment where all employees, regardless of gender, feel respected and supported.





Energising PROTECTION



ANIMALS WELFARE

At MSM, we believe in the sweet harmony between nature and business. That's why we have maintained a wildlife reserve dedicated to endangered animal care and conservation.





Energising RELATIONS



VERTICAL AND HORIZONTAL INTEGRATION

Mirpurkhas Sugar Mills has long been among the prominent and progressive producers of sugar in Pakistan. The company continues to diversify its interests in order to stay competitive and serve Pakistan.

The company is fueling its growth by using by-products to channel its energy into new ventures. The company initially diversified into ethanol by investing in Unicol Limited (a JVCompany) and now expanding its operations into paper and board manufacturing.





Energising COMMUNITIES



COMMUNITY ENGAGEMENT

Investing in community development programs, such as education and health, to enhance their lives.





Nature of Business

The Company has sugar cane crushing capacity of 12,500 M.Tons per day and paper production capacity of 250 M. Tons per day.

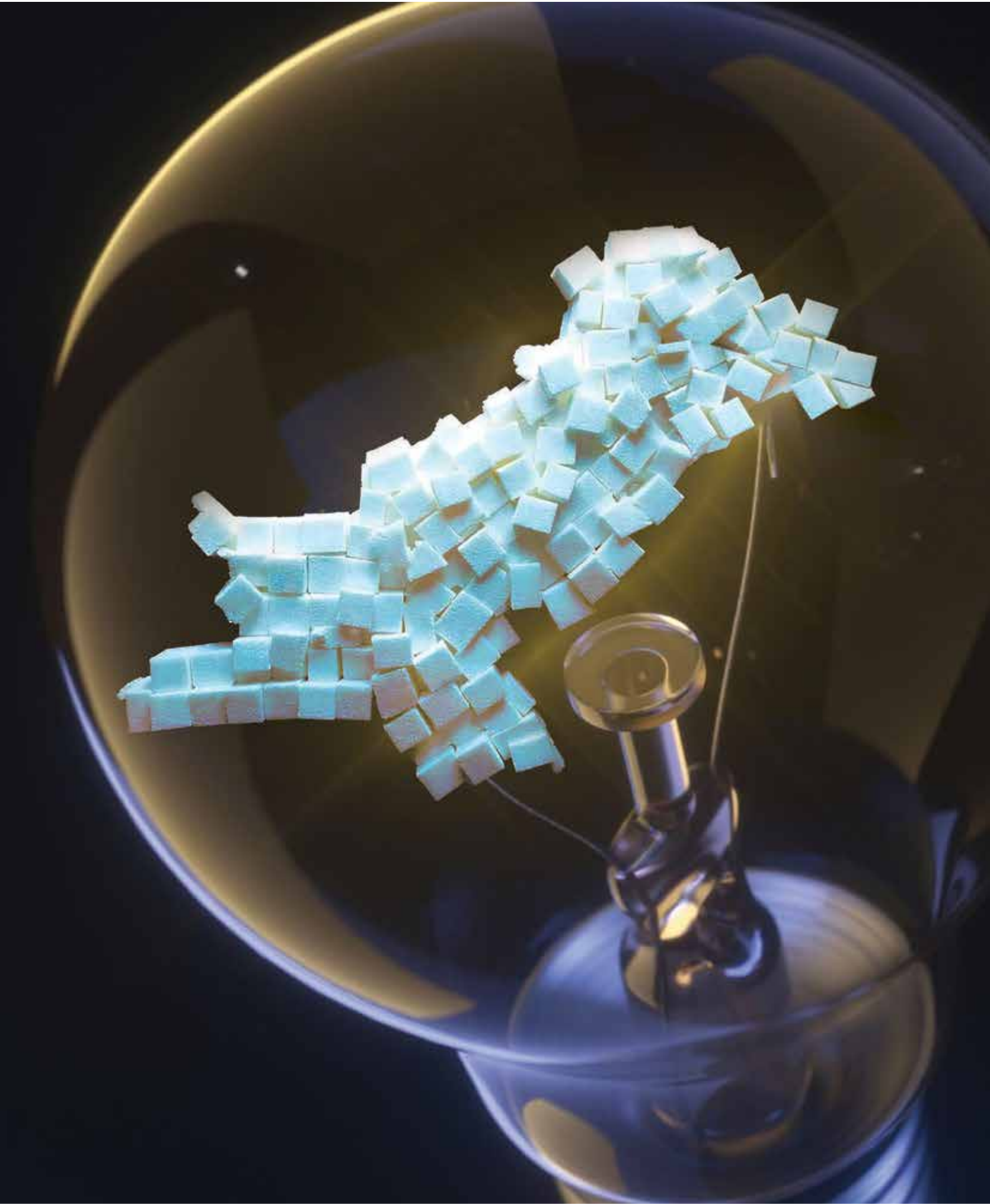
Established in 1964, its principal activity was manufacturing and selling of sugar. It is located about 230 km from the port city of Karachi, in Mirpurkhas and is listed on the Pakistan Stock Exchange. It is one of the most efficient sugar mills in Pakistan. Moreover, it is involved in development of higher yield sugar cane varieties on its 351 acres experimental farms.

Mirpurkhas Paper & Board Division is a new venture of Mirpurkhas Sugar Mills (MSM), aiming to become a leading supplier of quality liner board and medium paper to the packaging industry in Pakistan. The MSM Paper & Board plant is the largest brown paper-producing facility in the region and one of the largest in the country.



Our Certifications





VISION

Energizing Growth

MISSION

- To be a diversified business
- Innovation in everything we do
- Focus on the growth of our people
- Build a Portfolio of Brands
- Optimizing our ROI
- Give Back to our Communities
- Manage our risks effectively
- Uphold the trust of our business partners

Our Values



RESPECT
is our way of life



QUALITY
is our legacy



FAIRNESS
is our way of work



OWNERSHIP
is our way to
success



Culture

Organisational culture at Mirpurkhas Sugar Mills Limited is a manifestation of shared values and beliefs, which we practice every day to move towards a better and more vibrant organisation and also leads to high level of workforce engagement, which drives productivity.

These shared values have a strong influence on the team and help us in achieving a win-win outcome for both employees and the organisation.

Our organisational culture clearly gives employees sense of direction at the work place, motivate and inspire them to be engaged with their tasks assigned.

Our values are what our culture is built on and bind us into a world class team, yearning to outperform the competition.

Ethics

Our Code of Conduct reflects our commitment to meet the expectations of our stakeholders and contains the fundamental principles and rules concerning ethical business conduct.

Mirpurkhas Sugar Mills Limited (MSM) is committed to conducting its business with honesty and integrity, and we expect all our employees to maintain highest standards in accordance with this Code.

MSM's Code of Conduct forms an integral part of the terms of employment of all employees. The Company ensures full compliance and functions on zero tolerance on the same. Unethical behavior is not acceptable under any circumstances. Breach of Code of Conduct can lead the disciplinary action up to and including termination of employment.

It is the obligation of every employee to be responsible, honest, trustworthy, conscientious, and dedicated to the highest standards of ethical business practices. The employees have a legal, moral and ethical responsibility to report to their Line Managers or Compliance Committee, any known or suspected violations of law, regulations and / or corporate policies.

Code of Conduct

This Code of Conduct of the Company is based on the principles of, including but not limited to, Personal Conduct, Conduct in business dealing, Integrity, & Honesty.

Scope

This Code of Conduct is applicable to Directors, Senior Management and all regular and direct contract staff in the Company and its locations.

Compliance with the Law and Reporting of Violations

We firmly believe in good corporate governance and in providing advice concerning compliance with the Code of Conduct. All employees are encouraged to report any suspected violation of this Code of Conduct to their Line Managers (Functional Heads) who will report to the Chief Executive / Chief Operating Officer and/or as provided under the Whistle Blowing Policy of the Company.

The observance of the laws and regulations of the legal systems in which we operate, along with policies of the Company, is mandatory for all employees in all their dealings, be it with customers, suppliers, competitors, other employees, government bodies or others.

Competition and Anti-trust Law

We obligate employees to strict compliance with Competition and Anti-trust Laws wherever the Company operates.

Bribery and Corruption

We are committed to conducting our business in an open, honest and ethical manner in all the jurisdictions in which we operate and will not allow its employees to engage in any form of bribery or corruption in order to secure any kind of business advantage.

Money Laundering

It is our policy to refrain from conducting business with persons or entities who are involved in criminal or illegal activities. All employees have to adhere to applicable anti-money laundering laws and regulations.

Product Quality

We develop and manufacture high-quality products that meet all regulatory requirements and pursue quality beyond compliance in both our products and processes. We focus on regularly updating ourselves with technological advancements to produce under the highest standards and maintain all relevant technical and professional standards.

Books, Records and Financial Reporting

The accuracy and completeness of our books, records and financial reporting is of critical importance for the Company. We fulfill all applicable legal obligations with regard to public filings and reporting.

Ensure Confidentiality

It is our policy that no employee entrusted with confidential information about the Company, its suppliers, customers or other business partners may disclose such information to any third party or use such information for his or her personal benefit while employed with the Company or thereafter, unless prior written approval is obtained from a duly authorized person, unless it is public knowledge at the time of disclosure or the disclosure is required by law.

Protection and Information Security

We have a policy that sets out rules on data protection and the legal conditions that must be satisfied in relation to the obtaining, handling, processing, storage, transportation and destruction of personal information. We comply with all applicable laws & regulations regarding the collection, processing and use of personal data. Any illegal collection, processing or use of personal data of our employees, suppliers, customers and third parties are strictly prohibited. All personal data must be safeguarded with appropriate care and protected against unauthorized access by third parties at all times.

Handling and Safeguarding of the Company's Property

Employees must handle the Company's assets, property, proprietary information and intellectual rights for business purposes and not for personal benefits or gains and to make utmost efforts for the protection and efficient use of the Company's assets.

Equal Treatment and Fair Working Conditions

We are committed to promoting equality of opportunity for all staff and job applicants. We aim to create a working environment in which all individuals are able to make best use of their skills and abilities, free from discrimination or harassment, and in which all decisions or promotions are objectively based on merit. We do not tolerate any form of discrimination, harassment or bullying in the workplace.

Social and Corporate Governance

We are committed to maintaining ethical leadership, advocating best practices, establishing comprehensive policies, implementing robust internal controls and engaging with shareholders and other stakeholders in a transparent and a fair manner.

We encourage employees to participate in philanthropic activities, including contributing to charities of their choice.

Personal Conduct and Legal Duties

We encourage employees to improve competence and skills in their respective roles through continuing professional education, exercising due diligence, objectivity and sound judgement while performing their duties.

We also encourage employees to exhibit a high standard of personal conduct both inside and outside the Company.

Insider Trading

The employees of the Company may not partake in practices like insider trading, concealment of facts, misusing of privileged information and must ensure compliance with all relevant laws and Company policies.

Diversity and Inclusion

We are committed to promoting a diverse and inclusive staff composition and providing equal opportunities to all employees for employment in the Company irrespective of their culture, race,

gender, caste, and religion. We do not tolerate intimidation and harassment in the workplace.

External Activities and Public Comments

We do not permit employees to undertake external activities during the working hours or at the expense of their duties and commitments to the Company.

Health, Safety and Environmental Protection

We are committed to complying with environmental laws and will strive to use eco-friendly technologies and practices to minimize our environmental footprint wherever reasonably possible. This includes making efficient use of natural resources and aiming to minimize the environmental impact of our activities and products.

We focus on all aspects of occupational health, safety and environmental protection. We identify and manage health, safety and environmental risks in our activities and over the entire value chain of our products and services.

We focus on customer satisfaction, employee well-being, ethical business conduct, community engagement and collaboration with government and regulatory authorities.

Avoiding Conflicts of Interest

Employees may not engage in any activities, on or off the job that conflict with the Company's business interests, nor they may use their position with the Company for their personal gain or for the improper benefit of others. As a policy, conflicts of interest must be reported to Management.



Group Structure

Since its inception, the Ghulam Faruque Group has continuously strengthened and diversified its lines of operations. Faruque (Pvt) Ltd is the Parent Company. Details and brief profile of other leading group companies / ventures are as follows:

Faruque (Pvt.) Ltd Parent Company

Established in 1964 as a Parent Company of the Group, it primarily serves as an investment arm of the Group.



Cherat Cement Company Ltd

Manufacturer of Ordinary Portland Cement and composite Cement

Incorporated in 1981, the Company specializes in manufacturing, marketing, and selling cement under the brand names 'Cherat' and 'Cherat Khyber.' As a pioneer in Pakistan's cement industry, it holds the top position in its region with an annual installed capacity of 4.5 million tons. The plant, located in Village Lakrai, District Nowshera, Khyber Pakhtunkhwa (KPK), is strategically positioned to serve both the local market and export cement to Afghanistan. Listed on the Pakistan Stock Exchange and ISO 9001 and 14001 certified, the Company has received numerous prestigious awards, including the SAFA Award, Business Excellence in Export, PSX Top Companies Award, MAP's Best Company Award, and Best Corporate and Sustainability Report Award. To stay ahead in technology and strengthen operations, the Company has upgraded its SAP ECC system to S/4 HANA and implemented the HR Success Factor module.



Cherat Packaging Limited

Manufacturer of Kraft Paper, Polypropylene Bags and Flexible Packaging Products

Established in 1989, it is one of the largest producer and supplier of paper sack and polypropylene (PP) bags to the cement industry in Pakistan. CPL also produces and provides bags to other industries such as sugar, rice and chemical etc. It also produces flexible packing material through its state-of-the-art facilities. CPL is listed on Pakistan Stock Exchange. The Company has a production capacity of 160 million paper bags, 260 million PP bags and 19.8 million kgs flexible packaging products per annum. CPL successfully installed Flexo printing line II in May 2024. This will enable CPL to meet the demand of its prospective customers in an effective manner and optimize the utilization of its available resources.

CPL caters to the domestic as well as export markets and is also a recipient of the prestigious Pakistan Stock Exchange "Top Companies" Award and Management Association of Pakistan's Best Company Award several times.



UniEnergy Limited

Joint Venture for Renewable Wind Energy.

ZENSOFT**Zensoft (Pvt.) Ltd**

Information Systems Services Provider Specializing in Business Software Solutions

It was established in 1998 and is engaged in development of computer software. The Company specializes in providing high quality business solutions.

**Greaves Pakistan (Pvt.) Ltd**

Providing Specialized Engineering Sales and Services

It was established in 1859 to provide specialized engineering equipment sales and services. However in 1964, the Group acquired a controlling interest in the shares of the Company and by 1981 Greaves became a wholly owned subsidiary of Faruque (Pvt.) Ltd. Greaves has the following divisions namely i) Power Generation, ii) CNG Equipment, iii) Industrial Machinery, iv) Solar Energy, v) LED, vi) Elevator, vii) Earth Moving & Construction Machinery, viii) Air Compressor ix) Fuel Dispenser and x) UPS.

Greaves Airconditioning (Pvt.) Ltd

Equipment Suppliers and HVAC Solution Provider

Greaves Airconditioning (Private) Limited Equipment Suppliers and HVAC Solution Provider Commenced operations in 1975, this is the only HVAC Company in Pakistan which is providing the complete one window HVAC solution to its customer including designing, supply, installation and maintenance of complete HVAC products range. Greaves Airconditioning is the sole distributor of Jhonson Controls International (York) products in Pakistan.

Greaves CNG (Pvt.) Ltd

Retail Sales of CNG to end consumers

Greaves CNG was established in 2001 with a prime motive to install CNG facilities at the retail outlets of Petroleum Companies. It is a preferred third party investor for all major petroleum companies in Pakistan.

Greaves Engineering Services (Pvt.) Ltd

HVAC Contractors

Established in 2003, its principal activity is to provide services associated with airconditioning, installation and maintenance of central and packaged units.

**Unicol Ltd**

Joint Venture Distillery Producing Ethanol, Sugar and Liquid Carbon Dioxide (CO₂)

Unicol was incorporated in 2003 as a Public Unlisted Company as a joint venture with equal shareholdings between Faran Sugar Mills Limited, Mehran Sugar Mills Limited and Mirpurkhas Sugar Mills Limited. All three sponsor companies are listed at the Pakistan Stock Exchange. Unicol is engaged in the production and marketing of the industrial ethanol, sugar and Liquid CO₂. Unicol produces various grades of ethanol being produced from molasses including super fine ENA Anhydrous (99.9%), ENA (>96%), and B Grade (>92%). Unicol also produces refined sugar and also engaged in the production and marketing of food-grade liquid carbon dioxide (LCO₂).

In 2023, Unicol acquired 100% assets of popular sugar mills located at district Sargodha, and started operations from crushing season 2023-24.

Unicol has an installed ethanol production capacity of 56,000 MT per annum while sugar division has a cane crushing capacity of 8,000 TCD and LCO₂ installed production capacity of 18,000 MT per annum.

Unicol exports its complete production of ethanol to various regions across the globe whereas Sugar and LCO₂ are sold locally.

Unicol is the proud recipient of the FPCCI Best Export Performance Award for 2022-23.

Corporate 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

CORPORATE GOVERNANCE
SHOULD BE DONE MORE
THROUGH PRINCIPLES
THAN RULES.

The Journey



1965-66

Incorporated in 1964, Mirpurkhas Sugar Mills Ltd started sugar production in February 1966 with an initial cane crushing capacity of 1,500 TCD through DCDS process, (double carbonation double sulphitation).

1968-69

Cane crushing capacity increased to 2,000 TCD.

1984-85

Process converted to DRCS (Defecation Remelt Carbonation and Sulphitation) with addition of complete juice/melt clarification, are refined sugar crystallization, separation, drying and grading processes. Crushing increased to 3,500 TCD.

2001-02

Plant capacity enhanced to 4,500 TCD.

2005-06

Plant capacity enhanced to 5,000 TCD.

2006-07

Unicol Ltd, joint venture distillery producing Ethanol and Liquid Carbon Dioxide (LCO₂) commenced its production operations.

2007-08

Plant capacity enhanced to 5,500 TCD.

2008-09

Achieved sales revenue of over Rs. 2 billion.

2009-10

SAP (ERP) implemented across the Company.

2010-11

Plant capacity enhanced to 6,200 TCD.

2011-12

Company started corporate farming activities in 871 acres land area.

2012-13

Achieved sales revenue of over Rs. 3 billion.



2013-14
Plant capacity enhanced to 7,000 TCD.

2015-16

Company farming operations extended to 1,700 acres land area and achieved improved sucrose recovery through improved varieties in its farms as a result of applying latest farming techniques and skills of agronomists and skilled workers.

2016-17
Plant capacity enhanced to 8,500 TCD.

2017-18

Plant capacity was enhanced to 12,500 TCD. Highest cane crushing of 774,171 MT. Highest sucrose recovery of 11.39%. Unicol is the proud recipient of the FPCCI Prime Minister of Pakistan Award and the FPCCI Best Export Performance Award for 2017-18.

2018-19

Third highest sucrose recovery of 11.25% in the Sindh Province. Effluent Treatment Plant (ETP) installed and ready for operation in the coming season. The Company secured First position in the Best Corporate and Sustainability Report Award in the sugar sector. Implemented Environmental Management System ISO 14001:2015 certified. Implemented Occupational Health & Safety Management System ISO 45001:2018 certified.

2019-20

Effluent Treatment Plant (ETP) successfully in operation resulting in reducing environmental impacts. The Company again secured First position in the Best Corporate and Sustainability Report Award in the sugar sector for 2019 report. Installed a prefab godown covering 77,000 square feet in area capable of storing 40,000 MT of sugar. Certificate of continued satisfactory operation of the Organization's Management System ISO 9001:2015. Certificate of Compliance with standard of Good Manufacturing Practices (GMP). Achieved sales revenue of over Rs. 4.5 billion.

2020-21

The Company again secured First position in the Best Corporate Report Award in the sugar sector for 2020 annual report for third consecutive year. Started the construction of paper and Board project. Obtained the Halal Certification from ACTS. Achieved sucrose recovery of 10.63%.

2021-22

The Company again secured First position in the Best Corporate Report Award in the sugar sector for 2021 annual report for fourth consecutive year and progress of paper and Board project was in final stage. Further, achieved sucrose recovery of 10.85% and commissioning of FFE (Falling Film Evaporator).

2022-23

The Company once again secured First position in the Best Corporate Report award in the Sugar Sector for 2022 annual report for fifth consecutive year. Sucrose recovery of 10.55% achieved during the year. Commissioning of 250 TPD paper and board project took place during the year.

2023-24

The Company again secured First position in the Best Corporate Report award in the Sugar Sector for 2023 annual report for sixth consecutive year. Sucrose recovery of 10.73% achieved during the year. The company also achieved highest ever turnover of Rs. 11.969 billion during the year.



Unicol Limited has a production capacity of 200,000 liters per day

Unicol Limited, a public unquoted company, is a joint venture with shares equally held among Faran Sugar Mills Ltd, Mehran Sugar Mills Ltd. and Mirpurkhas Sugar Mills Ltd. All three companies are listed on the Pakistan Stock Exchange.

Unicol commenced its operations in August 2007 and is producing ethanol from sugar cane molasses. The plant located at Mirpurkhas, Sindh, on approximately a 220 acres plot, had a designed capacity of 200,000 liters or 160 metric tons per day (56000 metric tons annually). The distillery plant is designed by Maguin Interis, France.

Presently 100% of Unicol's ethanol is being exported; with the majority destined for European, Middle East, African and Far Eastern markets.

Furthermore, Unicol has invested in purification and liquification of CO₂ which is a by-product. This plant, designed by Tecno Project Industriale, Italy, (www.technoproject.com) is in production since June 2014. The CO₂ plant has a capacity of 72 metric tons per day (18000 metric tons annually).

Unicol, being part of economic development and providing employment in Pakistani rural areas, ensures the compliance of all health, safety, and environmental laws and procedures.

Products

Unicol produces various grades of ethanol including super fine ENA Anhydrous (99.9%), ENA (>96%), and B Grade (>92%). It is also engaged in the production and

marketing of food-grade liquid carbon dioxide (LCO₂). The Ethanol produced by Unicol has various uses in different industries like pharmaceuticals, aerosols, cleaning products, perfumes, personal care products, printing inks, fabric softeners, vinegar, paints and varnish, preserving agents and chemical manufacturing. Liquid CO₂ is its by product, and is used in beverages, dye making, dry cleaning, and fire extinguishers. Dry ice, another form of CO₂, is used in preservation and refrigeration.

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UNICOL SUGAR

In 2023, Unicol acquired 100% assets of popular sugar mills located at district Sargodha, and started operations from crushing season 2023-24.

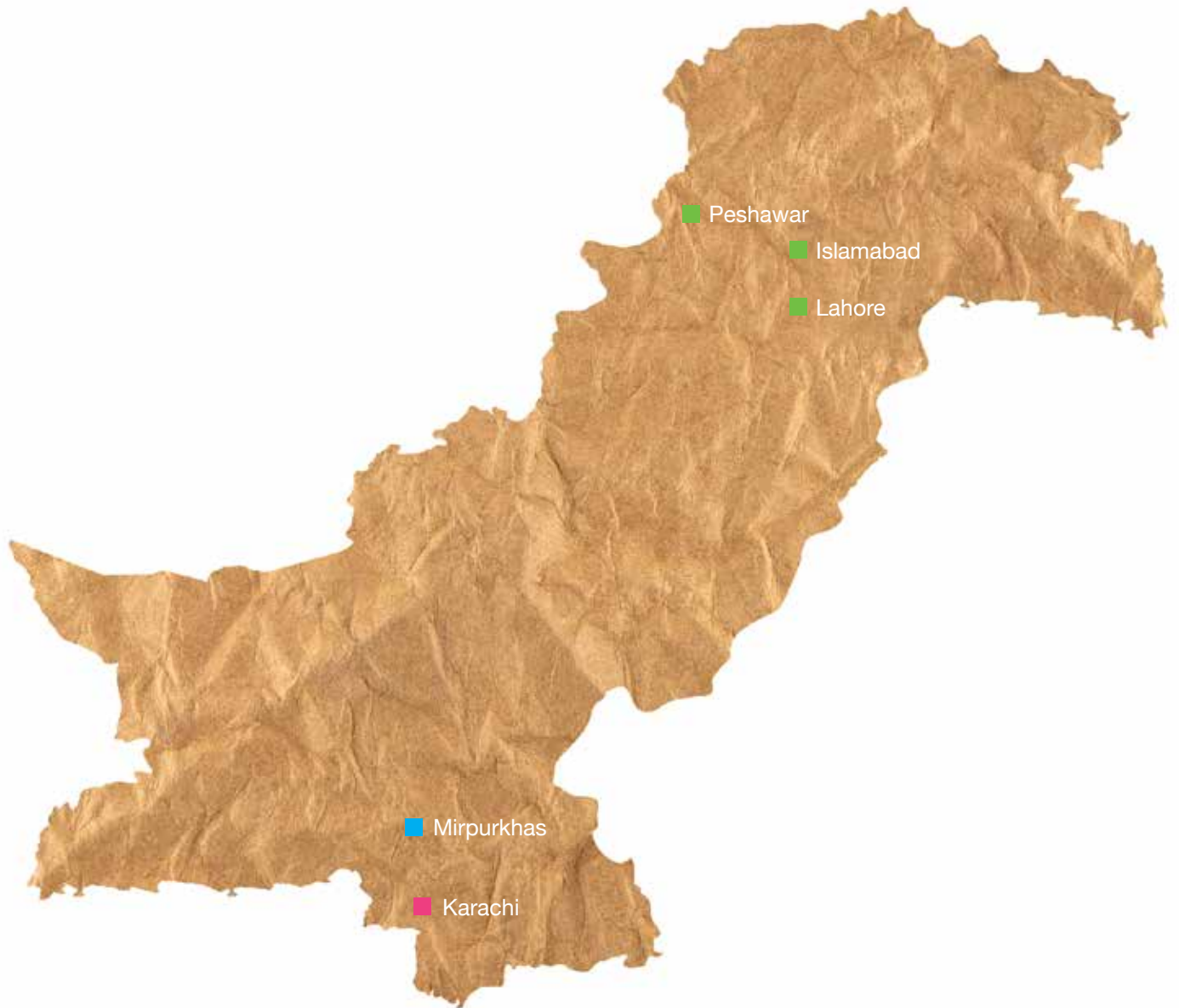
Currently, the plant has a crushing capacity of 8,000 TCD.



Awards and Recognition

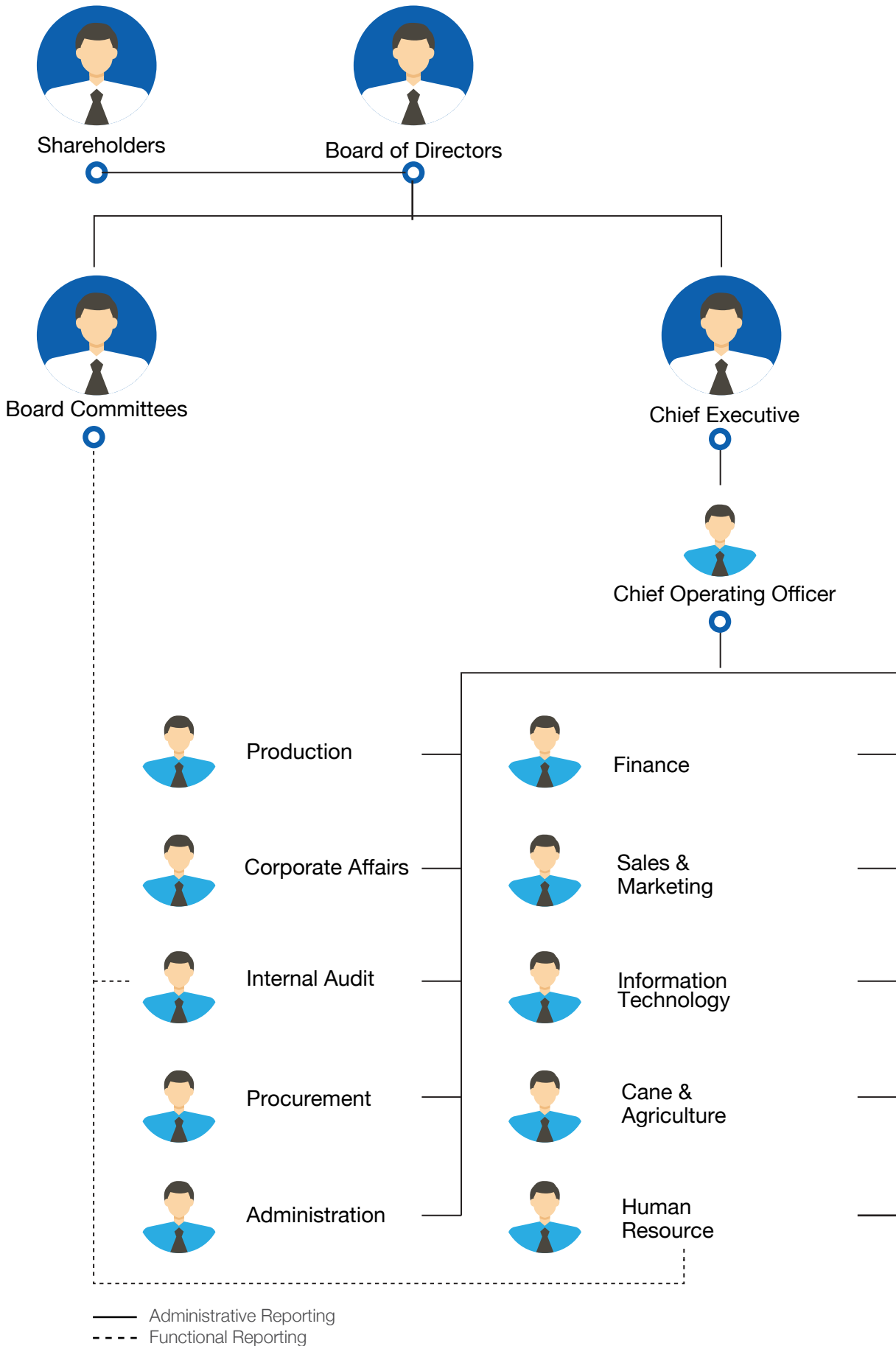
Unicol is the proud recipient of the FPCCI Prime Minister of Pakistan Award and the FPCCI Best Export Performance Award for 2017-18. The Company was also awarded with 44th, 45th and 46th Export Award Certificate from FPCCI in the year 2020-21, 2021-22 and 2022-2023.

Geographical Presence

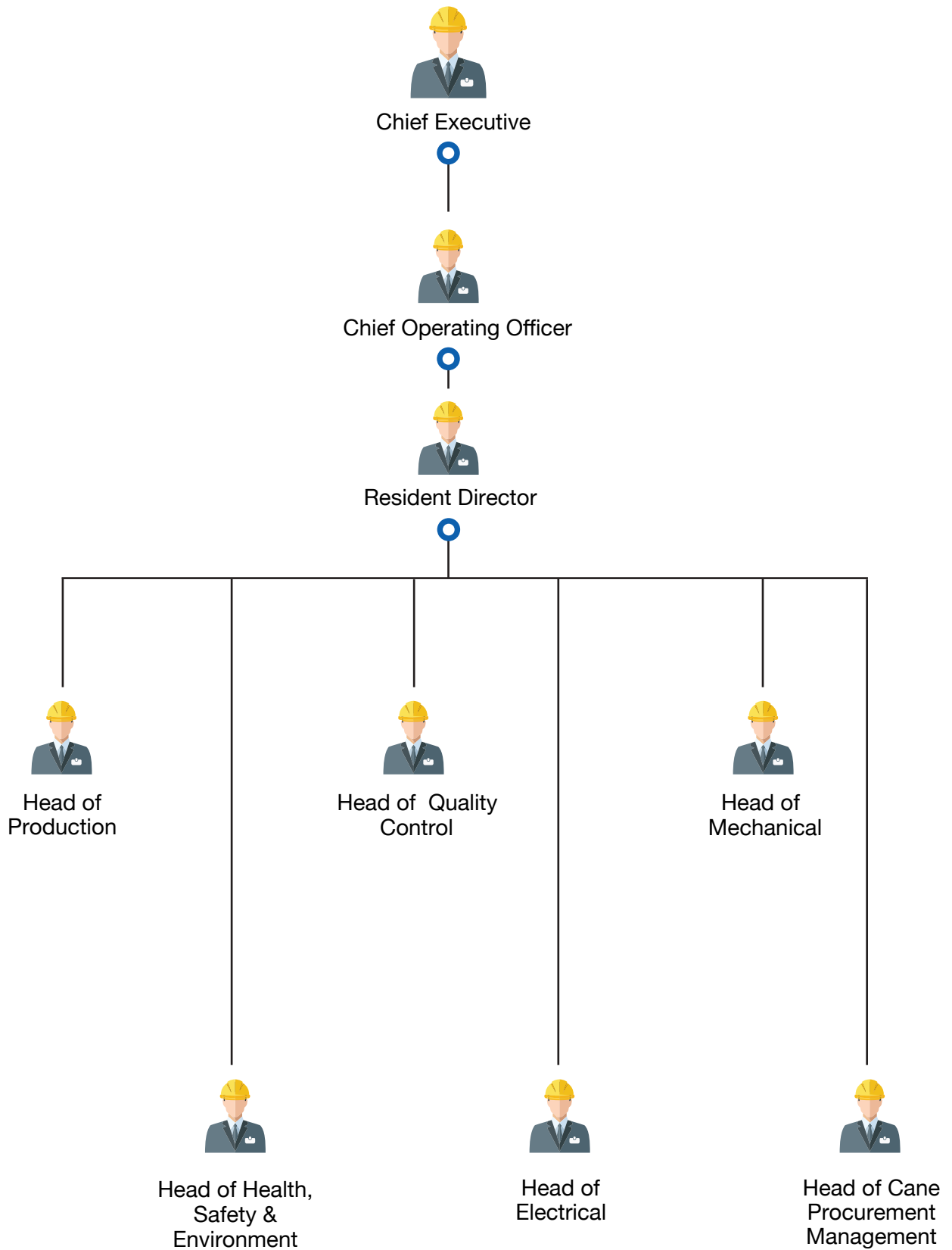


- REGISTERED OFFICE / FACTORY
- HEAD OFFICE
- REGIONAL OFFICES

Organisational Structure



Factory Site Organizational Structure



Position within the Value Chain

Raw Material: Paper
Raw Material: Sugar



← DOWN STREAM

Wholesaler/
Dealer/
Consumer



Transportation



UP STREAM 




Mirpurkhas Sugar Mills Limited



Dispatch




Significant Factors Affecting the External Environment & the Organization's Response

It's not possible for Organizations to work in vacuum. Organizations are affected by continuously changing external environment. Our strategy ensures that we are best positioned in our external environment to manage the risks and benefits from the opportunities associated with volatility on the political, economic, technological, environmental, legal and social fronts. Some of these factors are listed and elaborated below:

Factor	 <p>POLITICAL</p>	 <p>ECONOMIC</p>	 <p>SOCIAL</p>
Description	<ul style="list-style-type: none"> - Political factors determine the extent to which government may influence the economy or a certain industry. - Political uncertainty and inconsistent policies generally impact organizations negatively 	<p>Economic factors are connected with goods, services, and money. These variables refer to financial state of the economy on a macro level.</p> <ul style="list-style-type: none"> - Interest rates - Exchange rates - Recession - Inflation - Taxes - Demand / Supply - Low economic growth impacts the Organization negatively 	<p>Corporate Social Responsibility factors:</p> <ul style="list-style-type: none"> - Providing safe and clean work environment - Charity and donation - Supporting the local community in healthcare and education - Safe and healthy environment - Demographic change
Significant change from last year	<ul style="list-style-type: none"> - Political uncertainty - General Elections and formation of new Government. - Global political scenario 	<ul style="list-style-type: none"> - Increase in raw material cost - Increase in labor cost - Decelerated economy - Increased inflation - Import restrictions 	<ul style="list-style-type: none"> - Make HSE department more rigorous - Focusing on CSR Activities
Organization's response	<p>Management keeps a close eye on the political developments through discussion and engagement with relevant authorities on future policies and measures including changes in duty structures, taxes and other levies to mitigate any unwarranted affect.</p> <p>Industry issues are dealt through the association.</p>	<p>The Company constantly strives to bring efficiencies in its manufacturing process and energy mix, which helps mitigate the adverse effects of increase in production cost.</p> <p>Management explores alternative avenues for sourcing input materials, maintaining an optimum mix of local and imported materials. The company also focuses on using bio-fuels and renewable energy sources to minimize its power cost.</p>	<p>Company donates to various social and charitable causes including towards health, education and social sectors.</p> <p>The Company actively participates in various social work initiatives as part of its corporate social responsibility.</p> <p>The Company has also implemented ISO 45001 (Occupational Health and Safety) to comply with HSE international standards.</p> <p>The Company has paid Rs. 2.5 million to Mr. Arshad Nadeem (Javelin thrower) as a token of appreciation.</p>

Seasonality of Business

Sugar Season starts in November and ends in March/April. Sugar is produced in first 4 months of the Season and sold over the 12 months period.

Factor	 <p>TECHNOLOGICAL</p>	 <p>LEGAL</p>	 <p>ENVIRONMENTAL</p>
Description	<ul style="list-style-type: none"> - Risk of technical obsolescence - Introduction of new technology by competitors - Primitive farming techniques 	<p>Companies are required to abide by various laws and regulations. Every responsible company must follow all rules and regulations laid by the Government</p>	<ul style="list-style-type: none"> - Adverse weather condition - Growing attention to environmental protection - Climate changes - Natural Disasters - Implementation of proper HSE and Environment Standards within an organisation - Floods
Significant change from last year	<ul style="list-style-type: none"> - Revamping network system - Product Innovation - Continous development in IT infrastructure 	<ul style="list-style-type: none"> - Companies Act - Income Tax Ordinance - Sales Tax Act - Pakistan Stock Exchange listing regulations - Acts, Rules and Regulations issued by SECP - Code of Corporate Governance - IFRS Amendments - Sugar Factories Control Act 1950. - Industrial relations laws etc 	<ul style="list-style-type: none"> - Implementation of proper HSE and Environment Standards within an organization.
Organization's response	<p>Keeping in view the technological advancements, the Company has always given priority to latest developments to improve efficiency and build capacity. The Company has installed latest machinery at its production site and keeps it updated to meet the latest technological standards. Further, the Company invests in robust hardware and software as and when needed and is running world renowned SAP (ERP system).</p> <p>The Company has implimented SAP success factor system for better human resource management.</p> <p>The Company is focused on helping the farming community to improve crop yields ensuring better returns and is also working on experimental farms with different seeds.</p> <p>The company conducted bagasse quantity survey and sugar cane crop surveys through drone technology.</p>	<p>The Company strongly abides by all Acts, listing rules and regulations applicable on it.</p> <p>In this connection consistent efforts are put by the management to fulfill every legal aspect.</p> <p>The Company has a dedicated team of professionals committed to ensuring full compliance with all regulatory requirements. the Company participates in awards programe like "Best Corporate Report Award".</p>	<ul style="list-style-type: none"> - The Company has strived to work for the betterment of the environment. - The Company has complied with NEQS as required in SEPA Act and has also implemented ISO 14001 (Environmental Management). - The effluent is being treated by successful installation and operation of effluent treatment plant (physiochemical and biological, activated sludge process). - Pre-treatment of effluent, oil skimmer followed by gravity oil separator at drain are installed to remove oil contamination from waste water. - The plant is equipped with bagasse consumption boilers in order to minimize air pollution. - Further plant is equipped with bagasse dryers, Ash removing and collecting system for energy conservation and improvement of air quality. - Every year 2,000 to 3,000 trees planted in mills area & surrounding to improve shared environment.

Competitive Landscape & Market Positioning

Over the decades, Mirpurkhas Sugar Mills Limited (MSM) has evolved itself as one of the top quality sugar producer in Pakistan. With the daily crushing capacity of 12,500 M.T, MSM is among the top sugar mills of Sindh Province. With the commencement of paper project, the company now has the largest paper-producing facility in the region and one of the largest in the country.

Power of suppliers

Transparency and trust are the key values for sustainable supplier relationship. Here, MSM is proud to have healthy relationship with sugarcane growers in its surrounding areas as well as in upper Sindh and Punjab. A dedicated Cane team is deployed in Sindh and Punjab to establish healthy relationship with sugarcane growers and suppliers, for smooth and uninterrupted supply during the crushing season.

MSM educates the growers with latest farming techniques, in order to improve the yield which ultimately helps the sector growth. MSM also provides farmers with harvesting advance.

For paper, MSM has a dedicated team with rich experience in procuring waste paper and has relationships with key suppliers of the industry. Regular communication and engagement with the suppliers regarding quality issues and timely payments ensure that they remain committed to MSM. Bulk demand from MSM and its own OCC warehouse keeps MSM in a good position with respect to the bargaining power of suppliers.

Power of Customers

Mirpurkhas Sugar Mills Limited is among the top quality sugar producer of Pakistan, with first preferred choice by FMCG (Food & Beverage) and Pharma sector. Company is among those mills producing specialized sugar for Pharma and FMCG sector. The company is reputed among its customers as a hallmark of Quality and refined sugar.

The MSM Paper & Board plant is the largest paper-producing facility in Sindh and one of the largest in the country. The Company is a preferred choice for leading corrugators of the industry for bulk supplies of liner and fluting paper. The Company has a dedicated QC team to ensure that customers' complaints are timely addressed.

Competition

The landscape of Pakistan's sugar sector comprises of competitors of different sizes and capacity. But over the years, sugar industry has seen a rise in competition. Prices are determined by demand and

supply as well as through government intervention being a daily consumable product. Further the increasing prices of sugarcane makes it difficult for mills to operate in this selling price constraints.

Paper sector also has competitors of different sizes and there is a tough competition among them. Unregistered suppliers further aggravate the situation. MSM competes with them through economies of scale and its premium quality which is an important selling point and key consideration by institutional buyers.

Threat of New Entrants

There is a low risk of new entrant in domestic sugar industry due to the fact that it is capital intensive industry. Less availability of sugarcane with already large number of sugar mills in Pakistan makes the market unattractive for new players. The sugar sector production capacity is already under-utilized and new entrants would have to face extensive regulatory requirements / approvals.

There is a low risk of new entrant in the liner and fluting paper industry due to its capital intensive nature and tough competition.

Threat of Substitute Product

Sugar being a commodity item, always remains in demand. The nature of product is such that the risk of substitute products in market is minimal. Although, there are some substitute products of white sugar, for e.g. brown sugar, caster sugar, non-sugar sweeteners; but white refined sugar will always be the first choice by consumers.

Threat of substitute product in paper is also low due to the sustainability of corrugated packaging. Corrugated boxes are made up of recycled paper and are a sustainable alternative to plastic packaging. It has also widely replaced wood packaging because of its reliability, availability, and cheaper prices.

Key Elements of Business Model

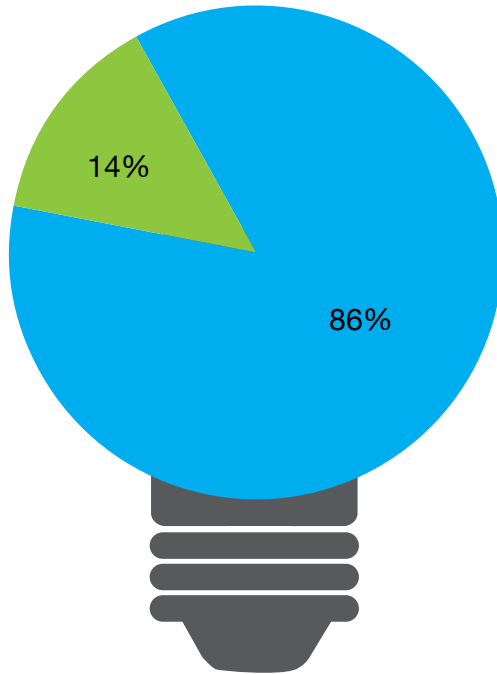
The key elements of business model of the Company includes:

- Key Inputs • Our Value Chain
- Key Outputs • Outcomes

All these elements are fully explained alongwith diagram in the Chapter "Business Model".

Composition of Raw Material Cost (Local / Imported) vs. other Manufacturing Cost

for the year ended September 30, 2024

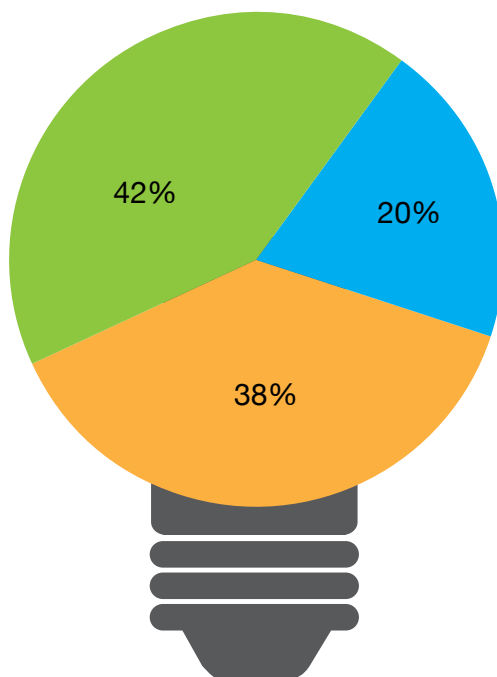


Sugar

■ Sugarcane

■ Other manufacturing cost

Sugarcane cost and other manufacturing cost represent 86% and 14% of total cost of production respectively



Paper

■ Waste paper cost (Local)

■ Waste paper cost (Imported)

■ Other manufacturing cost

Waste paper cost and other manufacturing cost represent 58% and 42% of total cost of production respectively.

Significant Development and Changes

Following significant developments took place during the year:

- The Company has achieved Sucrose Recovery of 10.73%.
- During the year 2023/24, the Company contributed approximately Rs.1,590 million to the national exchequer in the form of taxes, duties and levies.
- The paper plant produced 31,968 M.tons of paper during the year.
- During the year, the company again secured first position in Annual Best Corporate Report Award in the Sugar Sector for the year 2023.
- The Company issued 42.957% right shares during the year securing Rs. 500 million.

Recognition

The Company secured First position in Best Corporate Report Award in the Sugar sector for the years 2018 to 2023 consecutively, jointly organized by Institute of Chartered Accountants of Pakistan and Institute of Cost and Management Accountants of Pakistan.









Strategy and Resource Allocation

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Strategic Objectives

Core Objective

- The core objective of our management is to achieve excellence in business. To achieve our objectives, the management strives to enhance stakeholders' value and customer satisfaction.

Short term, Medium term and Long term Objectives

Following are the main strategic objectives of the Company:

Short term Objectives

- Effective and efficient use of available resources.
- Efficient utilization of production capacity.
- Cost minimization.
- Workers' training.

Medium Term Objectives

- Optimization of management processes and policies implementation.
- Investing and modernizing Company's production facilities to ensure effective production.
- Increase in market and distribution avenues.

Long term Objectives

- Achieve excellence in business through implementation of diversification strategy of parallel, upstream and downstream in order to maximize revenues and reduce risks.
- Implementation of effective human resource solutions through personal development and create proper environment for professional growth.
- Implementation of corporate sustainability and community development.

The linkage of strategic objectives with company's overall mission, vision and objectives

The Company carried out the following exercises during the year:

1. Revisit Vision/Mission Statement of the Company
2. Develop Strategic Plan using Balanced Scorecard
3. Cascade the Strategic Plan and Goals till Head of Functions level

Methodology:

In the first phase, multiple cohort-based sessions were conducted with CEO and COO interspersed with reflection, discussions and activities for the Vision and Mission. These were followed by the Sessions with CEO, COO & HODs for Strategy Mapping using the Balanced Scorecard Framework.

Third phase was again had cohort-based sessions that drew from the Vision and Strategic Framework to help create Goals for senior leaders and documenting those within Success Factors.

Outcome:

An outcome of this project is creation of alignment, and setting of strategic direction of the Company.

Vision & Mission pillars is explained through a strategy map of the Company. A Strategy Map translates the organization strategy into a set of coherent objectives, measures, targets, initiatives and resources that have been translated into goals and objectives at the Organization, Team and individual levels.

Using this approach also allows people to see beyond monetary capital and work on the things that matter to sustain it in the long term.

A byproduct of this exercise is increased engagement. People feel more connected to the organization when they know what impact their work has on the overall organization strategy.

Based on the above, strategic objectives aligned with vision and mission were chalked out and that were cascaded down till HoD level and individual goals.

Management Strategies and Resource Allocation Plan

Core Strategy

Mirpurkhas Sugar Mills Limited is committed to maximize revenues, optimize shareholders' value, and strive to achieve customer satisfaction.

Stakeholders Value

Resource Allocated

Human Capital | Manufactured Capital | Intellectual Capital

Financial Capital | Social and Relationship Capital

The stakeholders' value is maximized through return on investments, which management believes is achieved through diversification, continuous growth, revenue maximization, and cost control measures.

Marketing Targets

Resource Allocated : Financial Capital

The tone of our business is set by the marketing targets and budgets, which are aggressively designed by the management to achieve highest possible returns. The management is working for growth of the Company. The Company has also invested in a paper and board project as a business diversification for sugar mills.

Stakeholders Relationships and Social Responsibility

Resource Allocated : Social and Relationship Capital

Mirpurkhas Sugar Mills maintains cordial relationship with all the stakeholders including government functionaries, farmers, reputable banks and financial institutions of the Country.

Being a responsible corporate citizen, the Company is committed to continuous improvements in safety, health and environment protection measures. Company ensures compliance of NEQs as issued by Sindh Environment Protection Agency (SEPA) in order to protect the environment from hazardous waste. In pursuing this objective, the Company has successfully installed a Water Treatment Plant and a Sundry Plant at its production site.

Mirpurkhas Sugar Mills has earned great respect and appreciation through continuous donations to social and charitable causes including health, education and social sectors.

Financing Facilities

Resource Allocated : Financial Capital

Mirpurkhas Sugar Mills Limited maintains cordial relationship with all the reputable banks and financial institutions of the Country. Adequate short-term financing facilities are available at the Company's disposal. The company strives to avail subsidized financing under various schemes announced by SBP, whenever available.

Human Resource Excellence

Resource Allocated : Human Capital

Human Capital is an asset, and developing our people is the core of our success. Our Core Values, Code of Conduct, and HR policies provide an outline which serves as a guiding force for the whole organization.

Mirpurkhas Sugar Mills gives key consideration to Human Resource Management. A full-fledged HR department is operative which is supervised by Human Resource and Remuneration Committee of the Board of Directors. Key HR policies are in place. All the HR functions are integrated where the employees' performances are evaluated based on SMART goals. Moreover, Training Need Assessment (TNA) is effectively in place where in-house and external trainings are arranged at all management levels. Further, eligible employees receive Service Awards based on their performance and length of service. The Management's objective is to recognize and reward employee's contribution to the business. Moreover, the Company has effective succession planning system in place. These processes help the availability of high quality workforce which plays a vital role in achieving day-to-day targets and strategic objectives of the Company.

SAP ERP Solution

Resource Allocated : Intellect Capital

We take pride in being Pakistan's first Sugar Mill to successfully implement SAP ERP system. The Company carried out one of the fastest implementation of SAP in Pakistan. The Company has converted to SAP S4/HANA System. The use of SAP helps management implement better internal controls, timely decision making and employ best business practices.

Efficiencies

Resource Allocated : Manufactured and Financial Capital

The Company constantly strives to bring efficiencies in its manufacturing process and energy mix, which helps mitigate the adverse effects of increase in production cost. Management explores alternative avenues for sourcing input materials, maintaining an optimum mix of local and imported materials. The Company proved successful in utilizing its sugar plant capacity during the peak crushing periods, which resulted in effective cost control and higher production of sugar.

Effectiveness

Resource Allocated : Human Capital

Effectiveness of internal controls is ensured through active Internal Audit Department, which independently recommends its suggestions to the Board's Audit Committee. The management takes immediate action as and when necessary.

Customers Satisfaction

Resource Allocated : Social and Relationship Capital

Another prime objective of the management is customer satisfaction for which management takes every step to ensure high quality customer care and product quality. The Company has secured GMP21- CFR 110 that covers the standards of manufacturing, packing and handling of Food / White Refined Sugar. Moreover, Company has successfully implemented Quality Management System (QMS) ISO 2015-9001, Environment Management System ISO 2015-14001 and HALAL Food Certification. The company has obtained Forest Stewardship Council (FSC) certificate during the year for its paper plant. This certificate provides assurance that product is coming from forest which has been evaluated and certified as being managed according to correct social, economic and environmental standards.

Company's strategy on market development, product and service development

Sugar Division

- Targeting on increasing institutional customers' base.
- Targeting export market as and when permitted by the Government.
- Facilitating seamless deliveries to high end premium customers.

Paper Division

- Enhance the customer base
- Target volumes for machine utilization / cost efficiency
- R&D and innovation - Product standardization among the customers to ensure longer production runs
- Product Positioning as quality supplier
- OTIF Service levels- on time and in full quantity service levels
- Strengthening of quality controls by effective communication internally and externally.
- Targeting export.

Significant Changes in Objectives and Strategies

There is no material change in Company's objectives and strategies from the prior years.

Liquidity Strategy

Current Liquidity Position

The Company has a legacy of making timely payments to all its vendors, especially sugarcane growers, in order to ensure smooth supply of sugarcane during the season. Company has financing arrangements with leading conventional and Islamic Banks of Pakistan at very competitive rates. The Company reviews its liquidity position on a daily basis for effective fund utilization, and to keep finance cost at minimum possible levels. Due to the seasonal nature of sugar industry, Sugar is produced during the Season of four months and sold during season and off season. Company endeavors to achieve better sugar prices in order to maintain its gross margins.

The Company has short term financing facilities of Rs.10,750 million and long term loans of Rs.2,883 million. The gearing of the Company is maintained at satisfactory level. The Company has a sustainable growth and business stability. Adequate debt and equity ratio is maintained.

Financial Arrangements

The Company has cordial business relations with all the reputable banks and financial institutions of the country. Adequate unutilized short-term financing facilities are available at the Company's disposal.

Significant Plans and Decisions

The Company has a consistent history of capital investment in capacity expansions and steam economy projects in order to ensure maximum production of sugarcane and saving of energy consumption during the production process. The Company continues to benchmark itself against regional and local efficiency standards for production.

The Company continues to look for energy intensive projects as it has more economical source of generating electricity i.e. bagasse. Management of the Company continuously focuses on customer satisfaction and to achieve its higher standard, it continues to invest in processes and getting itself accredited from various management systems.

Political environment where the organization operates

The political environment of the country has not been stable, there has been uncertainty as regards to political stability and economic conditions. Long-term political instability has obstructed Pakistan's economic growth the most. Political compulsions under these circumstances have led to short-term macroeconomic policies and a more frequent change of policies than is desirable. Further, increase in inflation and interest rates across the globe and strengthening of US Dollar has resulted in high local inflation.

Legitimate needs, interest of key stakeholders, industry trends

The company take into consideration concerns of all major stakeholders while planning and implementing new policies/procedures, expansions, or significant events keeping in view past trends of major players in industry. In addition to it, all the needs / decisions are made within boundaries of applicable rules and regulations of different authorities

The legislative and regulatory environment in which the organization operates

The Company operates in a firmly controlled environment due its scale of operations in a commodity business and being a public listed company. There are a plenty of regulatory compliances including various corporate and tax laws, Sugar Factories Control Act 1950, Industrial relations laws and other Federal and Provincial laws that have to be fulfilled, and the management closely screens and monitors for any new laws and compliances thereof. Applying all pertinent and appropriate legal and administrative requirements is part of our methodologies, objectives and accomplishments.

The Company endeavors that all the activities of the Company are within regulatory and governance framework with utmost alignment with best practices.

Key Resources and Capabilities:

As one of the largest quality sugar and paper producer of the country, the Company continuously endeavors for a business culture of improvement, economic competitiveness, and top performance in a moral way. Company is among those mills producing specialized sugar for Pharma and FMCG sector and supplying paper to leading corrugators of the industry. The Company is reputed among its customers as a hallmark of Quality.

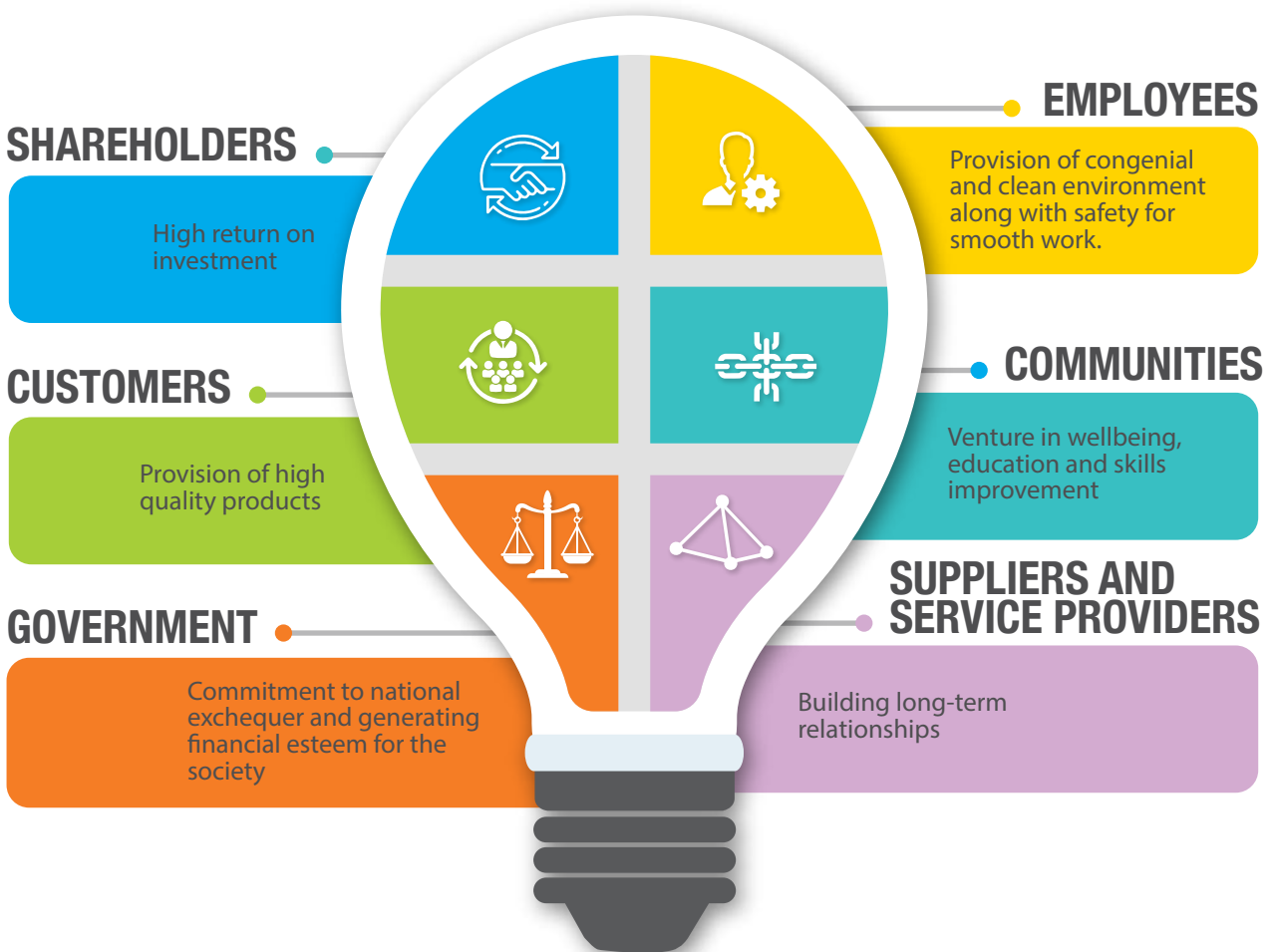
Following are some of the key resources and capabilities, which provide MSM sustainable competitive advantage:

- Seasoned and experienced management to cater new challenges and achieve operational efficiencies.
- Constant development, enhanced quality, diversity.
- Working on renewable energy and producing energy from by-products to reduce the weight on national network for energy requirements and also reduce energy costs.
- Through different activities counting on extensions and technological updates, broad trainings and advancing the culture of straightforwardness, the Company has created the ability set of its human assets which play an imperative part in giving it the edge over its competitors.
- Being one of the few companies to install SAP solution in sugar industry, the Company has well-established in-house IT department which caters all the customization needs of the Company. Additionally, the Company's IT department, generates customized reports as required by departmental personnel from time to-time to enhance decision making.
- Continuous investment in state of the art manufacturing facilities and advanced technology.

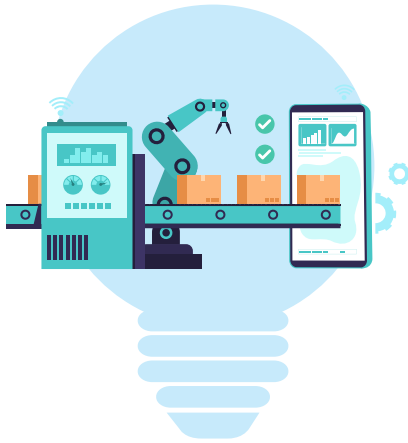
Value Created by the Business Using these Resources and Capabilities:

Mirpurkhas Sugar Mills Limited creates value for its stakeholders by utilizing these resources in the following way:

VALUES



Effect of Technological Changes, Societal Issues and Environmental Challenges



Technological Changes

The Development and adoption of new production technologies improved productive efficiency in Mirpurkhas Sugar Mills Limited. We discover, develop and manufacture high-quality products that meet all regulatory requirements, and pursue quality beyond compliance in both our products and processes. We focus on regularly updating ourselves with technological advancements to produce under the highest standards and maintain all relevant technical and professional standards. The Company is running world renowned SAP (S/4 HANA system).

The Company is focused on helping the farming community to improve crop yields through employing modern farming techniques and ensuring better returns.



Societal Issues

Mirpurkhas Sugar Mills Limited has taken various initiatives to minimize the social issues by supporting investments in technical and administrative assistance to the farmers and people living in surrounding areas. Experience demonstrates that returns to this investment are uncertain, but nonetheless a clear strategy and program of public interventions is imperative. Without it, the farmers of the region face the prospect of rising poverty and associated social problems. Accordingly, the societal issues relating to education, health and poverty alleviation are part of its strategic plans. While for the employees, the Company has adequate health, safety and environment related policies and procedures for the society at large.

Company takes part in various philanthropic activities, capacity building programs, vocational training programs, sponsorship of schools, special clinics and other health related initiatives.



Environmental Challenges

The Company has strived to work for the betterment of the environment. We provide safe and clean work environment and implement proper HSE and Environment Standards within organization. Every year 2,000 to 3,000 trees planted in mills area and surrounding to improve shared environment.

The Company has complied with NEQS as required in SEPA Act and has also implemented ISO 14001 (Environmental Management). The effluent is being treated by successful installation and operation of effluent treatment plant.

SWOT Analysis

The objective of SWOT analysis is to support companies to make appropriate strategies by viewing their internal and external environment. Keeping this in perspective, Mirpurkhas Sugar Mills Limited is committed to maximize revenue, optimize shareholder values and strive to achieve customer satisfaction by seizing every potential opportunity from its core strengths, overcome its weaknesses to prevent possible threats.

Strengths

- MSM operates its sugar plant with efficient DRC (Defecation Remelt Carbonation) machineries for juice clarification and liquor purification.
- The company is certified for Quality, Environmental, Occupational health and safety Management system. It also holds certification of Integrated Management system and Good Manufacturing Practices.
- Installation of Effluent Treatment Plant (ETP) reduces environmental impact.
- Company has installed and enhanced the capacity of pollution control equipment in order to reduce emission load.
- Our Company always complies with Corporate Governance rules and all other applicable laws, rules and regulations.
- MSM's joint venture investment in Unicol Limited which contributes to the MSM's bottom line.
- MSM operate world's renowned SAP system, which makes our systems, process and controls highly efficient and readily available.
- The Company has skilled work force that has been with the Company for years which ensures consistency. The Company has diversified its business by admitting itself in paper & board market through establishment of new plant.
- MSM's management philosophy to always observe the accepted standard of fair-conduct in dealing with employees, customers, suppliers and others stakeholders.
- The synergy between the sugar and paper mill divisions provides diversified income sources, reducing dependency on single market.
- The Company can gain benefit from established reputation in the sugar industry for trust and credibility in paper industry.
- The Company has largest paper production capacity in the Sindh region.



Weaknesses

- Despite the Company's efforts to educate the farmers and to provide them the seeds, advances and loans for cane development including demonstration on plots, the Company still has to work on strengthening sustainable and long term ties with the farmers and to work on increasing the cane development and availability in the adjoining areas.
- Operational complexities associated with managing two different industries demanding specialized knowledge and expertise and retention of employees.



Opportunities

- Availability of bagasse as a by product to produce cheap power which makes new investments viable.
- Growing population of the country and increasing sugar consumption
- Exploring new markets and expanding the geographical reach to capitalize on emerging opportunities in the paper industry.
- Extending product lines within the paper division to cater to a broader market, potentially tapping into the growing demand for sustainable packaging solutions.



Threats

- Rapidly changing environmental conditions including availability of irrigation water in Sindh, cultivation of sugarcane vs other crops patterns and national agriculture policies.
- Over regulation of sugar industry
- Inflation, devaluation of currency and rising fuel costs
- Fluctuation in market price of sugar.
- Increased competition in the paper market especially from unregistered sector.
- Overall slowdown in economy.
- Dependency on imported raw material for paper production.

Specific Processes used to Make Strategic Decisions

The Company has robust system of governance through a talented management team and seasoned Board of Directors that actively engages in all strategic decision of the Company. New expansions, diversifications, investment and disinvestments etc., all decisions require a methodical approach to minimize the inherent risks involved. In this regard, Mirpurkhas Sugar Mills follows the following process for strategic decision making:

- Identification of opportunity or problem (e.g. investment/diversification or expansion)
- Gathering of relevant information
- Involvement of third party in evaluation and market study, if required
- Development and evaluation of alternative options including technical and financial feasibility
- Selection of the best options, review and approval by the Board of Directors/shareholders
- Implementation and monitoring

Specific Processes used to Establish and Monitor Culture of the Organization

The culture of the organization is a manifestation of its shared values and beliefs. At Mirpurkhas Sugar Mills Limited, we promote high values of Respect, Fairness, Quality and Ownership. Mirpurkhas Sugar Mills Limited regularly promotes its values among employees, especially the new inductees.

We embrace and encourage our employees' differences in age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make our employees unique.

At Mirpurkhas Sugar Mills Limited, we have a responsibility to treat others with dignity and respect at all times. Core values are integral part of our annual performance evaluations of our employees. Through performance evaluations, we evaluate our employees' performance against annual SMART goals, behavioral traits and trainings & professional developments.

Company's Attitude to Risk and Mechanisms for Addressing Integrity and Ethical Issues

Mirpurkhas Sugar Mills Limited has developed robust policy of addressing integrity and ethical issues in shape of its Whistle Blowing Policy.







Risks and Opportunities

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Risk Management Framework

The Board of Directors principally assumes the responsibility to mitigate all possible risks by identifying them timely. They utilise each opportunity only after considering the risk appetite of the Company.

RISKS

MSM is susceptible to various risks. Company identifies, understands and mitigates potential and perceived risks by comprehensive planning and business understanding. The Company maintains an established control framework comprising clear authority limits and accountability, with implemented policies and procedures and performance monitoring against the same.

The Board of Directors of the Company establishes corporate strategy and business objectives. The internal and external Auditors' reports are submitted to the Audit Committee for its review, which after detailed deliberations, suggestions for improvement are submitted to the Board of Directors.

Following are the major risks which may affect our business operations and mitigating strategy for controlling these risks:

Risk & Risk level	Area of Impact	Source	Risk Description	Risk Mitigating Controls
Relationship with farmers /OCC suppliers Risk Level : High	Financial capital Relationship Capital	External	Sugarcane is the main raw material for sugar production and contributes approx. 82% to 90% of the total cost of production whereas OCC cost accounts for approx. 60% of the paper cost. Any disturbance in its timely availability will have a substantial impact on the operational cost. For sugarcane, this in turn has a significant adverse effect on costs since the market value does not factor the variable cost determined by the climatic conditions and the sugarcane economics. The extent of volatility in raw material quality is another key element.	The Company always maintains healthy relationship with its raw material suppliers. The risk of raw material short supply and quality is mitigated to a large extent by educating farmers with latest sugarcane cultivating techniques, practical application by demonstration plot at farmer's lands combined with Company's goodwill, long term relationship and reputation for ethical dealings earned by the Company since inception. The Company also provides harvesting advance to growers. For OCC, the Company strives to have long term arrangements with the suppliers and continuous engagements with respect to the quality issues as well as timely payments.
Government Policy Risk Risk Level : High	Relationship Capital Financial Capital	External	Provincial government regulates the sugarcane policies and it has a larger control on this industry by determining the raw material price and also influence the sugar mills operational commencement through various statutes. The Federal government regulates the export of sugar. Hence, a sugar company's credit risk profile is vulnerable to government policies. These policies influence cost of production of sugar through regulated sugarcane pricing and revenue through its regulated export / import permissions.	The Company works closely with the sugar association developing appropriate policy recommendations to represent the industry needs to the Federal and Provincial governments.

Risk & Risk level	Area of Impact	Source	Risk Description	Risk Mitigating Controls
Commodity Risk Risk Level : High	Financial Capital Manufactured Capital	External	The sugar price is determined by the market forces through demand and supply both in domestic and international markets. Hence due to cyclical nature of sugar business gluts and shortages affect revenues.	The Company insulates itself against price risk by diversifying its revenue sources. While adding more value added products like Ethanol production as value added downstream products being produced from by-products of sugar production i.e. molasses and exploring the alternate use of energy through bagasse that is available with the sugar mill after meeting its own production requirement by producing paper.
Location Risk Level : Moderate	Financial Capital	Internal	Freight is an important cost element. Factories close to high-yielding sugarcane farms are in a better position to procure sugarcane at minimum freight cost. Similarly, freight is a significant cost to dispatch paper and minimizing freight cost directly contributes to increasing margins.	Company always endeavors to procure sugarcane first from its close proximity areas and maintains an optimum supply mix from subsidy and non-subsidy areas in order to minimize the procurement cost. For paper dispatch, the Company has a pool of transporters to get competitive rates to minimize freight cost.
Credit Risk Risk Level : Moderate	Customer relationship	External	Traditionally, sugar sales have been routed through dealers on advance terms of payment. In order to pursue the objective of market penetration, Institution buyers are extended credits. Paper sales is also on credit. There is a risk factor of default in payments by customers thus could cause a financial loss.	The Company regularly analyzes the Credit risk worthiness of the Customers and extends credit accordingly. Where necessary postdated cheques are taken from credit customers and the Company works on local LC where required. The Company has formal credit policy in place.
Working capital management Risk Level : High	Financial Capital	Internal	While sugarcane procurement is concentrated between November to April every year, whereas, the sale of sugar lasts throughout the year. Therefore, Company needs to efficiently manage its working capital requirements considering the sugarcane procurement price and fluctuating prices of sugar. Paper project also requires working capital due to credit sales and reliance on imported raw material.	Company effectively manages its Credit lines with the banks and retains sufficient financing arrangements with banks at the minimal borrowing costs in order to manage its working capital requirements.
Employee Turnover Risk Level : Moderate	Human Capital	Internal	Key employees and workers are the most important Corporate Assets. Frequent turnover affects Company's operating performance significantly.	Company values its employees as essential human assets and provides congenial environment and growth opportunities. Company has robust succession plan in place to effectively manage employee turnover rate.
Natural Catastrophe Risk Level : Low	Manufactured Capital	External	Destruction of manufactured facility due to natural disaster.	The Company has comprehensive Insurance cover in case of any catastrophic event. Further, the Company has taken into account every possible aspect of safety measures during construction and erection of building and plant. Company has well established disaster recovery plan and data backup facility to cope-up uncertain events. The Company has adequate firefighting arrangements at the factory premises.

Opportunities

Risk & Risk level	Area of Impact	Source	Risk Description	Risk Mitigating Controls
Capacity	Manufactured Capital	Internal	Economies of scale achieved through optimum capacity utilization are very important to reduce production costs per unit by absorbing fixed cost. Sugarcane crushing is based on sugarcane crushed on daily basis and the sugar production is dependent upon certain factors that includes sucrose recovery percentage and availability of sugarcane. Capacity utilization of paper plant depends on orders in hand and availability of key imported raw material.	Company plans to maximize its crushing rate and utilize full crushing capacity by implementing well-structured and planned sugarcane procurement goals. Thus, effectively implementing in its operational areas in order to procure best sugarcane varieties and attaining highest sucrose recovery. For paper, the Company endeavors to get bulk orders to keep the plant running and placing orders for imported OCC in advance and has dedicated LC lines from banks.
Level of Integration and Diversification	Financial Capital Manufactured Capital	Internal	Forward integration into ensure optimal utilization of by-products such as molasses and bagasse. Molasses is used in distillery that is a source of revenue maximization. Energy that is saved in manufacturing process results in bagasse saving. Bagasse can be used for projects like power generation, paper and board etc. or can be sold to increase revenue.	Diversification enables the companies to capture value across the production chain and ultimately results in high revenues and maximize the return to shareholders. An integrated sugar company functions on a de-risked model, which results in higher revenue and stable profitability for its stakeholders.

Materiality Approach

The Board of Directors of Mirpurkhas Sugar Mills Limited reposes authority and power to the Company's management for taking day to day decisions. The management however, observes the approach of materiality in applying power and authority.

Materiality is a matter of judgment and the Company thinks that a matter is material if, individually or in aggregate, they are expected to significantly affect the performance and profitability of the Company. In order to execute day to day operations/ transactions, delegation of powers has also been defined clearly and formalized procedures are followed for their execution.

The initiatives taken by the company in promoting and enabling innovation

Mirpurkhas Sugar Mills has been a front runner in innovation. Historically, the cane survey was done through visits of various circles and gathering the data manually to assess the cane crop. However, since last year, management has taken the initiative to conduct cane crop survey through drone technology. Drones have been used for data collection and analysis for better planning in agriculture and for crop management in the advanced countries and management believes that this will increase the accuracy of the estimations and better planning of the sugar season. The Company has also used drones for estimation of bagasse quantity.

The Company also strives to train its employees on a regular basis to keep them abreast with the latest technologies in the industry.

Risks of Supply Chain disruption due to an environment, social or governance incident and company's strategy for monitoring and mitigating these risks

Supply chains are intricate networks that connect suppliers, manufacturers, distributors, and customers worldwide. However, they are susceptible to various disruptions, including those stemming from environmental, social, or governance incidents. Understanding and mitigating these risks is crucial for the stability and sustainability of businesses.

The Company mitigates those risks through defined SoPs for all its manufacturing, purchasing, sales and operational areas that comply with international standards. The Company is certified for compliance of the standard of Quality management system ISO 9001:2015, Environmental management System ISO 14001:2015, Occupational health and safety management system ISO 45001:2018 and Good Manufacturing Practices Codex Alimentarius. The Company has also obtained FSC (Forest Stewardship Council) certification for its paper plant. These standards ensure that environmental, social and governance risks are identified, assessed and mitigated and fair, ethical and sustainable practices are followed.

Environmental Risks

Vigilant monitoring of our suppliers' environmental practices is at the core of our strategy. We assess their sustainability initiatives, evaluate adherence to environmental regulations, scrutinize carbon footprints, and assess waste management practices. By engaging with environmentally responsible suppliers, our goal is to minimize disruptions caused by environmental incidents.

Social Risk

Prioritizing suppliers who uphold fair labor practices and human rights standards is a fundamental aspect of our approach. Regular assessments ensure compliance with ethical labor practices, health and safety regulations, and community engagement. This commitment helps mitigate the risk of supply chain disruptions due to social issues.

Governance Risk

Evaluating suppliers' governance frameworks is imperative to ensure transparent and ethical business practices. Suppliers with robust corporate governance structures are preferred to mitigate disruptions arising from fraud, corruption, or compliance breaches.

Mitigation Strategies:

Diversification: Establishing alternative suppliers or geographically diverse sources reduces reliance on a single region or supplier, mitigating the impact of local disruptions. The Company usually has three suppliers for sourcing any item.

Transparency and Collaboration: Encourage transparency within the supply chain to identify risks early. Collaboration with suppliers and stakeholders fosters resilience by jointly addressing potential issues. The Company is in regular coordination with suppliers to ensure that information is timely shared and best practices are followed.

Risk Assessment and Contingency Planning: Regularly assess potential risks and develop contingency plans to swiftly respond to disruptions, ensuring minimal impact on operations.

In conclusion, we address related risks in supply chains by adopting proactive measures and fostering resilience to reduce the overall impact of risks on supply chain operations.





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Notice of Annual General Meeting

Notice is hereby given that the 60th Annual General Meeting of Mirpurkhas Sugar Mills Limited will be held on **Monday, January 27, 2025 at 11:00 a.m.** at the Registered Office of the Company at Factory premises, Jamrao, Umerkot Road, Mirpurkhas, Sindh, as well as through video link conferencing facility to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended September 30, 2024 with the Directors' and the Auditors' Reports thereon.
2. To appoint Auditors for the year 2024/25 and to fix their remuneration.
3. To transact any other business with the permission of the chair.

SPECIAL BUSINESS

4. To consider and approve the following resolutions as Special Resolution:
 - a) *"RESOLVED that the transactions carried out in the normal course of business with related parties and associated companies as disclosed in Note 39 of the Financial Statements during the year ended September 30, 2024, be and are hereby ratified and approved."*
 - b) *"FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to approve all transactions to be carried out in the normal course of business with related parties and associated companies during the ensuing year ending September 30, 2025."*

The statements under section 134 of the Companies Act, 2017, pertaining to the above-mentioned Special Business, is attached with the notice.


By Order of the Board of Directors



Asim H. Akhund
Company Secretary

Karachi: December 20, 2024

The Annual Audited Financial Statements of the Company together with the report and documents required under Companies Act, 2017 have been uploaded on the website of the Company which can be downloaded from the following link and/or QR enabled code:

Weblink	QR Code
http://gfg.com.pk/msm/financial-information/	

NOTES:

1. The register of members of the Company will be closed from Tuesday, January 21, 2025 to Monday, January 27, 2025 (both days inclusive) and no transfers will be registered during that time. Shares received in order at the Office of the Share Registrar of the Company, M/s. CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 at the close of business on Monday, January 20, 2025 will be treated in time.

2. A member of the Company eligible to attend, speak and vote at the Annual General Meeting may appoint another member as his/her proxy to attend, speak and vote in his/her stead. Proxies to be effective must be in writing and must be received by the Company's Head Office 48 hours before the Meeting.
3. The AGM proceedings will also be held via video through ZOOM application (a video link conferencing facility). Shareholders interested to participate in the meeting are requested to email required information with subject "Registration for Mirpurkhas Sugar Mills Limited AGM" along with valid copy of both sides of Computerized National Identity Card (CNIC) at cdcsr@cdcsrsl.com Shareholders are advised to mention their full details in the following manner:

Full Name of Shareholder / Proxy Holder	Company	CNIC Number	Folio / CDC A/c No.	Email Address	Mobile Phone No.
	Mirpurkhas Sugar Mills Ltd.				

4. Video link details and login credentials will be sent to members at their provided email addresses enabling them to attend the meeting on the given date and time.
5. Members will be able to login and participate in the AGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders. Video link and login credentials will be shared with only those members whose emails, containing all the required particulars, are received at least 48 hours before the time of AGM.
6. Members of the Company whose shares are registered in their account/sub-account with Central Depository System (CDS) are requested to bring original Computerized National Identity Card along with their account number in CDS and participant's ID number for verification.
7. Members of physical shares are requested to notify any change in their addresses to the Company's Share Registrar. Whereas, shareholders of CDC Accounts are requested to immediately notify any change in their addresses to their respective CDC Participant / Broker / CDC Investor Account Services.
8. According to Section 119 of the Companies Act, 2017 and Regulation 47 of the Companies Regulations, 2024, all physical shareholders are advised to provide their mandatory information such as CNIC number, address, email address, contact mobile / telephone numbers, occupation, etc. to CDC Share Registrar Services Limited immediately to avoid any non-compliance of law or any inconvenience in future.
9. Members of physical shares who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) are requested to send the same to the Share Registrar of the Company.
10. As per Section 72 of the Companies Act, 2017 every existing listed Company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP. The Shareholders having physical shareholding are accordingly required to open their account with investors account services of CDC or sub account with any of the brokers and convert their physical shares in book entry form. This will facilitate the shareholder in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.
11. Shareholders are hereby reminded that Section 242 of the Companies Act, 2017 provides that in case of a listed company, any cash dividend declared by the company must be paid electronically directly into the bank accounts of the shareholders. In order to receive dividends directly into their bank account, shareholders are requested to fill in E-Dividend Mandate Form available on the Company's website i.e. www.gfg.com.pk/msm/ and send it duly signed along with a copy of CNIC to the Registrar of the Company M/s. CDC Share Registrar Services Limited in case of physical shares. In case shares are held in CDC, then E-Dividend Mandate Form must be submitted directly to shareholder's broker/participant/CDC investor account services. In case of non-submission of IBAN, the Company will withhold the payment of dividends under the Companies (Distribution of Dividends) Regulations, 2017. Further, the information regarding gross dividend, tax/zakat deduction and net amount of dividend will be provided through the Centralized Cash Dividend Register (CCDR), therefore, shareholders should register themselves to CDC's eServices Portal at <https://eservices.cdcaccess.com.pk>

12. The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018, Securities & Exchange Commission of Pakistan has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, the shareholders of the Company will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in the AGM to be held on Monday, January 27, 2025 at 11.00 a.m., in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

For the convenience of the shareholders, ballot paper is annexed to this notice and the same is also available on the Company's website at www.fg.com.pk/msm/ for the purpose of being downloaded.

Procedure for E – Voting:

13. Details of the e-voting facility will be shared through an e-mail with those shareholders of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business of January 20, 2025.

The web address, login details, will be communicated to members via email. The security codes will be communicated to members through SMS from web portal of CDC Share Registrar Services Limited (being the e-voting service provider).

Identity of the shareholders intending to cast vote through e-Voting shall be authenticated through electronic signature or authentication for login.

E-Voting lines will start from January 22, 2025, 09:00 a.m. and shall close on January 26, 2025 at 5:00 p.m. Shareholders can cast their votes any time during this period. Once the vote on a resolution is casted, he / she shall not be allowed to change it, subsequently.

Procedure for Voting Through Postal Ballot:

14. The shareholders shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC), should reach the Chairman through post on the Company's address, 2nd Floor Modern Motors House, Beaumont Road, Karachi by or before Friday January 24, 2025 during working hours or email at agmmsm@fg.com.pk one day before the AGM on January 26, 2025, till 5.00 p.m. The signature on the ballot paper shall match the signature on the CNIC.
15. In compliance of Section 244 of the Companies Act 2017, once the Company has completed stipulated formalities, any unclaimed dividend and /or shares that have remained outstanding for a period of three years from the date of becoming due and payable or more shall be credited to the Federal Government (in case of dividend) or delivered to the SECP (in case of physical shares). Shareholders who by any reason could not collect their remaining unclaimed dividend/shares are advised to contact the Share Registrar of the Company to collect/inquire about their unclaimed dividend or shares, if any.
16. Shareholders` have option to receive Annual Audited Financial Statements and Notice of General Meeting through email. Shareholders of the Company are requested to give their consent to our Share Registrar to update the record if they wish to receive Annual Audited Financial Statements and Notice of General Meeting through email. However, if shareholders, in addition, request for hard copy of Audited Financial Statements, the same shall be provided free of cost within seven (7) days of receipt of such written request.
17. To claim exemption from compulsory deduction of Zakat, shareholders are requested to submit Zakat Declaration (Form CZ-50) or its attested photocopy to CDC Share Registrar Services Limited, in order to avoid deduction of Zakat on all future dividends, at the earliest.

Statements Under Section 134 of the Companies Act, 2017

4. Related Party Transactions

The statement sets out material facts concerning "Special Business" to be transacted at the Annual General Meeting of the Company to be held on Monday, January 27, 2025. The approval of the Members of the Company will be sought for:

During the financial year ended September 30, 2024, the Company carried out transactions with its associated companies and related parties in accordance with its policies and applicable laws and regulation. Related party transactions require shareholders' approval under sections 207 and 208 of the Companies Act, 2017. Such transactions are being placed before the shareholders for their approval through special resolution proposed to be passed in the Annual General Meeting.

The shareholders are requested to ratify the transactions which have been disclosed in Note no. 39 of the Financial Statements for the year ended September 30, 2024 and further to authorize the Board of Directors to conduct transactions with related parties or associated companies for the year ending September 30, 2025.

Party wise breakup of transactions as disclosed in Note no. 39 of the Financial Statements for the year ended September 30, 2024 is given below:

Name of Related Party	Nature of Transaction	Amount (Rs.)
Zensoft (Private) Ltd.	Service paid	(14,470,959)
Greaves Airconditioning (Private) Ltd.	Service paid	(1,320,090)
Greaves Pakistan (Private) Ltd.	Service paid	(10,756,652)
Greaves Airconditioning (Private) Ltd.	Purchase made	(3,944,100)
Greaves Pakistan (Private) Ltd.	Purchase made	(30,487,746)
Cherat Packaging Ltd.	Purchase made	(12,910,173)
Cherat Cement Company Ltd.	Dividend Income	12,362,747
Cherat Packaging Ltd.	Dividend Income	7,312,845
Unicol Ltd.	Dividend Income	25,000,000
Unicol Ltd.	Sales made	1,067,406,726
PF/ GF	Charge for Staff provident/ Gratuity Fund	(24,091,837)
Other related Parties	Issue of right shares	292,728,025

The Directors are not interested, directly or indirectly, in the above business except to the extent of their shareholding as mentioned in the pattern of shareholding.



Mirpurkhas Sugar Mills Limited

A Ghulam Faruque Group Company

POSTAL BALLOT PAPER

for voting through post for the Special Business at the Annual General Meeting to be held on Monday, January 27, 2025, at 11:00 a.m. at the Registered Office of the Company at Factory premises, Jamrao, Umerkot Road, Mirpurkhas, Sindh
UAN: +92 21 111-354-111 Website: www.gfg.com.pk/msm/

Folio / CDS Account Number	
Name of Shareholder / Proxy Holder	
Registered Address:	
Number of shares Held	
CNIC/Passport No. (in case of foreigner) (copy to be attached)	
Additional information and enclosures (in case of representative of body corporate, corporation, and federal Government)	
Name of Authorized Signatory	
CNIC/Passport No. (in case of foreigner) of Authorized Signatory (copy to be attached)	

Resolution for Agenda Item No. 4

- "RESOLVED that the transactions carried out in the normal course of business with related parties and associated companies as disclosed in Note 39 of the Financial Statements during the year ended September 30, 2024, be and are hereby ratified and approved."*
- "FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to approve all transactions to be carried out in the normal course of business with related parties and associated companies during the ensuing year ending September 30, 2025."*

INSTRUCTION FOR POLL

1. Please indicate your vote by ticking (✓) the relevant box.

2. In case if both the boxes are marked as (✓), your poll shall be treated as "Rejected".

I/we hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing tick (✓) mark in the appropriate box below;

Resolution	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Resolution For Agenda Item No. 4		

- Dully filled ballot paper should be sent to the Chairman at 2nd Floor, Modern Motors House, Beaumont Road, Karachi by or before Friday January 24, 2025 during working hours or email at agmmsm@gfg.com.pk one day before the AGM on January 26, 2025 till 5.00 p.m.
- Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
- Ballot paper should reach the Chairman within business hours by or before Friday, January 24, 2025. Any postal ballot received after this date, will not be considered for voting.
- Signature on ballot paper should match with signature on CNIC/ Passport (In case of foreigner).
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written poll paper will be rejected.
- In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution, / Power of Attorney, / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable.
- Ballot Paper form has also been placed on the website of the Company at: www.gfg.com.pk/msm/ Members may download the ballot paper from the website.

Shareholder / Proxy holder Signature/Authorized Signatory
(In case of corporate entity, please affix company stamp)

Date: _____



Directors' Profile

MR. ARIF FARUQUE CHAIRMAN

Mr. Arif Faruque is a Swiss - qualified Attorney-at-Law, and also holds Masters degrees in both Law and Business Administration from the United States of America. He recently completed the Owner President Management Program at Harvard Business School. He is the Chief Executive of Faruque (Pvt.) Ltd. He is on the Board of Directors of Cherat Packaging Ltd. and Cherat Cement Company Ltd. Besides the above, he is also a member of the Board of Governors of Lahore University of Management Sciences (LUMS).

MR. ASLAM FARUQUE CHIEF EXECUTIVE

Mr. Aslam Faruque is a graduate with a major in Marketing. He is the Chief Executive of Mirpurkhas Sugar Mills Ltd., Unicol Ltd. and UniEnergy Ltd. He is on the Board of Directors of Cherat Packaging Ltd. Greaves Airconditioning (Pvt.) Ltd. and Greaves Engineering Services (Pvt.) Ltd.

In the past, he has served as the Chairman and Senior Vice Chairman of Pakistan Sugar Mills Association - Center. He also served as Chairman of Pakistan Sugar Mills Association Sindh Zone, and Director of Sui Southern Gas Company Ltd., State Life Insurance Corporation of Pakistan and Pakistan Industrial Development Corporation.

MR. AMER FARUQUE DIRECTOR

Mr. Amer Faruque is a Bachelor of Science (BS) graduate in Business Administration majoring in Management / Marketing from Drake University, Des Moines, Iowa, USA. He is the Chief Executive of Cherat Packaging Limited. He serves as a member of the Board of Directors of Faruque (Pvt.) Ltd., Greaves Pakistan (Pvt.) Ltd., Greaves CNG (Pvt.) Ltd. and Executive Director Marketing of Cherat Cement Co. Ltd. In the past he has served as a member of the Board of Governors of Ghulam Ishaq Khan (GIK) Institute of Engineering Sciences and Technology and Lahore University of Management Sciences (LUMS) and the Centre of International Private Enterprise (CIPE). He is also the Honorary Consul of Brazil in Peshawar.

MS. FARZANA FARUQUE DIRECTOR

Ms. Farzana Faruque graduated from Chelsea College of Art and Design with a BA (Hons) in Graphic Design and Communications. She later pursued her passion for nutrition and fitness and got certified as a Health Coach and Fitness Trainer. Ms. Farzana, founded an indoor cycling fitness studio and co-founded a Health and Detox food brand in 2015. She is also the social media and marketing manager for Studio X. Her expertise allow her to be able to grow her brands and become a known name throughout Pakistan.

MR. WASIF KHALID DIRECTOR

Mr. Wasif Khalid is a fellow member of Institute of Chartered Accountant of Pakistan (ICAP) and fellow member of Pakistan Institute of Public Finance Accountants (PIPFA). He has also done his Masters in Business Administration (Marketing and Operations Management) from Hamdard University, Karachi.

He is the Director and Chief Financial Officer of Mirpurkhas Sugar Mills Ltd. and Zensoft (Pvt.) Ltd. Mr. Khalid is also serving on the Board of Directors of Greaves Airconditioning (Pvt.) Ltd., Greaves CNG (Pvt.) Ltd., Greaves Engineering Services (Pvt.) Ltd. and as an Executive Director Finance of Unicol Ltd.

He has contributed immensely towards development of financial models and implementation of new projects. He has been actively involved with the regulators, practitioner and leading Shariah scholars of the industry for developing the commercial industry transactions. Prior to Ghulam Faruque group, Mr. Khalid was associated with various companies in Middle East and in Pakistan he worked with one of Big 4 audit firms. He has over 22 years' worth of rich experience in financial restructuring and modeling, project financings, operational management and internal audit.

He has served as a General body member of FPCCI, as Head of cost and budget committee of PSMA-Sindh Zone and served as Member committee agriculture development and reforms at Ministry of Industries and Production and Kisan Board on behalf of PSMA- Sindh Zone. He also worked as a member of the sugar monitoring committee formed by the Federal Board of Revenue.

MR. HASAN REZA UR RAHIM

DIRECTOR

Mr. Rahim is an accomplished professional who has 40 years of domestic and international experience in the Banking and Financial Services industry. He brings with him 10 years of public listed company board and governance knowledge and is currently serving on the boards of Atlas Insurance Ltd. and Mirpurkhas Sugar Mills Ltd. He has also served on the boards of Cyan Ltd., Dawood Hercules Corporation Ltd. (DH Corp), Dawood Lawrencepur Ltd., Hascol Ltd., and Hum Networks Ltd.

Previously Mr. Rahim was the Executive Director in-charge of the Chairman Office of the Dawood Group which, consisted of several listed and unlisted companies and is one of the largest entrepreneurial groups in Pakistan. DH Corp is the flagship investment entity of the Dawood Group which has a large minority shareholding in Engro Corporation Limited.

During his banking career, Mr. Rahim spent 15 years at JPMorgan where he held several senior positions both in Pakistan and abroad. His accomplishments include assisting in establishing and heading the Global Corporate Bank in Bahrain, Qatar and Saudi Arabia, was Senior Country Officer of Pakistan and was an integral part of the Regional Corporate Finance team based in Singapore. He has originated, led and executed large and complex Mergers & Acquisition transactions and Privatizations totaling over USD 5.0 billion, Sovereign Debt and Bond issues of over USD 2.0 billion in the Telecom, Airlines, Banking, Oil & Gas and Petrochemical industries.

Earlier in his career Mr. Rahim, also held senior positions with MashreqBank psc and ANZ Grindlays Bank plc. He has worked in several international locations that included Zurich, Singapore, Bahrain and Dubai.

He received his bachelor's degree from the University of Delaware in USA; is also an IFC certified trainer to conduct corporate governance training; is a Pakistan Institute of Corporate Governance certified Director and on it's faculty.

MR. ABDUL SHAKOOR SHAIKH

DIRECTOR

A. Shakoor Shaikh has been part of Civil Services of Sindh as well as Pakistan for the last 28 years including 12 years Services experience in Social Sector & Community Welfare. After doing Bachelors in Computer System Engineering (B.E) and Masters in Business Administration (MBA), he joined Civil Services. He has enough exposure to different managerial capacities dealing with, Information Technology, Finance, Operations, Coordination, Infrastructure Development, Maintenance of Law & Order, Revenue Collection, Social and Community Services, Relief, Rescue and Rehabilitation Operations, Governance, Education, Primary Healthcare, Training & Capacity Building, Institutional Development and Public Administration and have demonstrated effectiveness in contributing substantially to improving the service delivery of Government/Social Sector institutions.

He spearheaded different teams at middle and senior level management positions and currently affiliated with policy making role. He has in-depth practical knowledge and working experience at senior positions in Government of Sindh (2022-1996), Federal Board of Revenue (FBR) (06-2002), National Commission for Human Development (08-2006), Peoples Primary Healthcare Initiative (13-2008), FBR (2016-2013), Ministry of Overseas Pakistanis and HRD (2020-2016), FBR (22-2020), Sindh Revenue Board (2022) and State Life Insurance Corporation (January -2023 till date).

He had an opportunity to serve in Pakistan Mission abroad as Community Welfare Counselor for more than four years which gave him an added exposure to Pakistan's export potential in terms of Human resource and issues/policies relating to Pakistani diaspora abroad.

He is currently working as Executive Director in State Life Corporation of Pakistan looking after Real Estate, and Policy Holder Service, Underwriting and Legal Affairs divisions. He also on BODs Alpha Insurance Company as Director.



Chairman's Review

FOR THE YEAR ENDED SEPTEMBER 30, 2024

During the financial year of the Company the economy has witnessed challenges of fiscal consolidation, monetary tightening, geopolitical tensions, and persistently high inflationary pressure. Some of the measures taken by the government to address the serious economic challenges and meet IMF conditions have created additional difficulties for businesses and industries, with import restrictions, historically high discount rates, and increasing energy costs further compounding the situation. On a positive note the decline in overall inflation has provided the space for the State Bank of Pakistan to reduce discount rates.

The agriculture sector has shown a growth of 6.25 percent in 2023-24 compared to 2.27 percent last year, with wheat, cotton and rice production witnessing record growths. In contrast, sugarcane production declined slightly by 0.4%, with sugarcane production standing at 87.6 million metric tons compared to last year's 88.0 million metric tons. The total sugarcane crushed in Pakistan was recorded at 67.65 million metric tons (FY 2023: 65.06 million metric tons), whereas total sugar production was 6.76 million metric tons (FY 2023: 6.66 million metric tons). Due to favorable weather conditions in many regions, sugar production in Sindh improved to 2.022 million metric tons (FY 2023: 1.745 million metric tons).

The industrial sector continued to face a slowdown that also impacted both the sugar and packing industries. The Company continued to manage its resources diligently and serve its diversified customer base of its Sugar and Paper divisions. The Company focused on quality, volume growth and product development to meet the demands of its customers and create value for its stakeholders. This includes using renewable energy to provide power for its production activities.

I am pleased to report that the Board of Directors has fulfilled its duties and responsibilities with dedication during the year, focusing on the major risk areas for the Company. The Board, including the Independent Directors, remains fully aware of its responsibilities and performs them with the necessary diligence.

The Board emphasizes strong corporate governance. An independent Internal Audit Department uses a risk-based approach, reporting quarterly to the Board Audit Committee to address and follow up on improvement areas. All Directors actively engaged in strategic planning, policy development and decision-making, ensuring significant issues were addressed. To further strengthen its strategic guidance of the Company, the Board plans to conduct a strategy meeting during the coming months.

The Board also carried out and discussed the annual self-evaluation in line with the requirements of the Code of Corporate Governance.

The Company is committed to fostering a diverse, equitable, and inclusive workplace. It prioritizes DE&I in its ethical and sustainable practices, focusing on increasing diversity through inclusive recruitment strategies and diverse interview panels.

The Board and Management are committed to protecting shareholder value in these challenging times through various initiatives, including cost control and diversification, while supporting community development. I would like to thank all our stakeholders, especially customers, suppliers, bankers, shareholders and employees, as well as my Board colleagues, for their trust, commitment, support and hard work.



Arif Faruque

Chairman

December 20, 2024

Directors' Report to the Members

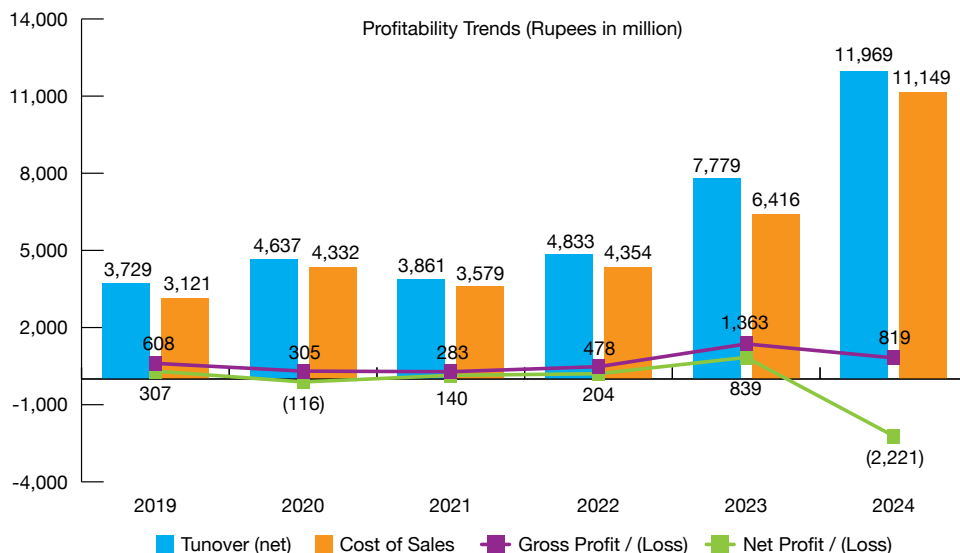
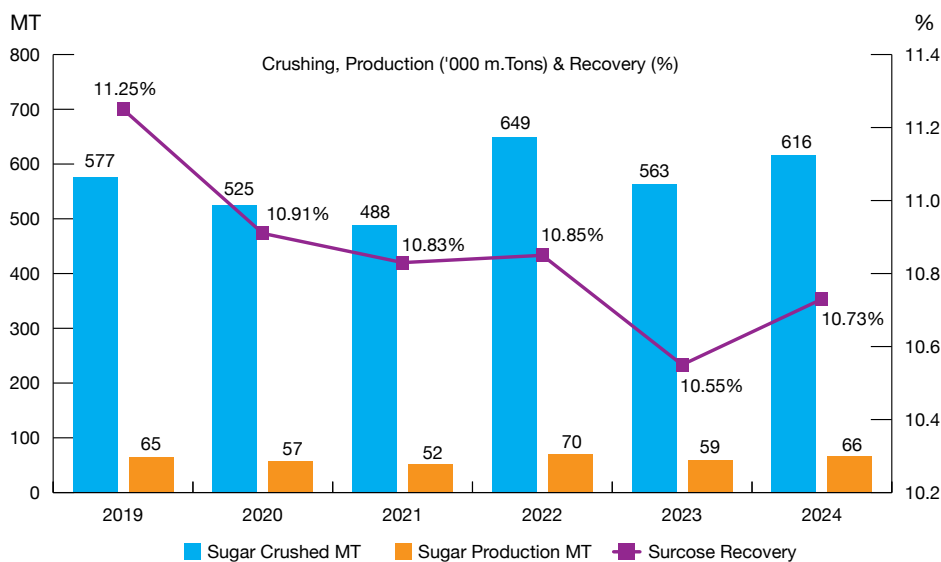
FOR THE YEAR ENDED SEPTEMBER 30, 2024

The Board of Directors present you the annual report of the Company along with the audited financial statements for the year ended September 30, 2024.

FINANCIAL AND OPERATIONAL PERFORMANCE

The key comparative financial data is as under:

	2023/24	2022/23
	(Rs. in million)	
Net Sales	11,969.725	7,779.469
Cost of Sales	(11,149.846)	(6,416.207)
Gross Profit	819.879	1,363.262
Other Income	47.140	515.883
Share of (loss) / profit in associates-net	(652.468)	911.711
Other expenses & taxes	(2,435.999)	(1,951.54)
Net (Loss) / Profit	(2,221.448)	839.316



SUGAR DIVISION

During the season 2023/24, total sugar produced in Sindh rose to 2.022 million metric tons compared to 1.745 million metric tons last year, an increase of 15.8% over the last year. National sugar production for the crushing season 2023/24 stood at 6.76 million metric tons (2022/23: 6.66 million metric tons). The first tranche of 150,000 metric tons of government-approved exports fell under the financial year ended September 30, 2024. Later on, additional approvals for the export of 640,000 metric tons of sugar were given, totaling to exports of 790,000 metric tons to date.

PRODUCTION PERFORMANCE

The crushing season 2023/24 started on November 15, 2023, and the plant operated for 97 days compared to 87 days the previous year. The plant operated efficiently throughout the crushing season. The crushing season started early as most of the area mills anticipated a larger crop and better recoveries. The key comparative data for the financial year just ended and that of the previous year may be summarized as follows:

	2023/24	2022/23
• Season start date	November 15, 2023	November 29, 2022
• Days operated	97	87
• Sugarcane crushed (metric tons)	616,102	562,641
• Sugar production (metric tons)	66,101	59,325
• Molasses production (metric tons)	30,110	28,772

PAPER AND BOARD DIVISION

The plant produced 31,968 metric tons of paper compared to 17,959 metric tons of paper last year, registering an increase of 78% over last year, and sold 31,707 tons compared to 13,688 tons last year. The production and sales quantity increased primarily as the company operated for the full financial year compared to last year, when it started its commercial operations only on May 12, 2023. Plant capacity utilization remained at around 47% for the year. The plant is operating efficiently and meeting all its operational parameters. The division continues to be loss-making mainly due to the unrestricted imports of paper by traders and box manufacturers and the constant rise in prices of local and imported old corrugated cartons (OCC) other raw materials as well as fuel. Furthermore, higher financial costs and the extension of credit to customers has impacted the bottom line significantly. The management continues maximum efforts to increase the revenue and customer base in a highly competitive market. Due to 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. The company is focused on improving its operational results through volume growth, optimizing the sales mix and better cost control and declining lending rates.

FINANCIAL HIGHLIGHTS

Following are the key highlights on operational and financial results for the year ended September 30, 2024:

- 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. This resulted in higher costs of production for the year. The company paid an amount of Rs. 764 million over and above the notified sugarcane price.
- During the year under review, the Company sold 70,036 metric tons of sugar, including 1,250 metric tons of exports, compared to 63,213 metric tons last year. The Company was able to achieve higher sales volumes due to sale during the year of unsold sugar at the start of the year. Sugar prices remained depressed throughout the year. In the paper division, the Company sold 31,707 metric tons of paper compared to 13,688 metric tons of paper last year. The prices of paper remained low due to low demand and competitive pricing due to the unregulated market segment and players attempting to gain market share.
- Increasing sugarcane costs, OCC (local and imports) and other raw material purchasing led to higher borrowing at a time when discount rates were at an all time high. Sugar is a seasonal industry where all the sugarcane payments are made early in the financial year during the crushing period, with sugar being sold throughout the year, which leads to high working capital requirements and therefore financial costs.

This contributed significantly to losses, as it was difficult to recover the same from sugar sales due to depressed prices and excessive sugar stock in the country, which stood at 1.45 million metric tons at the end of October 2024.

- The company's financial charges soared by 65 % to Rs. 1.86 billion, compared to Rs. 1.12 billion last year. These include both long-term and short-term borrowings.
- Other income was recorded at Rs. 47 million (2023: Rs. 516 million), which mostly consists of dividends and profit on PLS accounts. Last year it was mainly due to the gain on disposal of a non-current real estate asset held for sale last year.
- The Company accounted for its one-third share of loss in Unicol Limited amounting to Rs. 652 million and adjusted its investment in the associate by the same amount. Unicol's loss was primarily due to lower ethanol prices and revaluation of currency, combined with higher financing costs on both long-term and short-term borrowings.
- During the year the company raised Rs. 500 million by issuing 20 million right shares at a price of Rs. 25 per share. The capital generated was utilized in manner as prescribed in the offering document.

UNICOL LIMITED

Unicol's distillery continues to operate well. It's sugar division produced 60,481 metric tons during its first year of operations under the company's management. However, the challenges of the sugar industry, coupled with higher lending rates and longer holding periods, have resulted in losses in the sugar division. Simultaneously, the ethanol segment also remained under pressure due to dollar devaluation, reduction in ethanol prices and higher cost of raw material. Furthermore, the benefits of obtaining reduced rate financing for the exporter under the Export Refinance Scheme had also been phased out under the IMF pressure to eliminate subsidies being offered to exporters. This resulted in significantly higher financial charges. Nevertheless, management is confident that Unicol will continue to bring financial benefits to the Company and its shareholders in the long term.

UNIENERGY LIMITED

UniEnergy, a joint venture wind power project, had been granted a Letter of Intent and formally allotted land for setting up the project at Jhimpir, district Thatta. The JV partners made an initial equity investment in this Company to meet the ongoing financial requirements for the project. In this regard, Mirpurkhas Sugar Mills Limited had also made an equity investment of Rs. 7.69 million following the approval of the shareholders. The Company has, so far, not yet commenced putting up a wind farm as the management continues to evaluate the renewable energy policy of the Government.

RISKS AND OPPORTUNITIES

- **Risk Management**

As part of its responsibilities, the members of the Board of Directors keep a close watch on the socio-economic environment and consequential internal and external risks that might impact the operations and performance of the Company. The Directors remain vigilant in identifying and mitigating risks throughout the year, identifying potential risks, assessing their impact on the Company and formulating strategies to reasonably mitigate foreseeable risks to the business. These strategies are applied to the Company mainly through the Audit Committee.

- **Risk Assessment**

The Board of Directors of the Company assesses both internal and external risks that the Company might face. As part of this, the Board of Directors recognize the importance of cybersecurity. The Company maintains an in-house IT department to mitigate this risk.

- **Strategic Objectives on ESG**

The Board is dedicated to fostering a sustainable and ethical business approach. Our strategic priorities encompass environmental stewardship, social responsibility, and strong governance practices. We are committed to reducing our carbon footprint, preserving resources, and safeguarding biodiversity.

Key focus areas include promoting diversity, prioritizing employee well-being, and actively engaging with the community. The Board wholeheartedly endorses these initiatives, reaffirming the Company's commitment to creating long-term value for all stakeholders.

- **Sustainability Risks and Opportunities**

The Company remains steadfast in its commitment to sustainability. The Board has implemented robust mechanisms to govern and oversee sustainability risks and opportunities, along with policies and best practices for diversity, equity, and inclusion in corporate and regulatory matters. Strategic priorities focus on environmental stewardship, social responsibility, and strong governance. Furthermore, significant emphasis is placed on fostering diversity, supporting employee well-being, and engaging with the community.

- **Sustainability-Related Risks**

Sustainability-related risks involve evaluating Environmental, Social, and Governance (ESG) factors. Through innovative operational practices, renewable energy initiatives, and support for green projects, the Company is committed to advancing a sustainable future. Management has set clear ESG objectives aligned with the Company's strategic aim of strengthening sustainable resilience and creating a positive social impact. The Company has dedicated significant resources to advanced, eco-friendly technologies that embody the principles of responsible consumption and production. Evaluations of current and potential risks are carried out, identifying key areas of concern based on established frameworks.

- **Diversity, Equity, and Inclusion (DE&I)**

The Company champions the principles of Diversity, Equity, and Inclusion (DE&I) across its diverse workforce and communities. Promoting DE&I is a core priority and integral to the Company's sustainable and ethical business practices. Efforts are underway to improve gender and ethnic diversity at all levels, supported by inclusive recruitment strategies.

- **Credit Risk**

While all financial assets of the Company, except cash in hand, are subject to credit risk, the Company does not believe that it is exposed to a major concentration of credit risk. Exposure is managed through the application of credit limits to its customers, getting postdated cheques as well as diversification of investments.

- **Liquidity Risk**

Prudent liquidity risk management ensures availability of sufficient funds for meeting contractual commitments. The Company's cash management strategy aims at managing liquidity risk through internal cash generation and adequate credit lines with financial institutions. The Company also issued right shares during the year and secured Rs. 500 million for working capital needs.

- **Foreign Exchange Risk**

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. The Company is exposed to foreign currency risks to the extent of LCs opened for the import of raw materials. The Company manages foreign currency risk through due monitoring of the exchange rates, adjusting net exposure and obtaining forward covers where available and appropriate.

- **Debt Repayment**

The Company has paid off all its due debts on time. During the year, the Company has made repayments of Rs. 785.309 million.

- **Equity and Capital Management**

The Company's aim is to maintain an adequate equity base, so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes to the Company's approach to equity management during the year. The Company issued right shares during the year at a premium of Rs. 15 per share and secured Rs. 500 million to finance the working capital needs. The Company's current gearing ratio is 53.5%. The Board of Directors and management are hopeful that the capital structure of the Company may be strengthened further in the coming years.

DIVIDEND

The Company has always strived towards an appropriate distribution of profits. The decision on dividend payments is made taking into consideration various parameters, including its financial performance. Due to significant financial loss during the year, the Board of Directors has resolved not to declare a dividend for the year.

CORPORATE SOCIAL RESPONSIBILITY

The Company is committed to playing its due role in society in the interest of all stakeholders, particularly towards its employees and the communities it operates in and the environment.

In addition to that, the Company has also contributed to various reputable charitable organizations and needy individuals and will continue to do so. The Company's CSR policies aim to assist in the economic and social development of the areas where the Company does business. The Company envisions to build a better environment, a better economy, and a better Pakistan through its corporate social activities.

SAFETY, HEALTH AND ENVIRONMENT

The Company strongly believes in maintaining high standards of health and safety. The production facility of the Company is fully compliant with the applicable environmental and safety standards. The Company has a dedicated HSE department to oversee HSE, including the implementation of best practice measures and processes, ensuring proper compliance and carrying out regular fire and other safety training of the staff. To help the environment, the Company has increased tree-planting at its factory site, while the 2 MW solar power plant will reduce its reliance on fossil fuels and thereby carbon footprint.

CONTRIBUTION TO NATIONAL EXCHEQUER

During the FY2024, the Company contributed approximately Rs. 1,590 million to the national exchequer in the form of taxes, duties and levies.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- The financial statements prepared by management present the Company's state of affairs fairly, including the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements, and accounting estimates are based on reasonable and prudent management judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements, and any departure therefrom has been adequately disclosed and explained.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance.
- Key operating and financial data for last six (6) years in summarized form is annexed.
- There is nothing outstanding against the Company on account of taxes, duties, levies and charges except for those which are being made in normal course of business.
- The Company maintains Provident and Gratuity Fund accounts for its eligible employees. Stated below are the values of the investments of the respective funds as on September 30, 2024:

- | | |
|------------------|---------------------|
| • Provident Fund | Rs. 840.927 million |
| • Gratuity Fund | Rs. 326.210 million |

BOARD OF DIRECTORS

The total number of Directors on the board is 7 and its composition is as follows:

- | | |
|-----------------------------|---|
| • Male Directors | 6 |
| • Female Director | 1 |
| a. Independent Directors | 2 |
| i. Mr. Abdul Shakoor Shaikh | |
| ii. Mr. Hasan Reza Ur Rahim | |

- The requirement of 1/3 independent Directors equals to 2.33, fraction of which is less than 0.5 and therefore, as per the applicable regulations, is rounded down to 2.

b. Non-Executive Directors	3
i. Mr. Arif Faruque	
ii. Mr. Amer Faruque	
iii. Ms. Farzana Faruque	
c. Executive Directors	2
i. Mr. Aslam Faruque	
ii. Mr. Wasif Khalid	
d. Female Director	
i. Ms. Farzana Faruque	1

- During the year, six meetings of the Board of Directors were held. The attendance record of each Director is as follows:

Name of Director	Meetings Attended
• Mr. Arif Faruque	6
• Mr. Aslam Faruque	6
• Mr. Amer Faruque	6
• Ms. Farzana Faruque	4
• Mr. Wasif Khalid	6
• Mr. Hasan Reza Ur Rahim	5
• Mr. Abdul Shakoor Shaikh*	6

*Mr. Abdul Shakoor Shaikh has been appointed in place of Mr. Muhammad Izqar Khan who has resigned from the Board on November 27, 2023.

- During the year, four meetings of the Audit Committee were held. The attendance record of each Director is as follows:

Name of Director	Meetings Attended
• Mr. Hasan Reza Ur Rahim	4
• Mr. Arif Faruque	4
• Mr. Amer Faruque*	4

*Mr. Amer Faruque has been appointed as a member of the Audit Committee in place of Mr. Muhammad Izqar Khan.

- During the year, two meetings of the Human Resource and Remuneration Committee were held. The attendance record of each Director is as follows:

Name of Director	Meetings Attended
• Mr. Abdul Shakoor Shaikh*	2
• Mr. Aslam Faruque	2
• Ms. Farzana Faruque**	2

*Mr. Abdul Shakoor Shaikh has been appointed as a member of the Human Resource and Remuneration Committee in place of Mr. Muhammad Izqar Khan.

**Ms. Farzana Faruque has been appointed as a member of the Human Resource and Remuneration Committee in place of Mr. Amer Faruque.

- The pattern of shareholding is annexed with the report.
- Loss per share during the financial year 2023/24 was Rs. 39.17 per share as against earning per share of Rs. 16.43 (re-stated) last year.

DIRECTORS' REMUNERATION

As per the Articles of the Company, the remuneration of Non-Executive and Independent Directors is fixed by the Board of Directors. In this regard, the Board of Directors has developed a Remuneration Policy for Non-Executive and Independent Directors of the Company. The detail of Directors' remuneration is disclosed in Note 37 of the Financial Statements for the year ended September 30, 2024.

ANNUAL EVALUATION OF PERFORMANCE

As part of the Code of Corporate Governance, an annual evaluation of the Board of Directors, Committees and Individual Directors is carried out by the Company. The Company has engaged M/s. Grant Thornton Anjum Rahman, Chartered Accountants to ensure transparency of this process. The contents of the report are evaluated and areas that require improvement are identified and discussed.

RELATED PARTIES TRANSACTIONS

All transactions with related parties have been executed at arm's length and have been properly disclosed in the financial statements of the Company.

STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

The Company has fully complied with requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. A Statement of Compliance is provided under the relevant section of the report.

DIRECTORS' RESPONSIBILITY IN RESPECT TO ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The efficient framework of internal financial controls has been put in place by the Board of Directors to guarantee the smooth and effective execution of operations, protection of company assets, adherence to relevant laws and rules, and dependable financial reporting. The independent Internal Audit function consistently evaluates and oversees the execution of these financial controls, while the Audit Committee assesses the efficiency of the internal controls structure and financial statements on a quarterly basis.

BOARD OF DIRECTORS' COMMITMENT TO ETHICS AND COMPLIANCE

The Board of Directors of the Company is dedicated to maintaining the highest standards of ethics and compliance. It fosters a culture of integrity and accountability, upholds our code of conduct, supports ethical decision-making, ensures robust compliance programs, and responds appropriately and promptly to any violations.

BUSINESS IMPACT OF GOVERNMENT POLICIES

We would like to once again take this opportunity to request the Government to take the necessary steps to ensure that the price of sugar is reflective of the price of sugarcane being paid to the growers. Sugarcane prices are not in line with the prevailing sugar prices in the market, which continue to remain depressed due to carryover sugar stocks from the last season, despite that sugar exports are carried out, as the season 2024/25 has already started. The Federal Government should continue to allow exports out of Pakistan so that sugar prices can improve based on a balanced supply and demand .

Lastly, sugar exports in the past were carried out on the basis of export subsidies being offered by the Government. However, these subsidies have not yet been paid to the sugar mills in Sindh, and we therefore request the provincial government to urgently release the pending subsidy of Rs. 199.06 million, as this is instrumental to the Company's liquidity and the financial charges incurred by the Company.

FUTURE PROSPECTS

The Company expects that the economic outlook of the country will improve as the Government continues the implementation of reforms aimed at maintaining fiscal discipline, political stability and foreign economic assistance and is hopeful this improves the growth trajectory of the economy in the coming years. However, the country's high debt servicing costs and external repayments remain a challenge. To address this and to continue stabilizing the relevant economic indicators, the government has been able to reach a staff level agreement with the IMF for a 37-month Extended Fund Facility Arrangement (EFF) of USD 7 billion.

Given the challenging operating environment, the Company remains focused on minimizing the negative impacts while maximizing shareholder value by spreading its borrowings amongst different banks, reducing inventory and managing trade debts, amongst other measures. With a cumulative cut of 700 basis points of the policy rate to date, the monetary easing is expected to continue, driven by a high base effect stable exchange rate and improved supply of foreign exchange, Management is hopeful this will favorably impact the Company in the foreseeable future.

APPOINTMENT OF AUDITORS

The present auditors M/s. Kreston Hyder Bhimji and Co. (Chartered Accountants) retire, and being eligible, offer themselves for reappointment.

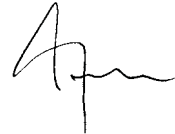
ACKNOWLEDGMENT

We would like to thank all our customers and financial institutions for their continued support and cooperation. And we would like to particularly extend our deep appreciation to our staff for their dedication, loyalty and hard work during these challenging times.

On behalf of the Board of Directors



Arif Faruque
Chairman



Aslam Faruque
Chief Executive

Karachi: December 20, 2024

Board Meetings Held Outside Pakistan

During the year, 6 meetings of the Board of Directors were held. As recommended by SECP Guidelines and to keep the costs in control, the management has conducted all meetings in Pakistan.

Annual Evaluation of Board, Chief Executive Officer (CEO), Committees and Individual Members

Board evaluation mechanisms facilitate the Board of Directors in evaluating and assessing its performance and ability to provide strategic leadership and oversight to the senior management of the Company. Accordingly, appropriate procedures have been developed based on emerging and leading practices to assist in the assessment of the Board, its committees and the individual directors themselves.

Questionnaires have been developed based on relevant criteria such as effectiveness, accountability, planning, leadership and strategy formulation by the Board and also its committees. Directors are also asked to fill out a self-evaluation questionnaire which focuses on their participation and satisfaction with the different proceedings of the Board and their individual role as a member.

In addition, a separate evaluation questionnaire for Chief Executive Officer has also been developed for his performance. The performance evaluation of CEO is carried out by the Directors.

These questionnaires are circulated annually and are filled out by the Directors anonymously. The collected answers are then compiled by an independent chartered accountant firm.

The Company has engaged M/s Grant Thornton Anjum Rahman Chartered Accountants to ensure the transparency of the process.

Matters Delegated to the Management

Management is primarily responsible for implementing the strategies as approved by the Board of Directors. It is the responsibility of management to conduct the routine business operations of the Company in an effective and ethical manner in accordance with the strategies and goals as approved by the Board and to identify and administer the key risks and opportunities which could impact the Company in the ordinary course of execution of its business.

Directors' Orientation and Training

All the Directors of the Company are well experienced and have diverse backgrounds. At the time of induction of any new director, he or she is given proper orientation about the operations of the Company and his or her fiduciary responsibilities. The Company had also arranged an in-house Directors' training program to apprise the directors of their authorities and responsibilities. Two Directors of the Company namely Mr. Hasan Reza Ur Rahim and Mr. Abdul Shakoor Shaikh are also certified under the Board Development Series Program offered by Pakistan Institute of Corporate Governance (PICG).

Governance Practices Exceeding Legal Requirements

Mirpurkhas Sugar Mills has always believed in going the extra mile and staying ahead of the game. In line with this strategy, not only have we complied with all mandatory legal compliances under the Code of Corporate Governance, the Companies Act, 2017 and other applicable rules, regulations and standards, we have also carried out the following activities in addition to the legal requirements;

- a. Other Information: The management reports various other essential information in this annual report which is not required by law. We are trying to adopt Integrated Reporting framework.
- b. Implementations of HSE: The Company has developed and implemented aggressive HSE strategies at its factory site and head office to ensure proper safety of its people and equipment.
- c. Dispersal of information: The Company has always ensured that all material information is communicated to the PSX, the SECP and the Company's shareholders as soon as it becomes available. At all times we have ensured that such information is sent out much before the deadlines set out in the laws.

Female Director

Ms. Farzana Faruque was re-elected as female Director on January 21, 2023 on the Board and the requirement for a female director on the Board of a listed company has been complied.

Independent Directors

Mirpurkhas Sugar Mills Limited has ensured that the composition of its Board of Directors is compliant with all prevailing legal and governance requirements with respect to independent directors. All Independent Directors have submitted along with their consent to act as Director, the declaration as required under the Code of Companies Act, 2017 to the Company that they meet the criteria of Independent Directors.

Investors' Grievance Policy

The Company has an Investors' Grievance Policy in place. Any complaint or observation received either directly by the Corporate Department or during General Meetings are addressed by the Company Secretary. The Shareholders are given the information as desired by them as per the law well in time. All the written complaints are replied in writing. Our share registrar is CDC Share Registrar Services Limited (CDCSRSL) which is leading name in the field. The Company has many old and loyal shareholders, which shows the trust of the shareholders in the management of the Company.

Statement of Management's Responsibility towards the Preparation and Presentation of Financial Statements and Directors' Compliance Statements

The Company, its Board of Directors and the management have always been keen to follow the standards set down by governing institutions. In lights of the same strict compliance of all standards set out by ICAP, the Companies Act, the International Financial Reporting Standards have been adhered to and otherwise good and responsible reporting has been our general practice.

Governance of Risk and Internal Control

The Company has various policies in connection with Governance of Risk and Internal Control that have been approved by the Board of Directors and covered through different policies and disclosures. These include but are not limited to Health Safety Environment (HSE) policy, Information Technology (IT) Governance policy, Information System Security policy, Disaster Recovery policy etc. The implementation of such policies is in accordance with law to assure smooth operations of the business at all levels.

Mirpurkhas Sugar Mills Limited designed its risk management framework to effectively identify, analyze, evaluate, mitigate and monitor the risk faced by the Company.

The Company regularly monitors potential impact of risks and devise strategy to mitigate those risk so that the Company does not drift away from its strategic goals. Risk assessment is done regularly to achieve a good understanding of the company's key risks, to allocate ownership to drive specific actions around them and take any relevant steps to address them. Due to their critical importance, our material issues and principal risks are integrated into our business planning processes and monitored on a regular basis by our Board of Directors. Strategic, Commercial, Operational, Financial and Compliance risks are ranked based on their impact on Mirpurkhas Sugar Mills Limited and probability of occurrence. Upon identification of risks, mitigating strategies and action plans are developed, implemented and monitored.

Policy on Non-Executive & Independent Directors' Remuneration

PREAMBLE

The Board of Directors (the “Board”) of Mirpurkhas Sugar Mills Limited (the “Company”) has adopted this Policy upon the implementation of Section 170 of the Companies Act 2017 read with Regulation No. 17 of the Code of Corporate Governance.

Amendments, from time to time, to the Policy, if any, shall be considered by the Board in light of changes in applicable laws and/or such external circumstances that directly apply to the scope of this Policy.

SCOPE AND APPLICABILITY

The Policy shall apply to all Non-Executive and Independent Directors who attend Board meetings, Audit Committee meetings, Human Resource and Remuneration Committee meetings and any other meetings called by the Board.

TERMS OF THE POLICY

Through the Articles of the Company, the Board is authorized to fix remuneration of Non-Executive and Independent Directors from time to time. The fee of the Non-Executive and Independent Directors for attending the Board and Committee meetings of the Company shall be as determined by the Board of Directors from time to time.

Understanding Shareholders' Views

Company's shareholders comprise of investors including mutual funds, investment companies, brokerage houses, insurance companies, foreign shareholders, pension funds, individuals, professionals, high profile individuals to housewives. The Company regularly interacts with all categories of shareholders, through Annual General Meeting, Extraordinary General Meeting, regular Corporate / Investor briefings etc.

The Chief Finance Officer and the Company Secretary remain available to respond to any shareholder / investor's query. The non-executive members are also kept informed about the views of the major shareholders about the Company.

Policy on Related Party Transactions



PREAMBLE

The Board of Directors (the “Board”) of Mirpurkhas Sugar Mills Limited (the “Company”) has adopted this Policy pursuant to the provisions of Section 208 of the Companies Act, 2017 read with Regulation No. 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 issued by Securities & Exchange Commission of Pakistan.

SCOPE OF THE POLICY

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions. It is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties. Amendments, from time to time, to the Policy, if any, shall be considered and approved by the Board. The policy covers all related party transactions of Mirpurkhas Sugar Mills Limited as defined under Section 208 of the Companies Act, 2017. The policy is applicable on all individuals responsible to initiate, authorize, record and report related party transactions

The Policy is applicable to all Related Party Transactions irrespective of their value and size.

This Policy is intended to work in conjunction with regulatory provisions and other Company policies.

DEFINITIONS

- (i) Arm’s length transaction means a transaction which is subject to such terms and conditions as if it is carried out in a way, as if:
 - a) the parties to the transaction were unrelated in any way;
 - b) the parties were free from any undue influence, control or pressure;
 - c) through its relevant decision-makers, each party was sufficiently knowledgeable about the circumstances of the transaction, sufficiently experienced in business and sufficiently well advised to be able to form a sound business judgment as to what was in its interests; and

- d) each party was concerned only to achieve the best available commercial result for itself in all the circumstances.
- (ii) Office of profit means any office:
- a) where such office is held by a Director, if the Director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.
- b) where such office is held by an individual other than a Director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the Company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.
- (iii) Related party includes
- (a) A Director or his / her relative;
- (b) a key managerial personnel or his relative; a key managerial person shall mean the following;
- the Chief Executive Officer of the Company;
 - the Company Secretary of the Company;
 - the whole time Directors on the Board of the Company; and
 - the Chief Financial Officer of the Company.
- c) a firm, in which a Director, manager or his relative is a partner;
- d) a private company in which a Director or manager is a member or director;
- e) a public company in which a Director or manager is a Director or holds along with his relatives, any shares of vits paid up share capital;
- f) any body corporate whose Chief Executive or manager is accustomed to act in accordance with the advice, directions or instructions of a Director or manager;
- g) any person on whose advice, directions or instructions, a Director or manager is accustomed to act.
- h) any company which is:
- a holding, subsidiary or an associated company of such company; or
 - a subsidiary of a holding company to which it is also a subsidiary
- i) such other person as may be specified.
- j) relative means spouse, siblings and lineal ascendants and descendants of a person.

Provided that nothing in sub-clauses (f) and (g) shall apply to the advice, directions or instructions given in a professional capacity.

*All other terms will be construed as per the Companies Act, 2017 and all other relevant laws.

Types of Related Party Transactions

Any contract or arrangement with respect to the following, but not limited to these;

- i. sale, purchase or supply of any goods or materials;
- ii. selling or otherwise disposing of, or buying, property of any kind;
- iii. leasing of property of any kind;
- iv. availing or rendering of any services;
- v. appointment of any agent for purchase or sale of goods, materials, services or property; and
- vi. such related party's appointment to any office or place of profit in the company, its or associated company, provided:

- a) where majority of the Directors are interested in any of the above transactions, the matter shall be placed before the general meeting for approval as special resolution;
- b) also that nothing in this sub-section shall apply to any transactions entered into by the Company in its ordinary course of business on an arm's length basis.

Disclosure and Approval of Related Party Transactions

The Board shall approve related party transactions that require its approval and the following minimum information shall be circulated and disclosed to the directors along with agenda for Board's meeting called for approval of related party transactions:

- i. name of related party;
- ii. names of the interested or concerned persons or Directors;
- iii. nature of relationship, interest or concern along with complete information of financial or other interest or concern of Directors, managers or key managerial personnel in the related party;
- iv. detail, description, terms and conditions of transactions;
- v. amount of transactions;
- vi. timeframe or duration of the transactions or contracts or arrangements;
- vii. pricing policy;
- viii. recommendations of the Audit Committee, where applicable; and
- ix. any other relevant and material information that is necessary for the Board to make a well informed decision regarding the approval of related party transactions.

Identification of Related Party Transactions

Every Director will be responsible for providing a notice containing the following information to the Board of Directors on an annual basis:

- i. a firm, in which the Director, manager or his relative is a partner;
- ii. a private company in which the director or manager is a member or Director;
- iii. a public company in which the Director or manager is a Director or holds alongwith his relatives, any shares of its paid up share capital;
- iv. any body corporate whose Chief Executive or manager is accustomed to act in accordance with the advice, directions or instructions of the Director or manager;
- v. any person on whose advice, directions or instructions the Director or manager is accustomed to act.

Terms of the policy

The terms of reference for the Policy are as follows:

- i. The management shall obtain approval of the policy by the Board of Directors ("Board");
- ii. The management may enter into any contract or arrangement with a related party only in accordance with the policy approved by the Board, subject to such conditions as may be specified;
- iii. The management shall obtain approval of the Board for contracts that are not on arm's length basis or not in the ordinary course of business;
- iv. The management shall present all related party transactions to the Audit Committee for their recommendation to the Board for approval;
- v. Every contract or arrangement entered into with a Related Party shall be referred to in the Board's report to the shareholders along with justifications;
- vi. Management shall maintain records of the transactions undertaken with related parties;
- vii. If a Director or any other employee enters into any contract or arrangement with a Related Party without obtaining the consent of the Board or approval by a special resolution in the general meeting, and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within 90 days from the date of the contract, such contract or arrangement shall be voidable at the discretion of the Board;

Maintenance of Record

The Company shall maintain one or more registers with regards to transactions undertaken with Related Parties and contracts or arrangements in which Directors are interested, in the manner prescribed, and shall enter therein the particulars of:

- i. contracts or arrangements, in which any Director is, directly or indirectly, concerned or interested; and
- ii. contracts or arrangements with a related party with respect to transactions to which section 208 of the Companies Act, 2017 applies.

Pricing Methodology

Any related party transactions carried out at arm's length basis shall use one of the following pricing methodologies

- i. Comparable Uncontrolled Price method;
- ii. Resale Price method;
- iii. Cost Plus method; and
- iv. Profit Split method.

Scope of Limitation

In the event of any conflict between the provisions of this Policy and the Companies Act, 2017 or any other statutory enactments, rules, the provisions of the Companies Act, 2017 or statutory enactments, rules shall prevail over this policy.



Human Resource Policy

At Mirpurkhas Sugar Mills Limited we attribute our continued success to our people. Our employees are our enduring advantage and it is our ability to create high performance teams in a culture of inclusiveness, professionalism and excellence that drives our growth. To maintain our HR competitiveness, we remain focused on areas of talent management, learning & development; succession planning, and the development of a robust Management Trainee Program.

ATTRACTING THE BEST TALENT

To align with the Company's goal of securing top talent, we have revamped our Trainee Engineer Program into the "Graduate Trainee Program." This new approach enhances the opportunities available to students, encouraging them to push their limits and realize their potential. By offering graduating students an exciting pathway into our Graduate Trainee programs, we have conducted numerous campus recruitment drives at prominent engineering and management institutions. Our goal is to identify exceptional talent that will contribute to the development of a company-wide pipeline of emerging leaders, while also becoming an integral part of our dynamic organizational culture.

INDUSTRIAL RELATIONS

We maintain excellent relations with our employees and labour. There is a formal labour union in place which represents all classes of workers and independently takes care of all labour related issues. The Company takes every reasonable step for swift and amicable resolution of all their issues.

SUCCESSION PLANNING

Our Succession Planning policy is aimed at building a pipeline for future leadership and creating backups for critical roles.

The salient features of this policy are detailed as under:

- Talent Assessment is conducted based on achievements, Competencies and Group Values.
- Gap Analysis is done to determine time period and tools needed to groom / develop them as possible successors.
- Put through an outbound Leadership Course to determine areas of development vis-a-vis leadership.
- On-going coaching / rotation / training and developmental plans are in place to bring out best in class talent for succession.
- To deep reach successors at all levels, upward mobility is a pre-requisite in the hiring programme.

CORE VALUES

Values are what support the vision, shape the culture and reflect what an organization values. They are the essence of the organization's identity the principles, beliefs or philosophy of values.

Our Core Values (Respect, Fairness, Quality, Ownership) are embedded in our recruitment process, performance appraisals and recognition initiatives.

Merit-Based Recruitment

At MSM, we are committed to a Merit-Based Recruitment process that ensures fairness, transparency, and the hiring of the most qualified candidates. Our approach is driven by a strict adherence to equal opportunity principles, ensuring that every candidate is evaluated solely on their skills, knowledge, experience, and alignment with our organizational values.

To streamline and enhance the recruitment process, MSM leverages advanced technological tools like SAP SuccessFactors Recruitment Management (RCM). Through Recruitment Management, we efficiently manage job requisitions, job postings, candidate applications, and the selection process, ensuring a smooth and transparent hiring journey. The system allows us to track candidates progress, conduct interviews, and make data-driven decisions on selecting the best talent. SF RCM is also integrated with our onboarding processes, making transitions in to the company seamless for both employees and HR.

The Onboarding process at MSM is designed to welcome new hires and integrate them into our organizational culture effectively. Through the structured programs, we provide them with the resources, training, and support they need to succeed.

By adopting merit-based recruitment practices and integrating the latest HR technologies, MSM ensures that we consistently attract and retain top talent, contributing to the company's growth and operational excellence.

Performance-Based Appraisal

At Mirpurkhas Sugar Mills, our Performance-Based Appraisal system is a key driver of employee engagement, development, motivation and organizational success. We believe that performance should be the foundation for both individual and organizational growth, which is why we place such a strong emphasis on recognizing and rewarding employees based on their achievements and contributions.

MSM utilizes SAP SuccessFactors Performance Management and Goals Management (PMGM) to standardize and automate our performance management processes. SF PMGM allows us to set clear and measurable goals for employees at the beginning of each performance cycle, aligning their objectives with the broader business goals of the organization. Throughout the year, managers can track progress, provide candid and regular feedback hence fostering a culture of continuous improvement.

At the end of the performance cycle, employees are appraised based on their achievements against their set goals, and their competencies in relation to MSM's core values. SF PMGM provides comprehensive insights, ensuring that our appraisals are fair, transparent, and cover both qualitative and quantitative data. High-performing employees are recognized and rewarded, while development plans are created for those needing additional support, ensuring that every individual has the opportunity to grow and excel.

Our performance-based appraisal system not only helps us recognize and reward top talent but also motivates employees to reach their full potential, driving MSM's continued success.

Promotion, Reward, and Motivation

At MSM, we understand that recognizing and rewarding employee contributions is fundamental to maintaining a motivated, engaged and high-performing workforce. Our Promotion, Reward, and Motivation strategy is built on principles of fairness, transparency, and alignment of individual performance with organizational performance. We firmly believe that career advancement should be based on merit, and as such, promotions at MSM are awarded to employees who consistently demonstrate strong performance, leadership qualities, and alignment with our core values.

Motivation is fostered not just through financial rewards but also by creating an environment where employees are given opportunities for growth and development. By providing challenging projects, leadership opportunities, and continuous feedback, we ensure that every employee at MSM feels empowered and motivated to contribute towards the company's success.

Training and Development

At Mirpurkhas Sugar Mills, we view Training and Development as key to both organizational success and employee satisfaction. Our philosophy is that continuous learning and development are essential to maintaining a workforce that is skilled, innovative, and prepared for future challenges.



MSM offers a range of training programs tailored to meet the diverse needs of our employees. These include technical training for operational staff, leadership development programs for emerging leaders, and skills enhancement workshops for all employees. We also offer e-learning opportunities that enable employees to learn at their own pace, ensuring that they can continuously improve and stay updated with industry trends.

Additionally, MSM promotes mentorship and coaching, where senior employees mentor junior staff, sharing their expertise and guiding them in their career development. This not only helps with knowledge transfer but also fosters a collaborative and supportive work environment. Our comprehensive approach to training and development ensures that MSM remains a learning organization, where employees are equipped with the skills and knowledge to drive our company forward.



By prioritizing employee engagement and feedback, MSM ensures that we maintain a motivated and committed workforce which is driving the company's overall success and growth.

Employee Engagement and Feedback

At Mirpurkhas Sugar Mills, Employee Engagement is a top priority, as we believe that an engaged workforce is a productive workforce. We strive to create an environment where employees feel connected to the Company's mission, empowered in their roles, and motivated to contribute to the company's success.

Our approach to employee engagement involves regular communication, feedback mechanisms, and involvement in decision-making processes. MSM regularly conducts pulse surveys to gather feedback on various aspects of the workplace, from job satisfaction to leadership effectiveness. This feedback is carefully analyzed and used to make improvements in policies, practices, and the work environment.

In addition to surveys, we encourage open channels of communication between employees and management. Whether through one-on-one meetings, we value employee input and believe in taking action on their feedback. This two-way communication fosters a culture of trust, transparency, and collaboration.



Safety of Records Policy

The Company is effectively implementing the policy to ensure the safety of records. All records must be retained for as long as they are required to meet legal, administrative, operational, and other requirements of the Company. The main purposes of the Company Policy are:

- To ensure that the Company's records are created, managed, retained, and disposed off in an effective and efficient manner;
- To facilitate the efficient management of the Company's records through the development of a coordinated Records Management Program;
- To ensure preservation of the Company's records of permanent value to support both protection of privacy and freedom of information services throughout the Company to promote collegiality and knowledge sharing;
- Information will be held only as long as required and disposed off in accordance with the record retention policy and retention schedules; and
- Records and information are owned by the Company, not by the individual or team.





Conflict of Interest Policy

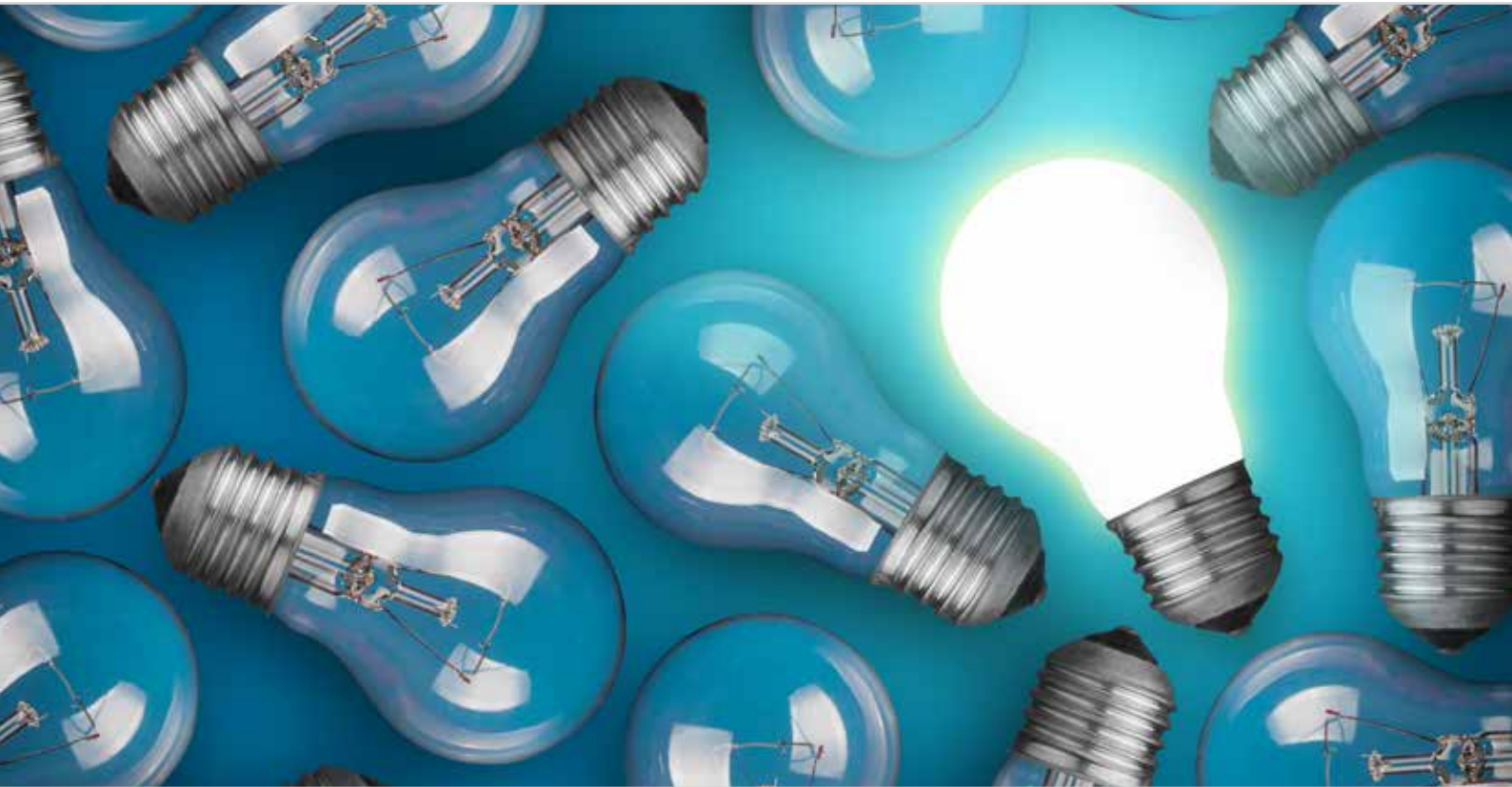
A Conflict of Interest Policy has been developed by Mirpurkhas Sugar Mills Limited to provide a framework for all Directors of the Company (“Directors”) to disclose actual, potential or perceived conflicts of interest. The policy provides guidance on what constitutes a conflict of interest and how it will be managed and monitored by the Company.

The policy is applicable to Directors as the Company strongly believes that a Director owes certain fiduciary duties, including the duties of loyalty, diligence and confidentiality to the Company which requires that the Directors act in good faith on behalf of the Company and to exercise his or her powers for stakeholders’ interests and not for their own or others interest.

Management of Conflict of Interest

The Company stands fully committed to the transparent disclosures, management and monitoring of actual potential or perceived conflicts of interest. All Directors under the policy are obligated and have a duty to avoid actual, potential or perceived conflicts of interest.

Any Director with personal interest, relationship or responsibility which conflicts with the interest of the Company or its shareholders shall excuse himself or herself from any discussions on the matter that would give rise to the conflict of interest and, if necessary, from the Board meeting, or applicable part thereof.



Whistle Blowing Policy

OBJECTIVE

The objective of this policy is to provide a platform and mechanism for directors, employees and suppliers to properly address bona fide concerns within the organization without fear of reprisal.

It encourages directors, employees and suppliers about their duty to report any suspected activity that violates any law applicable to the Company, its Core Values or Code of Conduct.

This policy is intended to assist only those individuals who believe they have discovered malpractice or impropriety. It is not designed to question financial or business decisions taken by the organization nor should it be used to reconsider any matters which have been investigated under the harassment, grievance or disciplinary policies and procedures.

POLICY STATEMENT

Mirpurkhas Sugar Mills Limited (MSM) is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, Mirpurkhas Sugar Mills Limited has developed a Whistle Blowing Policy to lodge complaint or to bring in the knowledge of the competent authority any unfair treatment, fraudulent, immoral, unethical or malicious activities or discrimination or some other type of adverse occurrence that violates a law, regulation, policy, morals and/or ethics and especially those matters that jeopardize the credibility and reputation of the company. The whistle can be blown by any director, employee or supplier without fear of punishment/unfair treatment.

SCOPE/APPLICABILITY

This policy is applicable to directors, all permanent and third party employees and suppliers of Mirpurkhas Sugar Mills Limited.

The whistleblower may report or raise any concern which he/ she believes is unethical or contradictory to the code of conduct of the organization, which may include the following acts.

- Fraud
- Financial malpractice
- Failure to comply with applicable legal requirements or company policy.
- Improper conduct or unethical behavior, including breach of the company's code of conduct, business integrity or ethics;
- Attempts to conceal any material facts or misrepresentation;
- Negligence causing substantial and specific danger to employees' health, safety or environment;
- Any unlawful act whether criminal/civil;
- Colluding with third parties/associates to exploit or cause harm to the company;
- Manipulation of company data/ records;
- Unauthorized use, employees' system password acquisition, access or disclosure of confidential/proprietary information;
- Abuse of authority;
- Misappropriation or unauthorized use of company funds/assets

All complainants are protected from victimization, harassment or disciplinary action as a result of any disclosure, where the disclosure is made in good faith and not maliciously or for personal gain. All disclosures are required to be made in writing. Disclosures made anonymously will not be entertained. Disclosures made will be investigated fully including interviews with all the witnesses and other parties involved. All whistle blowing disclosures made are treated as confidential and the identity of the whistleblower is protected at all stages in any internal matter or investigation.

Disciplinary action (up to and including dismissal) may be taken against the wrongdoer depending on the results of the investigation.

An email address will be provided, which will be managed by the Chief Executive Officer and Chairman of the Board's Audit Committee. Who shall examine the email and decide the appropriate steps required to be taken, if any.

During the year no whistle blowing incident was reported under the mentioned procedure.



Insider Trading Policy

Mirpurkhas Sugar Mills Limited has taken definitive steps in ensuring that all employees, officers, members of the Board and all such relevant persons follow strict guidelines while trading in the shares of the Company. The Insider Trading Policy codifies the Company's standards on trading and enabling the trading of securities of the Company or other publicly traded companies while in possession of material non-public information.

The general guidelines within the policy state that:

- i. No trading in the securities of the Company is permitted for directors and all employees who are "Executives" as defined in relevant laws within the Closed Periods announced by the Company.
- ii. No insider may purchase or sell any Company's security while in possession of material non-public information about the Company, its customers, suppliers, consultants or other companies with which the Company has contractual relationships or may be negotiating transactions.
- iii. No insider who knows of any material non-public information about the Company may communicate that information to any other person, including family and friends.
- iv. In addition, no insider may purchase or sell any security of any other company, whether or not issued by the Company, while in possession of material non-public information about the company that was obtained in the course of his or her involvement with the Company in the way of conducting official business. No insider who knows of any such material non-public information may communicate that information to any other person, including family and friends.

The Company's Responsibility to Disclose Inside Information

The Company's responsibility, in case of inside information made known to a third party, shall be to ensure that in such case the knowledge is given full public disclosure or if such information still needs to be kept non-public then the Company must ensure that the third party, is placed under legal obligation to maintain confidentiality.

Dividend Policy

1. Introduction

This policy outlines Mirpurkhas Sugar Mills Limited's approach to declaring and distributing dividends, balancing shareholder returns with company growth needs.

2. Objectives

- Provide consistent shareholder returns.
- Maintain financial flexibility for growth.
- Balance shareholder rewards with retained earnings for future growth.

3. Dividend Declaration

Dividends are declared at the Board's discretion, considering:

- Profitability and financial condition.
- Cash flow and capital needs.
- Legal and regulatory requirements.
- Contractual obligations.

4. Types of Dividends

Dividends may be:

- Cash Dividends: Regular cash payments.
- Stock Dividends: Additional shares.

5. Payment Frequency

Dividends are typically paid quarterly, bi-annually or annually as appropriate.

6. Retained Earnings

Earnings are retained to:

- Fund growth and capital expenditures.
- Maintain financial stability.
- Comply with legal requirements.



Diversity, Equality & Inclusion Policy

Introduction

Mirpurkhas Sugar Mills Limited is committed to fostering, cultivating and preserving a culture of diversity, equality and inclusion. Our human capital is the most valuable asset we have. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent that our employees invest in their work represents a significant part of not only our culture, but also our reputation and the company's achievements as well.

Purpose

Definitions:

- **Diversity:** Embracing and valuing the diverse backgrounds, experiences, and perspectives of our employees. We believe that diversity enhances our creativity, innovation, and decision-making.
- **Equality:** Ensuring equal opportunities for all employees in recruitment, development, and advancement. We are dedicated to eliminating barriers and biases that may hinder the full participation of any individual.
- **Inclusion:** Creating a supportive and respectful environment where every employee feels included and can thrive. We promote a culture of open dialogue and collaboration, where differences are celebrated and everyone's contributions are recognized.

We aim to foster a diverse, equitable and inclusive workplace where our employees feel valued, respected, and empowered to contribute their unique perspectives and talents irrespective of their age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, socio-economic status, veteran status, and other characteristics that make our employees unique.

All employees of Mirpurkhas Sugar Mills Limited have a responsibility to treat others with dignity and respect at all times. Any employee found to have exhibited any inappropriate conduct or behavior against others may be subject to disciplinary action.

Mirpurkhas Sugar Mills Limited's diversity, equality and inclusion initiatives are applicable but not limited to our practices and policies on recruitment and selection; compensation and benefits; professional development and training; promotions; transfers; social and recreational programmes; layoffs; terminations; and the ongoing development of a work environment that encourages and enforces:

- Respectful communication and cooperation between all employees.
- Teamwork and employee participation, permitting the representation of all groups and employee perspectives.
- Work/life balance through flexible work schedules to accommodate employees' varying needs.
- Employer and employee contributions to the communities we serve to a greater understanding and respect for diversity.

This policy supersedes the previously approved Diversity Policy of the Company as it distinctively addresses equality and inclusion in addition to diversity aspects.

Scope

This policy applies to all employees, officers, and directors of the Company and it covers recruitment, promotions, training, compensation, and daily operations to ensure a diverse, equal, and inclusive workplace.

Environmental, Social, and Governance Policy Statement

Introduction

Mirpurkhas Sugar Mills Limited is committed to integrating Environmental, Social, and Governance (ESG) considerations into its business strategies and operations; it has been taking numerous initiatives at both the plants, regional offices and head office. It recognizes that responsible management of these factors is essential for the long-term success of the company and for creating sustainable value for all its stakeholders.

Purpose

The purpose of this statement is to outline and map our continuing commitments towards sustainability, social responsibility, and good governance. It provides a framework for incorporating ESG considerations into our decision-making processes, risk management, and reporting.

This policy supersedes the previously approved Social and Environmental Responsibility Policy of the Company as it extensively addresses the Environment, Social & Governance guidelines.

Scope

This statement applies to all employees, officers, and directors of Mirpurkhas Sugar Mills Limited. We also expect our business partners, suppliers, and contractors to adhere to similar principles.

1. Environmental Responsibility

Our commitment towards minimizing our environmental footprint and promoting environmental stewardship includes:

- a. Climate Change: Assessing and mitigating the risks and opportunities associated with climate change.
- b. Energy and Emissions: Reducing greenhouse gas emissions through energy efficiency, renewable energy, and other measures.
- c. Sustainable Resource Management: Efficiently using natural resources and reducing waste.
- d. Pollution Prevention: Preventing pollution and minimizing environmental impacts from our operations.
- e. Biodiversity and Land Use: Protecting biodiversity and responsibly managing land use.

2. Social Responsibility

Our commitment towards making a positive impact on society by promoting social equity, diversity, and community well-being includes:

- a. Diversity and Inclusion: Fostering a diverse and inclusive workplace where all employees are treated with respect and have equal opportunities.
- b. Employee Well-being: Ensuring a safe, healthy, and supportive work environment for our employees.
- c. Community Engagement: Actively engaging with and supporting the communities where we operate.

3. Governance

Our commitment towards maintaining strong governance practices that promote transparency, accountability, and ethical behavior includes:

- a. Risk Management: Integrating ESG risks into our risk management framework.
- b. Board Oversight: Ensuring effective oversight of ESG matters by our Board of Directors.
- c. Reporting: Providing transparent and accurate reporting on our ESG performance.
- d. Compliance: Adhering to all applicable laws, regulations, and industry standards.
- e. Ethical Business Practices: Conducting our business with the highest ethical standards and integrity.

Gender Pay-Gap Statement

Background

As per SECP's Circular No. 10 of 2024 dated April 17, 2024, the Board is directed to include a statement in the Annual Report on gender pay gap and make it available on company's website.

In line with the above requirement, following is the gender pay-gap statement of Mirpurkhas Sugar Mills Limited

"Our company is committed to fostering an inclusive and equitable workplace where all employees are treated with equality, fairness and respect. Employee's compensation is determined solely based on the seniority, experience, roles, responsibilities, and performance, regardless of gender.

We continually strive to maintain that there should be no gender pay gap within our organization, ensuring that every team member is valued and rewarded equitably for their contributions."



Independent Auditor's Review Report to the Members of Mirpurkhas Sugar Mills Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019



We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Mirpurkhas Sugar Mills Limited (the Company) for the year ended September 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended September 30, 2024.

Chartered Accountants

Karachi:

Date: December 20, 2024

UDIN: CR202410222Vmu9apgQ0

Statement of Compliance with Listed Companies

(Code of Corporate Governance) Regulations, 2019
For the year ended 30.09.2024

The company has complied with the requirements of the regulations in the following manner:

1. The total number of Directors are 7 (seven) as per the following:
 - a. Male: 6
 - b. Female: 1
2. The composition of Board is as follows:

Category	Names
Independent Directors	Mr. Hasan Reza Ur Rahim Mr. Abdul Shakoor Shaikh
Non - Executive Directors	Mr. Arif Faruque Mr. Amer Faruque Ms. Farzana Faruque
Executive Directors	Mr. Aslam Faruque Mr. Wasif Khalid
Female Director	Ms. Farzana Faruque

3. Fraction (0.33) related to the requirement for number of independent directors is less than 0.5 and therefore, has not been rounded up as one.

The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The directors are well aware of their duties and responsibilities under the Code. Further following directors and executive have attended Directors' Training program:

Name of Directors:

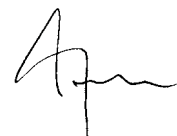
Mr. Hasan Reza Ur Rahim	Director
Mr. Abdul Shakoor Shaikh	Director
Mr. Asim H. Akhund	Company Secretary

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Executive Officer and Chief Financial Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:
- a) Audit Committee**
- | | |
|-------------------------|----------|
| Mr. Hasan Reza Ur Rahim | Chairman |
| Mr. Arif Faruque | Member |
| Mr. Amer Faruque | Member |
- b) HR and Remuneration Committee**
- | | |
|---------------------------|----------|
| Mr. Abdul Shakoore Shaikh | Chairman |
| Mr. Aslam Faruque | Member |
| Ms. Farzana Faruque | Member |
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:
- | | |
|-----------------------------------|---------------|
| a) Audit Committee. | - Quarterly |
| b) HR and Remuneration Committee. | - Half Yearly |
15. The Board has set up an effective internal audit function supervised by a Head of Internal Audit who is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and
18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with.

On behalf of the Board of Directors



Arif Faruque
Chairman



Aslam Faruque
Chief Executive

Karachi, December 20, 2024

Role and Responsibilities of Chairman and Chief Executive Officer

OFFICES OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Being a corporate governance compliant company, Mirpurkhas Sugar Mills designates separate persons for the position of the Chairman of the Board of Directors and the office of the Chief Executive with clear division of roles and responsibility. Pursuant to the provisions of Section 192(2) of the Companies Act, 2017, the Board of Directors of Mirpurkhas Sugar Mills Limited has outlined the roles and responsibilities of the Chairman as well as the Chief Executive Officer (CEO) of the Company, which are detailed here in below:

CHAIRMAN

The principal role of the Chairman of the Board is to manage and to provide leadership to the Board of Directors of the Company. The Chairman is accountable to the Board. The Chairman acts as the communicator for Board decisions where appropriate. More specifically, the duties and responsibilities of the Chairman are as follows:

- acting as a liaison between management and the Board, through the CEO;
- keeping abreast generally of the activities of the Company and its management;
- ensuring that the Directors are properly informed and that sufficient information is provided to enable the Directors to form appropriate judgments and make informed decisions;
- preparing the review report (to be included with the annual financial statements) on the overall performance of the Board of Directors and effectiveness of the role played by the Board of Directors in achieving the Company's objectives.
- developing and setting the agendas for meetings of the Board;
- acting as Chair at meetings of the Board;
- ensuring that the minutes of Board meetings are appropriately recorded and reviewing and signing minutes of Board meetings;
- presiding over the Board meetings and ensuring that all relevant information has been made available to the Board;
- confirming the quorum of the meeting;
- ensuring that the agenda, notice of meeting along with all relevant material were circulated within stipulated time;
- ensuring that the minutes of the Board meetings are kept in accordance with applicable laws;
- ensuring that the appropriate recording and circulation of the minutes of the Board meeting to the Directors and officers entitled to attend the Board meetings;
- safeguarding shareholders' interest in the Company;
- issuing the letter to the directors at the commencement of each three year term of the Directors setting out their role, obligations, powers and responsibilities;
- ensuring that the Board is playing an effective role in fulfilling its responsibilities;
- determining the date, time and location of the annual or extraordinary general meetings of shareholders and to develop the agenda for the meeting;
- presiding as chairman at every General Meeting of the Company;
- recommending to the Board, after consultation with the Directors and management, the appointment of members of the Committees of the Board;
- assessing and making recommendations to the Board annually regarding the effectiveness of the Board.

CHIEF EXECUTIVE OFFICER

The CEO is, subject to control and directions of the Board, entrusted with the powers of management of affairs of the Company. In such capacity the CEO's role and responsibilities include:

- planning, formulating and implementing strategic policies; ensuring the achievement of productivity and profitability targets and efficient Company operations;
- ensuring that necessary coordination exists between various departments of the Company to achieve smooth and effective operations;
- maintaining an ongoing dialogue with the Directors in regard to changes in and implementation of Company's policies and the performance and development of the Company's business;
- ensuring that the Company's interests and assets are properly protected and maintained and all the required Government obligations are complied with in a timely manner;
- maintaining a close liaison with the Government, customers, suppliers and sales offices;
- chalking out human resource policies for achieving high professional standards, overall progress / betterment of the Company as a whole;
- ensuring that proper succession planning for all levels of hierarchy exist in the Company and the same is constantly updated;
- ensuring proper functioning of the Management Committees of the Company of which he is the chairman;
- preparing and presenting personally to the Board of Directors following reports/details:
 - annual business plan, cash flow projections and long term plans.
 - budgets including capital, manpower and overhead budgets along with variance analysis.
 - quarterly operating results of the Company in terms of its operating divisions and segments.
 - promulgation or amendment of the law, rules or regulations, accounting standards and such other matters as may affect the Company.
 - reviewing performance against budgets / targets, revenue and capital expenditure, profits, other administration, commercial, personnel and other matters of importance to the Company.
 - ensuring that open and progressive atmosphere is created among employees giving them a sense of participation and providing them with an opportunity to give their best.

Salient Features of Terms of Reference of the Audit Committee and the Human Resource & Remuneration Committee

The Board is assisted by two Committees, namely the Audit Committee and the Human Resource & Remuneration Committee, to support its decision-making in their respective domains:

AUDIT COMMITTEE

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

The Audit Committee comprises of three Non-Executive Directors one of whom is Independent. The Chairman of the Committee is an Independent Director.

Meetings of the Audit Committee are held at least once in every quarter. The Committee reviews the annual financial statements in the presence of external auditors. The recommendations of the Audit Committee are then submitted for approval of financial results of the Company by the Board. During the year 2023-24, the Audit Committee held Four [4] meetings. The minutes of the meetings of the Audit Committee are provided to all the Members, Directors and the Chief Financial Officer. The Head of Internal Auditor attends the Audit Committee meetings regularly and meets the Audit Committee without the presence of the Management, at least once a year, to point out various risks, their intensity and suggestions for mitigating risks and improvement areas. The business risks identified are then referred to the respective departments and mitigating actions are then implemented.

Terms of reference of Audit Committee

The Code of Corporate Governance mandates that the Board of Directors of the Company shall determine the Terms of Reference of the Audit Committee.

In light of the mandate the Board of Directors of Mirpurkhas Sugar Mills Limited has drafted and approved the following terms of Reference for its Audit Committee. This is a non-exhaustive list and only outlines the most important guidelines for the Committee. Amendments to these shall be made from time to time in line with change in laws, and internal and external relevant factors.

The Committee shall;

- a) determine appropriate measures to safeguard the company's assets;
- b) review annual and interim financial statements of the company, prior to their approval by the Board of Directors, focusing on:
 - (i) major judgmental areas;
 - (ii) significant adjustments resulting from the audit;
 - (iii) going concern assumption;
 - (iv) any changes in accounting policies and practices;
 - (v) compliance with applicable accounting standards;
 - (vi) compliance with the regulations and other statutory and regulatory requirements; and
 - (vii) all related party transactions.
- c) review preliminary announcements of results prior to external communication and publication;
- d) facilitate the external audit and discussion with external auditors on major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- e) review management letter issued by external auditors and management's response thereto;
- f) ensure coordination between the internal and external auditors of the company;
- g) review the scope and extent of internal audit, audit plan, reporting framework and procedures and ensure that the internal audit function has adequate resources and is appropriately placed within the company;
- h) consider major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- i) ascertain that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;

- j) review the company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports;
- k) institute special projects, value for money studies or other investigations on any matter specified by the board of directors, in consultation with the chief executive officer and consider remittance of any matter to the external auditors or to any other external body;
- l) determine compliance with relevant statutory requirements;
- m) monitor compliance with the Code of Corporate Governance, 2019 and identify significant violations thereof;
- n) review arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- o) recommend to the Board of Directors, the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements. The Board of Directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof.
- p) consider any other issue or matter as may be assigned by the board of directors.

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

The Code of Corporate Governance mandates that the Board of Directors of the Company shall determine the Terms of Reference of the Human Resource and Remuneration Committee.

TERMS OF REFERENCE

In light of the mandate the Board of Directors of Mirpurkhas Sugar Mills Limited has drafted and approved the following terms of Reference for its HR&R Committee. This is a non-exhaustive list and only outlines the most important guidelines for the Committee. Amendments to these shall be made from time to time in line with change in laws, and internal and external relevant factors.

The Committee shall;

- i. recommend to the Board for consideration and approval a policy framework for determining remuneration of Directors (both executive and non-executive Directors and members of senior management). The definition of senior management will be determined by the Board which shall normally include the first layer of management below the Chief Executive Officer level;
- ii. undertake annually a formal process of evaluation of performance of the Board as a whole and its committees either directly or by engaging external independent consultants and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualifications and major terms of appointment;
- iii. recommend human resource management policies to the Board;
- iv. recommend to the Board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;
- v. carry out consideration and approval on recommendations of Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer or Chief Operating Officer;
- vi. where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company; and
- vii. carry out all actions in addition to those stated above, in order to ensure that the Company's risks are mitigated and growth in the right direction is taking place.

Records: All documentation related to the holding, proceedings and recommendations of the HR & RC shall be ensured by and stored with the Secretary (HR & RC).

STRATEGY AND PERFORMANCE

The Board reviews the implementation of the organization's strategic & financial plans, Board meeting agendas and supporting documents provide sufficient information and time to explore & resolve key issues. Board members demonstrate preparation for meetings through active participation in decision making.

Report of the Audit Committee

AUDIT COMMITTEE

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

The Audit Committee of the Company comprises of three Non-Executive Directors. One Independent and two Non-Executive Directors. The Chairman of the Committee is an Independent Director. The Head of Internal Audit attends Audit Committee meetings. The Chief Executive Officer and Chief Financial Officer attend Audit Committee meetings by invitation. The Audit Committee also separately meets the external auditors at least once in a year without the presence of the Management.

Meetings of the Audit Committee are held at least once every quarter. Four meetings of the Audit Committee were held during the year 2023-24. Based on reviews and discussions in these meetings, the Audit Committee reports that:

1. The Company has issued a Statement of Compliance with the Code of Corporate Governance which has also been reviewed and certified by the auditors of the Company.
2. The Audit Committee reviewed and approved the quarterly, half yearly and annual financial statements of the Company and recommended them for approval of the Board of Directors. Further, the financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017, and applicable International Accounting Standards and International Financial Reporting Standards notified by SECP.
3. The Audit Committee has reviewed and approved all related party transactions.
4. The Audit Committee takes into account any feedback from the Board of Directors and incorporates for improvement.

INTERNAL AUDIT AND RISK MANAGEMENT

1. For appraisal of internal controls and monitoring compliance, the Company has in place an appropriately staffed, Internal Audit department. The Audit Committee reviewed the resources and performance of the Internal Audit department to ensure that they were adequate for the planned scope of the Internal Audit function. Head of Internal Audit Department has direct access to the Audit Committee.
2. An Internal Audit Risk Assessment document is submitted to the Audit Committee and based on that an Audit Plan is prepared to mitigate the risks involved in the Company's operations. Further, on the basis of this plan, audits are conducted and reports are submitted. The Committee on the basis of the said reports reviews the adequacy of controls and compliance shortcomings in areas audited and discuss corrective actions in the light of management responses. Regular follow ups of these reports are also taken. This ensures the continual evaluation of controls and improved compliance. Minutes of Audit Committee meetings are timely circulated to the Board of Directors.
3. For continuous improvement of internal controls, the Committee also discussed the internal controls and the management letter with the external auditors.

EXTERNAL AUDIT

1. The external auditors M/s. Kreston Hyder Bhimji & Co. Chartered Accountants were allowed direct access to the Audit Committee and necessary coordination with internal auditors was ensured. Major findings arising from audits and any matters that the external auditors wished to highlight were freely discussed with them.
2. The Audit Committee has reviewed and discussed with the external auditors and management, all the Key Audit Matters and other issues identified during the external audit along with the methods used to address the same.
3. Being eligible for reappointment as Auditors of the Company, the Audit Committee has recommended the appointment of M/s. Kreston Hyder Bhimji & Co. Chartered Accountants as External Auditors of the Company for the year ending September 30, 2025 as it is one of the reputable audit firms and has thorough knowledge of the Company's business and industry due to long association with the Company.
4. The Company also obtains taxation related services from M/s. Bhimji Gardezi Associates (Private) Ltd.

By order of the
Audit Committee



Hasan Reza Ur Rahim
Chairman
December 18, 2024





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Financial Indicators

ACTUAL RESULTS

Sugar Division

During the crushing season 2023/24 that started on November 15, 2023, the plant operated for 97 days, compared to 87 days the previous year, availability of sugarcane, resulted in the factory being able to crush 616,102 metric tons of sugarcane to produce 66,101 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 increase in sucrose recovery to 10.73%, from 10.55% last season, was due to availability of good quality cane during the season. The Company also produced 30,110 metric tons of molasses during the period, compared to 28,772 metric tons produced during the corresponding period last year.

During the year, the Company sold 70,036 tons of sugar, including 1,250 tons of exports, compared to 63,214 tons last year. The average sale prices improved, due to higher local sugar prices and sugar exports. Other income of the Company remain at Rs. 43 million.

Furthermore, cost of sales mainly increased due to higher costs of sugarcane. The Company accounted for its one-third share of loss in Unicol Limited amounting to Rs. 652 million and adjusted its investment in the associate by the same amount. Unicol's profitability affected significantly due to decrease in foreign exchange rates & high borrowing cost on acquisition of sugar mill.

Paper Division

The plant produced 31,968 tons of paper in 2023-24, compare to last year was 17,959 tons. It is operating efficiently and has achieved all the operational parameters required. Due to high inflation and poor economic conditions, consumer spending is on a downward trend. This is directly impacting all FMCGs, including snack and confectionary businesses, leading to a reduced demand of packaging and corrugated products. The management has so far been successful in importing the required raw materials and spares for smooth operations. The Company has been able to introduce its quality products, with a good sales mix, to all major corrugation plants operating in Pakistan.

Summarized operating performance of the Company for the current year as compared to last year is as follows:

	2024	2023
	Rupees in '000	
Net Sales	11,969,725	7,779,469
Cost of Sales	(11,149,846)	(6,416,207)
Gross Profit	819,879	1,363,262
Other Income	47,140	515,883
Share of (loss) / profit in associates-net	(652,468)	911,711
Other expenses & taxes	(2,435,999)	(1,951,540)
Net (loss) / Profit	(2,221,448)	839,316

BUDGETED RESULTS

Sugar Division

The planned/budgeted sugarcane crushing was 560,000 MT, however, due to availability of cane when needed, timely rain and sucrose recovery, the Company managed to crush 616,102 MT of sugarcane. Sugar price remain lower than budgeted which results a negative impact as compared to actual.

Further the actual sucrose recovery percentage was 10.73% as against planned of 10.60% resulting in higher production of sugar by 6,755 MT against the budget. Ultimately, MSM was able to sell of 70,036 MT as against 72,346 MT of sugar (budgeted).

However, reduced sales prices of Sugar, increased financial charges and other expenses affected the actual profit negatively whereas loss from associate also contributed negatively. The Company's net loss of Rs. 1,153 million as against the planned profit of Rs. 1,242 million.

	Actual	Budgeted
Total Sales Volume (M.T)	70,036	72,346
Rupees in '000		
Net Sales	8,010,208	10,063,260
Cost of Sales	(7,297,283)	(7,850,228)
Gross Profit	712,925	2,213,032
Others	(1,866,016)	(970,792)
Net (Loss) / Profit	(1,153,091)	1,242,240

Paper Division

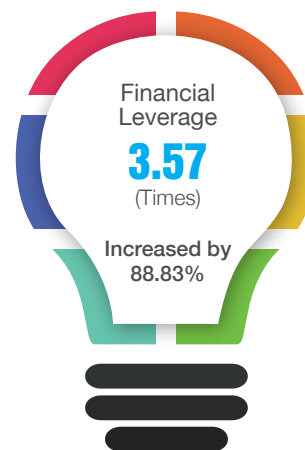
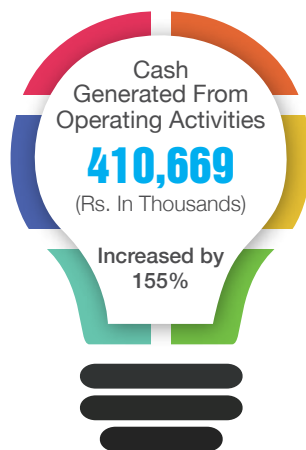
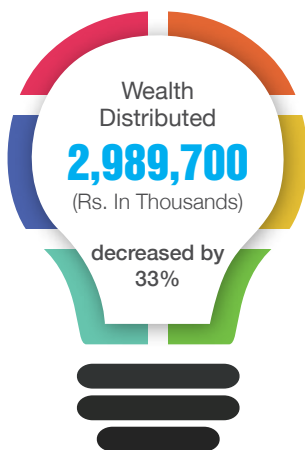
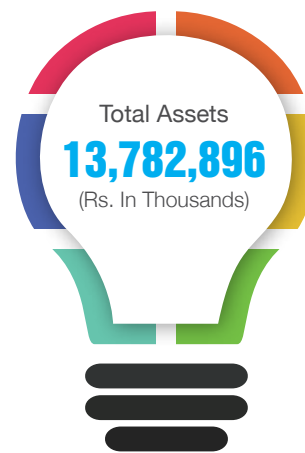
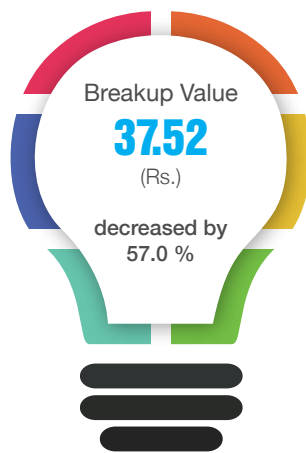
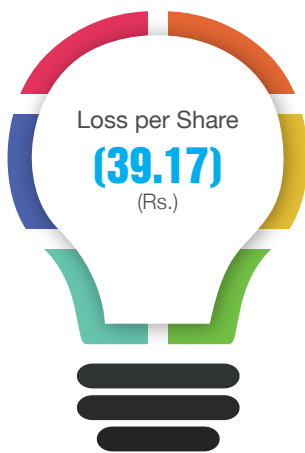
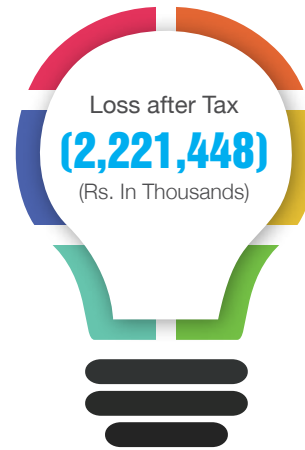
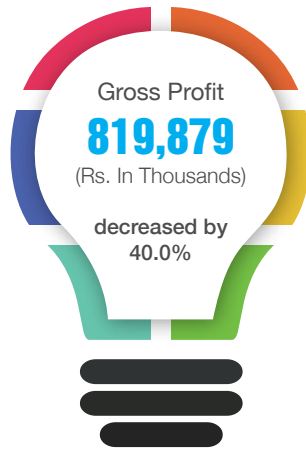
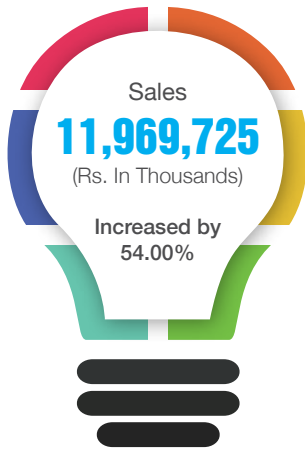
The Company was able to produce 31,968 MT against planned/budgeted production of 50,460 MT in 2023-24, as compare to last year 17,959 MT of paper production.

Overall Sales achieved 31,707 MT against planned sales of 51,348 MT. Sales quantity has improved as compared to last year i.e., 13,688 MT, due to significant effort. Gross Profit is declined mainly due to reduction in sales price i.e. Rs 30,086 per tons as compared to planned.

However, increased in financial charges affected the actual profit negatively whereas reduction in taxation due to less turnover contributed positively. The Company incurred net loss of Rs. 1,068 million as against the budgeted loss of Rs. 729 million.

	Actual	Budgeted
Sales Volume (M.T)	31,707	51,348
Rupees in '000		
Net Sales	3,959,517	7,957,035
Cost of Sales	(3,852,563)	(6,800,919)
Gross Profit	106,954	1,156,116
Others	(1,175,311)	(1,885,957)
Net (Loss)	(1,068,357)	(729,841)

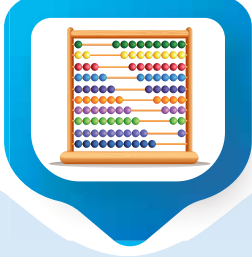



Key Performance Indicators



Methods and Assumptions in Compiling Indicators

A Key Performance Indicator (KPI) should immediately inform the reader how the business is performing which in turn should suggest what actions need to be taken. KPIs provide understanding of a company's performance in key areas and measure to analyze current standing of the company and likely path the company would follow. Comparison over time is a key principle of good corporate reporting. It is recognized that KPIs may evolve over time as strategies change or more information becomes available. Mirpurkhas Sugar Mills Limited has identified and updated following KPIs that are critical to its business. While identifying KPIs, the Company analyzed various indicators, their interpretations and accordingly their extent to which they may correctly and clearly communicate the Company's performance.

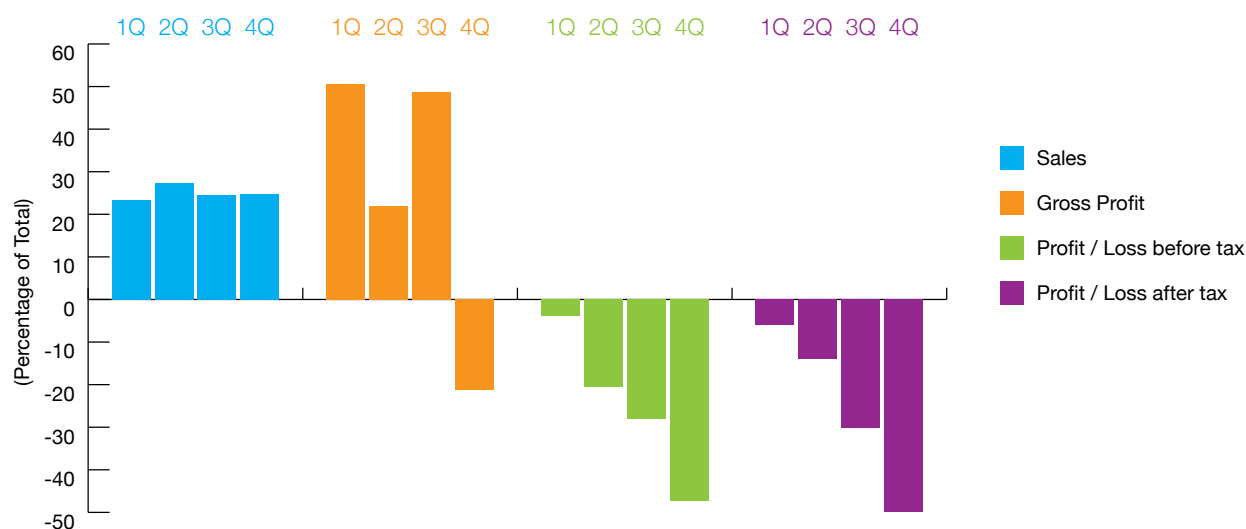
Non-Financial Indicators Future

			
Capital forms	Objective	KPI Monitored	Future Relevance
Manufactured Capital	Product development	Produce high quality sugar & paper for various industries including FMCG, packaging and Pharmaceuticals.	The Company believes in innovation and introducing new varieties of sugar & paper in Pakistan.
	Business Diversification	Analyze various prospects of upstream, parallel and downstream diversification options in Sugar and Allied Industries in order to avail the benefit of excess energy available with Sugar Mill.	Business diversification is our long-term objective.
	Maintain industry leadership and expand sales	Market share, price management and identification of new markets.	Leadership is our continuous endeavor and has to be maintained.
	Enhance operational efficiency and efficient inventory Management	Production efficiency ratios and Activity ratios.	Invest in operational efficiency and economies of scale to maintain it in the years to come.
	Economize on costs eliminating redundancies	Optimization of available resources and better allocation of fixed costs.	KPIs shall be relevant in future.
	Sustainability	Keep a close eye on Current Ratio, Gearing and Interest Cover.	
Human Capital	Health & Safety of workers	Provision of a congenial and clean environment along with safety for smooth work.	We believe in continuously providing environment which harmonize the workers efforts in higher productivity.
	Training and Education	Continuous training of employees and workers. Monitor training need analysis with special focus on health and safety at work.	
Relationship Capital	Shareholder Value	EPS, ROE, Asset Turnover and DPS	We value our relationship with all our stakeholders therefore, we will continue to strive to improve shareholders' value. Improve our customer services and maintain timely payments.
	Stock Value	Analyse market price as a measure of relationship capital	
	Suppliers and Customers Relationships	Assess the payment stream and ensure timely payment. Provide customer with maximum support beyond customer-supplier relationship.	
Intellectual Capital	Highest product strength at lowest cost in industry	Regularly monitor avenues to increase product strength. Produce high quality sugar to facilitate our customers.	We shall continue to innovate products according to the changing needs of customer and market demand.
	Maintain industry leadership		

Quarterly Performance Analysis

for the year ended September 30, 2024

Particulars	1st Quarter	2nd Quarter	3rd Quarter	4th quarter	Total
	Rupees in '000				
Turnover-net	2,795,111	3,272,893	2,948,341	2,953,380	11,969,725
Cost of sales	(2,379,558)	(3,093,731)	(2,548,787)	(3,127,770)	(11,149,846)
Gross profit	415,553	179,162	399,554	(174,390)	819,879
Distribution cost	(87,756)	(54,293)	(83,403)	(39,364)	(264,816)
Administrative expenses	(83,281)	(65,122)	(77,669)	(93,325)	(319,397)
Other operating expenses	(559)	(1,871)	552	(31,363)	(33,241)
	(171,596)	(121,286)	(160,520)	(164,052)	(617,454)
Other income	17,306	13,737	12,413	3,684	47,140
Operating (loss) / profit	261,263	71,613	251,447	(334,758)	249,565
Finance cost	(362,024)	(526,986)	(530,649)	(438,736)	(1,858,395)
	(100,761)	(455,373)	(279,202)	(773,494)	(1,608,830)
Share of profit/ (loss) in an associate	10,773	(10,302)	(354,706)	(298,233)	(652,468)
Loss before taxation	(89,988)	(465,675)	(633,908)	(1,071,727)	(2,261,298)
Taxation	(42,273)	155,610	(36,898)	(36,589)	39,850
Loss after tax	(132,261)	(310,065)	(670,806)	(1,108,316)	(2,221,448)
	1st Quarter	2nd Quarter	3rd Quarter	4th quarter	Total
	Percentage				
Sales	23.35	27.34	24.63	24.67	100
Gross profit	50.68	21.85	48.73	(21.27)	100
Loss before Tax	(3.98)	(20.59)	(28.03)	(47.39)	(100)
Loss after Tax	(5.95)	(13.96)	(30.20)	(49.89)	(100)



Comments on Quarterly Performance Analysis

Quarter 1

- Turnover was on lower side during the quarter due to lower sales volume compared to preceding quarter with slightly higher cost of sales, resultantly lower operating profit was reported.
- Net loss arises mainly due to higher finance cost during the quarter.

Quarter 2

- Company's sales increased by 17% compare to Q1 mainly because of 20% higher sales volume
- In spite of positive trend in GP, net loss in this quarter is mainly due to additional finance cost & share of loss from associate.

Quarter 3

Turnover increased by Rs. 2,948 million as compared to Q2. Whereas gross profit percentage significantly increased from 5.4% to 13.5% on the back drop of better sugar selling strategy. Due to higher finance cost & significant loss from associate net loss increased during the quarter.

Quarter 4

- Turnover increased by Rs.2,953 million from Q3
- The company sold 25.5% of the total sales volume in last quarter but lower rates, Higher cost of sales, finance cost & further loss from associates increased the net loss for the year.

Six Years Statistics

	2024	2023	2022	2021	2020	2019
Production Data						
Sugarcane crushed (M. Tons)	616,102	562,641	649,557	488,464	525,201	577,396
Sucrose recovery (%)	10.73	10.55	10.85	10.63	10.91	11.25
Sugar production (M. Tons)	66,101	59,325	70,460	51,909	57,286	64,935
Molasses production (M. Tons)	30,110	28,772	33,080	24,296	25,133	26,445
Paper Production (M. Tons)	31,968	17,959	-	-	-	-
(Rs. '000)						
Sales & Profitability						
Turnover - net	11,969,725	7,779,469	4,832,646	3,861,442	4,637,141	3,728,986
Cost of sales	11,149,846	6,416,207	4,354,653	3,578,666	4,332,418	3,121,032
Gross profit	819,879	1,363,262	477,993	282,776	304,723	607,954
Operating profit / (Loss)	249,565	1,266,771	289,386	276,301	143,475	452,101
Profit / (Loss) before taxation	(2,261,298)	1,054,417	300,022	215,773	(48,005)	417,669
Profit / (Loss) for the year	(2,221,248)	839,316	203,626	140,320	(115,733)	307,188
Financial Position						
Fixed assets - net	6,633,113	6,846,091	5,781,475	3,469,425	2,618,489	2,482,420
Other non-current assets	1,652,409	2,390,599	1,779,820	1,838,439	1,795,644	1,491,021
	A	8,285,522	9,236,690	7,561,295	5,307,864	4,414,133
Current assets	5,497,374	4,587,255	2,361,638	2,134,667	1,965,049	1,827,130
Non current assets held for sale	-	-	301,264	301,264	-	-
Current liabilities	(7,984,232)	(6,670,830)	(3,381,611)	(2,649,786)	(1,848,653)	(2,547,469)
Liabilities associate with non current assets held for sale	-	-	(750,000)	(130,000)	-	-
Working capital	B	(2,486,858)	(2,083,575)	(1,468,709)	(343,855)	116,396
Capital employed (A+B)	5,798,664	7,153,115	6,092,586	4,964,009	4,530,529	3,253,102
Less: Non current liabilities	(3,301,431)	(3,061,102)	(2,981,386)	(1,738,025)	(1,684,659)	(1,269,197)
Shareholders' equity	2,497,233	4,092,013	3,111,200	3,225,984	2,845,870	1,983,905
Represented by:						
Share capital	665,579	465,579	134,950	134,950	134,950	122,682
Reserves	1,170,158	2,964,938	2,131,991	2,246,775	1,866,661	1,045,158
Surplus on revaluation of fixed assets	661,496	661,496	844,259	844,259	844,259	816,065
	2,497,233	4,092,013	3,111,200	3,225,984	2,845,870	1,983,905
Performance indicators						
Profitability Ratios						
Gross profit ratio (%)	6.85	17.52	9.89	7.32	6.57	16.30
Net profit to sales (%)	(18.56)	10.79	4.21	3.63	(2.50)	8.24
EBITDA margin to sales (%)	5.30	19.43	8.40	9.99	5.28	14.68
Operating leverage ratio (times)	8.70	1.78	3.18	2.41	5.41	2.68
Return on equity (%)	(88.95)	20.51	6.54	4.35	(4.07)	15.48
Return on capital employed (%)	(7.16)	30.90	12.08	9.14	7.93	29.77
Shareholders' Funds (%)	18.12	29.60	30.43	41.66	44.61	34.20
Return on Shareholders' Funds (%)	(88.95)	20.51	6.54	4.35	(4.07)	15.48
Liquidity Ratios						
Current ratio (times)	0.69	0.69	0.70	0.81	1.06	0.72
Quick/ acid test ratio (times)	0.31	0.21	0.20	0.35	0.59	0.24
Cash to current liabilities (times)	0.01	0.01	0.01	0.01	0.02	0.02
Cash flow from operations to sales (times)	0.05	(0.08)	0.00	(0.04)	0.15	0.22
Cash flow to capital expenditures (times)	1.84	0.90	0.58	0.55	(0.18)	(0.75)
Cash flow coverage ration (times)	0.06	(0.08)	0.00	(0.04)	0.30	0.33

Six Years Statistics

		2024	2023	2022	2021	2020	2019
Activity/ Turnover Ratios							
Inventory turnover ratio	(times)	4.86	3.37	3.65	4.37	5.32	3.04
No. of days in inventory	(days)	75.11	108.33	99.95	83.49	68.66	119.96
Debtor turnover ratio	(times)	5.39	9.99	18.45	16.83	17.86	18.23
No. of days in receivables	(days)	67.74	36.55	19.78	21.69	20.44	20.02
Creditor turnover ratio	(times)	34.04	38.08	41.78	46.44	47.07	25.56
No. of days in creditors	(days)	10.72	9.58	8.74	7.86	7.75	14.28
Total assets turnover ratio	(times)	0.87	0.56	0.47	0.50	0.73	0.64
Fixed assets turnover ratio	(times)	1.80	1.14	0.84	1.11	1.77	1.50
Operating cycle	(days)	132.13	135.30	110.99	97.32	81.35	125.70
Investment/ Market Ratios							
Earnings per share - basic **	(rupees)	(39.17)	16.43	3.98	2.75	(2.26)	6.01
Price earning ratio **	(times)	(0.72)	2.31	32.50	35.69	(36.21)	10.31
Price to Book ratio	(%)	13.53	12.80	17.09	17.08	17.35	14.44
Cash Dividend yield ratio	(%)	-	-	-	-	-	-
Dividend payout ratio	(%)	-	36.98	9.94	-	-	3.99
Dividend cover ratio	(times)						25.04
Cash dividend per share*	(rupees)						
Bonus Share*	(%)		200.00	15.00			10.00
Market price per share:							
- Closing	(Rupees)	28.02	38.00	129.50	98.00	82.00	62.00
- High	(Rupees)	58.36	188.94	175.00	129.00	114.00	130.00
- Low	(Rupees)	26.50	36.52	91.75	68.01	47.53	62.00
		(0.57)					
Break-up value per share**	(Rupees)	37.52	61.48	46.74	48.47	42.76	29.81
Break-up value per share without surplus on revaluation**	(Rupees)	27.58	73.68	34.06	35.78	30.07	17.55
Capital Structure Ratios							
Financial leverage ratio	(times)	3.57	1.89	1.65	1.06	0.80	1.30
Weighted average cost of debt	(%)	18.74	13.61	7.66	6.25	11.92	11.87
Debt to equity ratio		78:22	65:35	62:38	52:48	44:56	56:44
Interest cover ratio	(times)	(0.22)	1.94	1.70	1.95	0.87	2.03
Net asset per share	(times)	37.52	61.48	46.74	48.47	42.76	29.81
Employee Productivity Ratios							
Production per employee	(M. Tons)	92	88	80	66	56	86
Revenue per employee		46,940	29,580	22,168	16,023	20,518	15,283
Staff turnover ratio	(%)	15.00	13.00	8.70	7.90	4.86	11.07
Non Financial Ratio							
% of Plant Availability-Sugar	(%)	104.30	71.90	113.76	81.67	105.94	72.73
% of Plant Availability-Paper	(%)	63.64	55.45				
Customer satisfaction Index	(%)	100	100	100	100	100	100
Others							
Spare Inventory as % of Assets Cost	(%)	5.77	5.35	2.82	2.66	3.32	3.57
Maintenance Cost as % of Operating Expenses	(%)	12.06	7.31	9.28	7.04	8.93	13.65

* post balance sheet event

**restated, based on weighted average number of ordinary shares in issue

** Basic EPS and Diluted EPS is same due to no change in weighted average number of ordinary shares in issue

Comments on Ratios

Profitability Ratios

Turnover increased by 54% as compared to year 2023 due to addition of full year paper sales and improved sugar prices. However, decrease in average price of paper, higher finance cost & significantly higher loss from associates resulted a net loss ratio of 18.56% as against 10.79% profit ratio last year. Operating leverage increased due to impact of Other income last year that significantly increase the operating profit. Deteriorated return on equity and return on capital employed was on account of loss for the year.

Liquidity Ratios

Company was able to maintain current and improve quick ratio despite the working capital needs of new project. Cash to current liabilities ratio maintained. Company able to generate cash from operations owing to better working capital management.

Activity / Turnover Ratios

With full year operations of paper plant, credit sale during the year increased by 44.37% compared to last year and resultant increase in debtor's turnover days. Inventory levels decreased due to better management of stock and spares. Fixed asset turnover ratio improved by 58% due to sales of paper division.

Investment / Market Ratios

Reflect the performance of the Company. Overall losses of the company impacted adversely on the EPS, PE ratio and Market price. Other factors that affect the market price include inflation rates, discount rates, devaluation of Pak Rupee and general economic and market conditions.

Capital Structure Ratios

The Company managed its gearing by effectively utilizing bank financing obtained at very competitive rates. However, finance cost increased due to high discount rates which resulted in higher weighted average cost of debt. Due to higher finance cost and net loss for the year interest cover ratio deteriorated. Financial leverage and debt to equity ratio increased owing to increase in short term and long term borrowings.

Employee Productivity Ratios

Production per employee increased due to company's efficient manpower management and rightsizing of employees as well as addition of paper production. Revenue per employee increased owing to overall increase in revenue.

Non-Financial Ratios

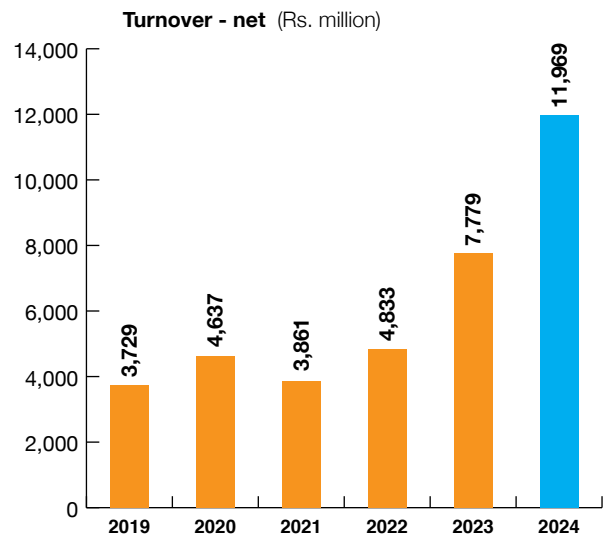
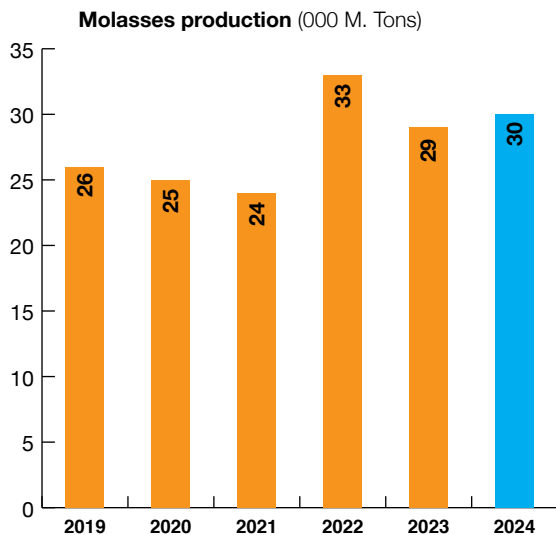
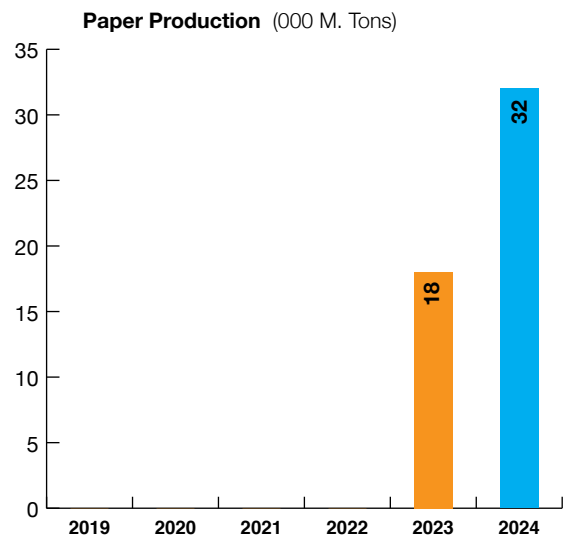
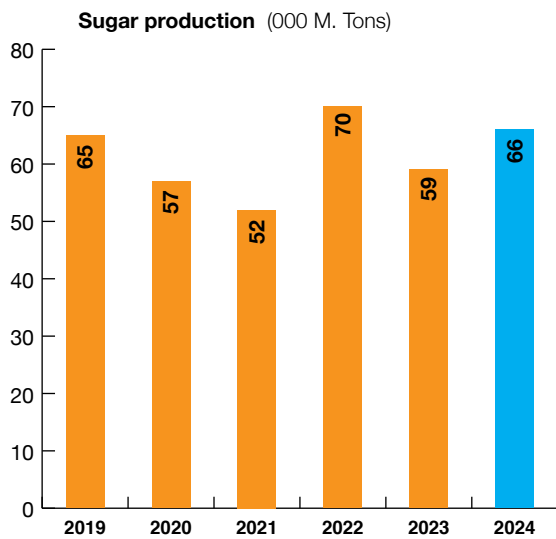
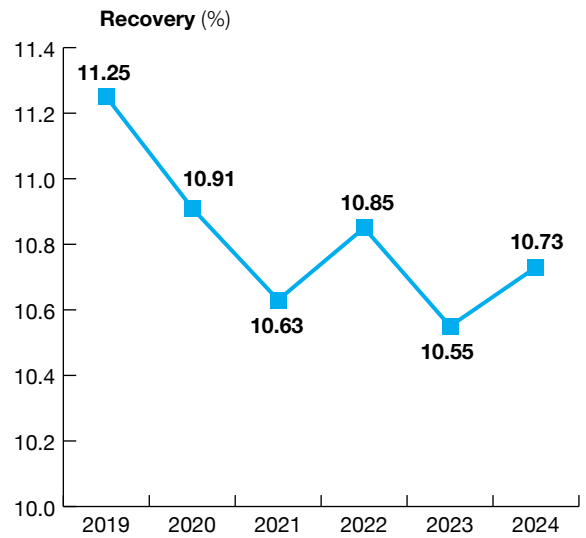
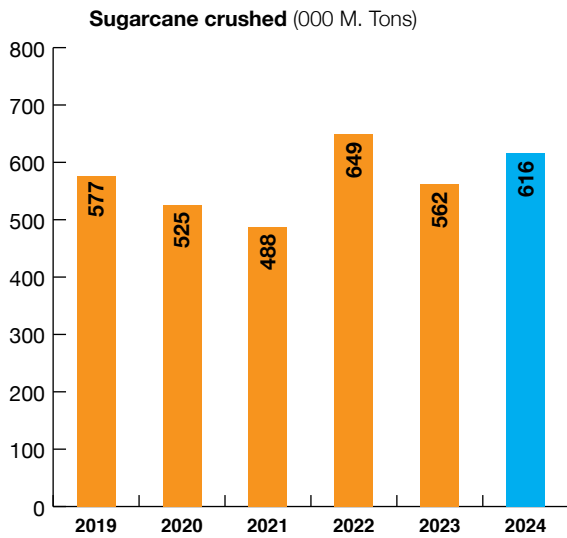
Percent of sugar plant availability is dependent on availability of sugar cane for crushing and expectations about sugarcane crop.

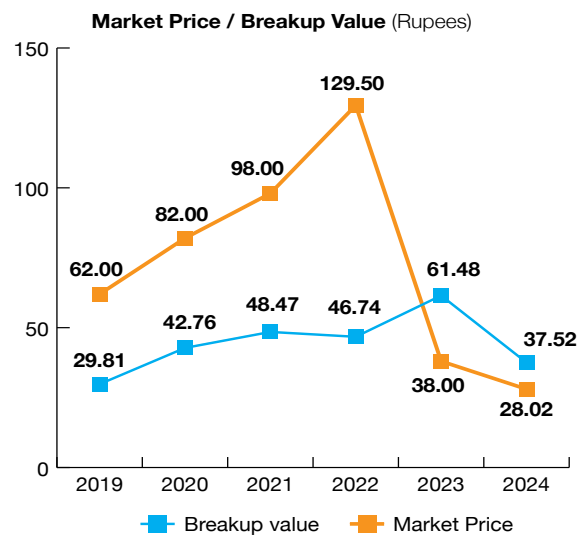
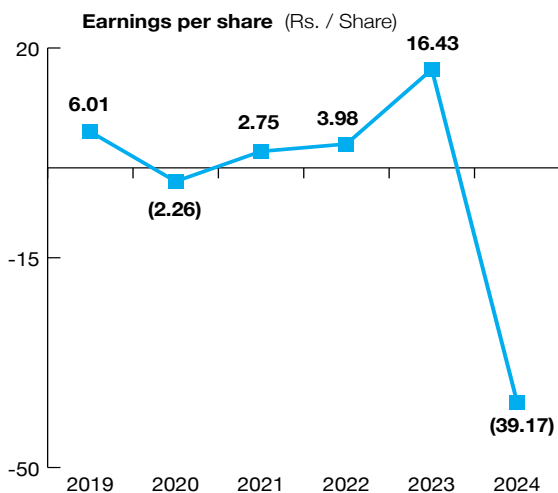
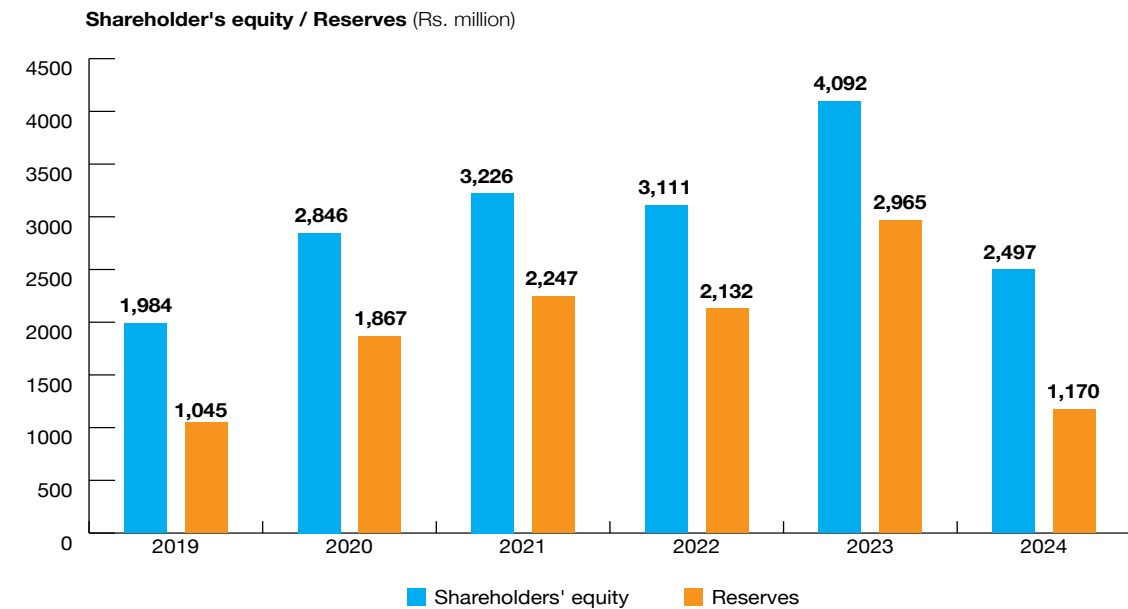
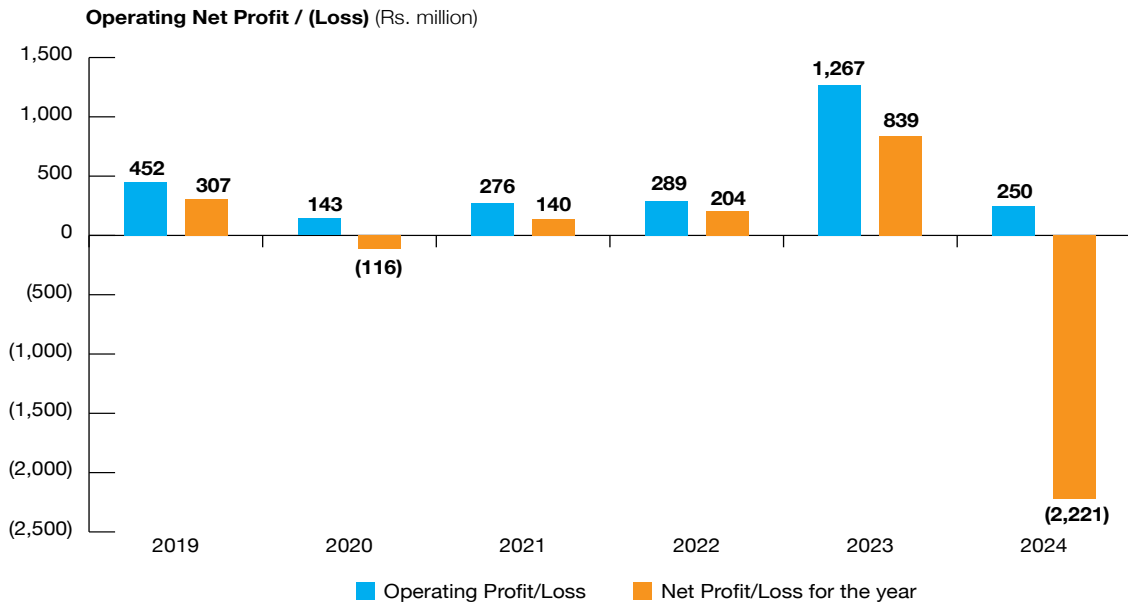
Percent of paper plant availability is dependent on market demand /orders in hand and availability of essential imported raw material.

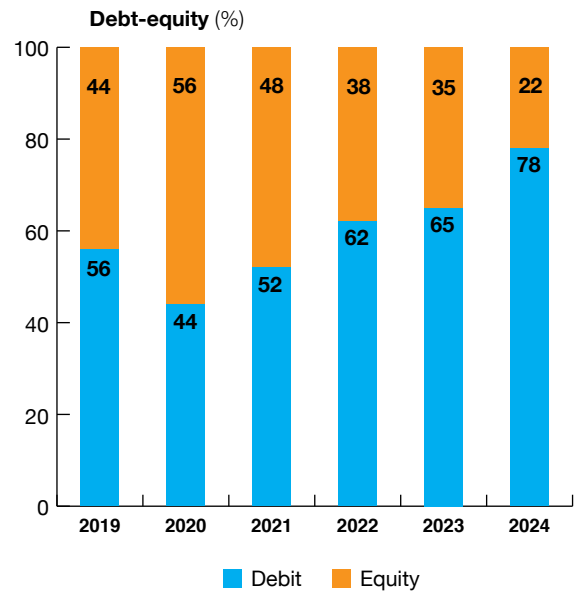
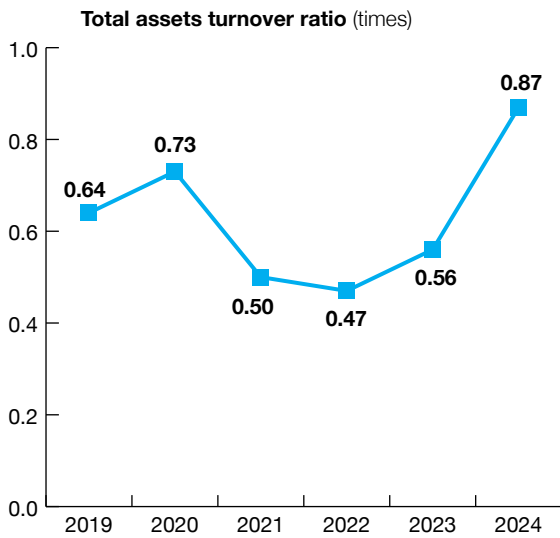
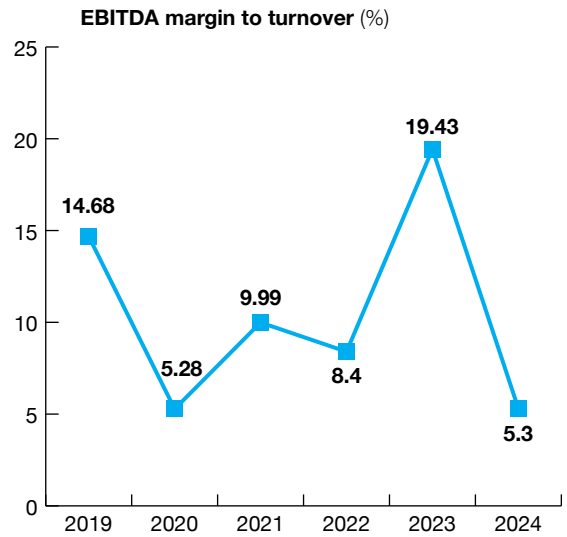
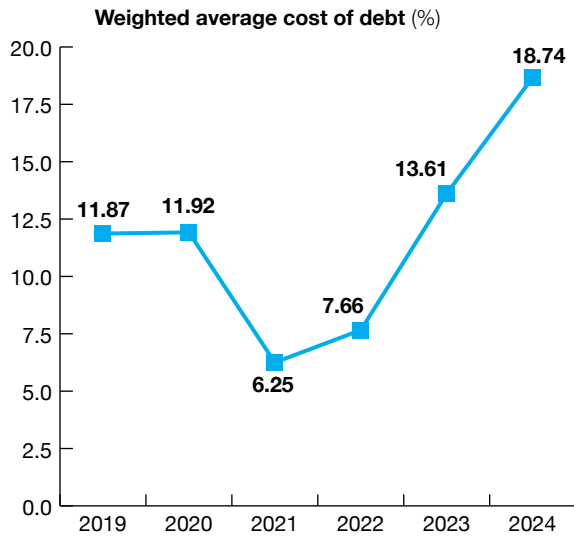
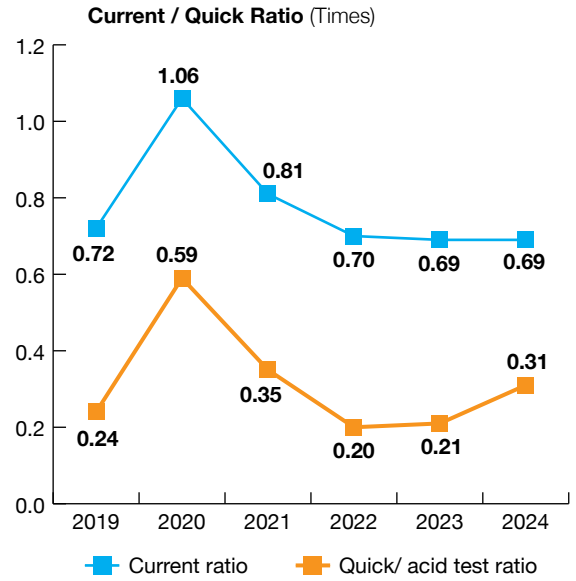
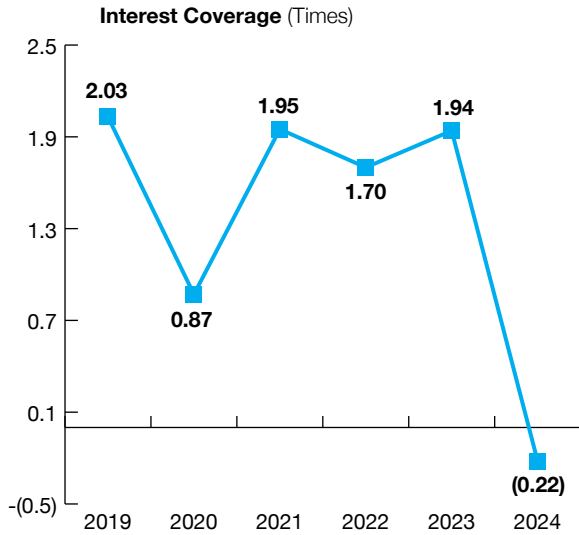
Others

Spares inventory percentage has increased owing to increase in spares because of additional inventory of Paper & Board Division.

Key Operating Highlights

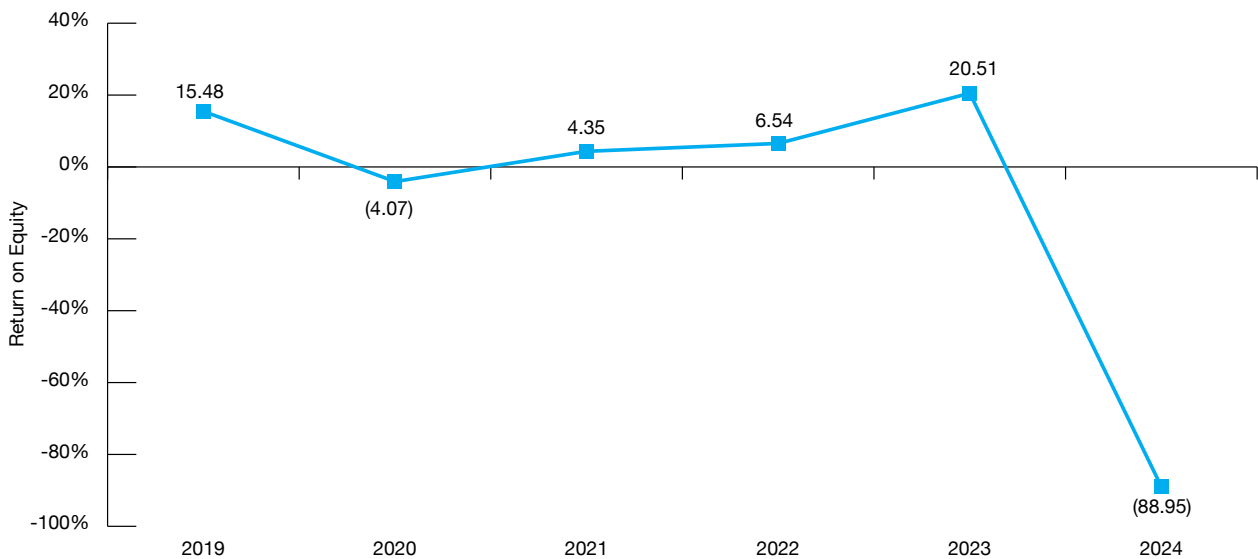




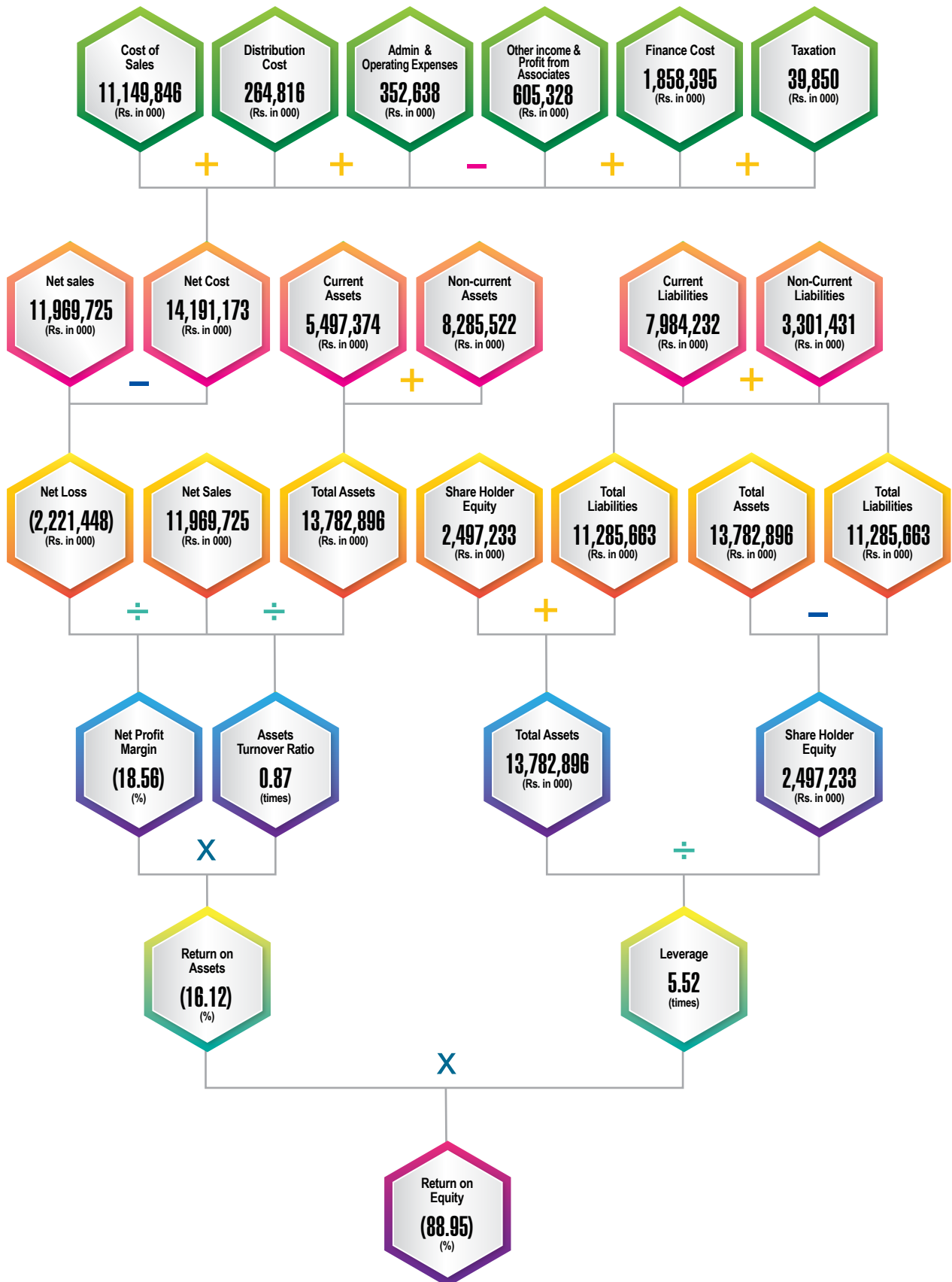


DuPont Analysis

	2024	2023	2022	2021	2020	2019
Operating margin (%)	2.08	16.28	5.99	7.16	3.09	12.12
Asset turnover	0.87	0.56	0.47	0.50	0.73	0.64
Interest burden / efficiency (%)	(906.10)	83.24	103.68	78.09	(33.46)	92.38
Tax burden / efficiency (%)	98.23	79.60	67.87	65.03	241.09	73.55
Leverage (Equity Multiplier)	5.52	3.38	3.29	2.40	2.24	2.92
Return on Equity (%)	(88.95)	20.51	6.54	4.35	(4.07)	15.48

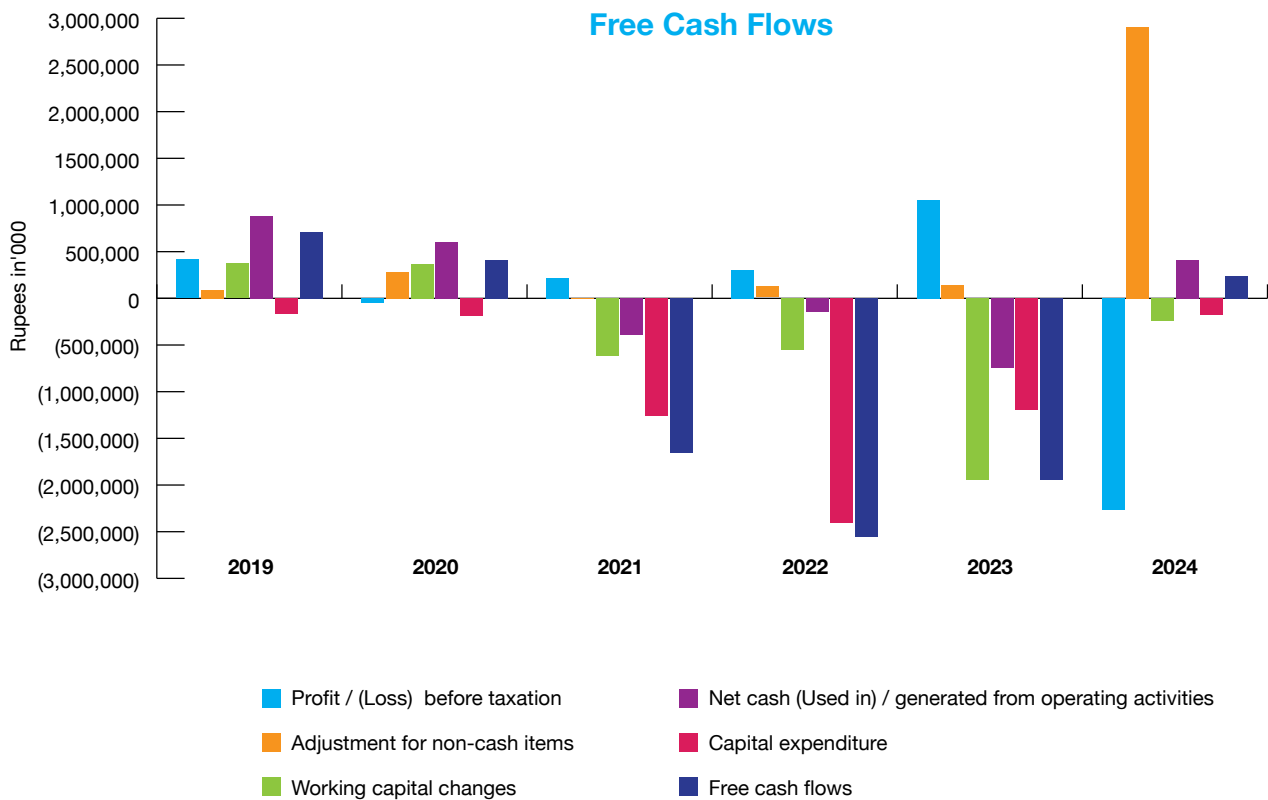


DuPont Chart



Statement of Free Cash Flows

	2024	2023	2022	2021	2020	2019
	(Rupees in '000)					
Profit / (Loss) before taxation	(2,261,298)	1,054,417	300,022	215,773	(48,005)	417,669
Adjustment for non-cash items	2,908,882	141,673	107,631	6,627	285,740	89,476
Working capital changes	(236,915)	(1,941,981)	(550,467)	(617,900)	366,244	374,864
Net cash (Used in) / generated from operating activities	410,669	(745,891)	(142,814)	(395,500)	603,979	882,009
Capital expenditure	(172,611)	(1,197,979)	(2,408,574)	(1,259,975)	(190,395)	(167,757)
Free cash flows	238,058	(1,943,870)	(2,551,388)	(1,655,475)	413,584	714,252



Economic Value Added

For the year ended September 30, 2024

	2024	2023
	(Rs. In '000)	
Net Operating Profit After Tax	289,415	1,051,670
Cost of Capital	(1,312,818)	(1,376,423)
Economic Value Added	(1,023,403)	(324,753)
Cost of Capital		
Total Assets	13,782,896	13,823,945
Currents Liabilities	(7,984,232)	(6,670,830)
Invested Capital	5,798,664	7,153,115
Weighted Average Cost of Capital	22.64%	19.24%
Cost of Capital	1,312,818	1,376,423



Horizontal Analysis-Last Six Years

	2024		2023	
	Rs. in '000	%	Rs. in '000	%
Balance Sheet				
Assets				
Non current assets	8,285,522	(10)	9,236,690	22
Current assets	5,497,374	20	4,587,255	94
Non current asset held for sale	-	-	-	(100)
Total Assets	13,782,896	(0)	13,823,945	35
Equity & Liabilities				
Shareholders equity	2,497,233	(39)	4,092,013	32
Non current liabilities	3,301,431	8	3,061,102	3
Current liabilities	7,984,232	20	6,670,830	97
Liabilities against non current asset held for sale	-	-	-	(100)
Equity & Liabilities	13,782,896	(0)	13,823,945	35
Turnover & Profit				
Turnover-net	11,969,725	54	7,779,469	61
Gross profit/(Loss)	819,879	(40)	1,363,262	185
Operating profit/(Loss)	249,565	(80)	1,266,771	338
Profit/(Loss) before taxation	(2,261,298)	(314)	1,054,417	251
Profit/(Loss) for the year	(2,221,448)	(365)	839,316	312

COMMENTS ON HORIZONTAL ANALYSIS:

Statement of Financial Position

Non-current assets decreased due to depreciation & capitalization of paper and board project last year and reclassification of some long term investment into short term. Current assets increased due to increase in trade debts and reclassification of investment.

Shareholders' equity decreased due to substantial loss for the year.

Current liabilities increased mainly due to additional short term financing for working capital requirement of paper project, accrued markup and trade and other payables.

2022		2021		2020		2019	
Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%
7,561,295	42	5,307,864	20	4,414,133	11	3,973,441	(6)
2,361,638	11	2,134,667	9	1,965,049	8	1,827,130	(20)
301,264	-	301,264	100	0			
10,224,197	32	7,743,795	21	6,379,182	10	5,800,571	(11)
3,111,200	(4)	3,225,984	13	2,845,870	43	1,983,905	(12)
2,981,386	72	1,738,025	3	1,684,659	33	1,269,197	(5)
3,381,611	28	2,649,786	43	1,848,653	(27)	2,547,469	(13)
750,000	477	130,000	100				
10,224,197	32	7,743,795	21	6,379,182	10	5,800,571	(11)
4,832,646	25	3,861,442	(17)	4,637,141	24	3,728,986	(11)
477,993	69	282,776	(7)	304,723	(50)	607,954	59
289,386	5	276,301	93	143,475	(68)	452,101	647
300,022	39	215,773	549	(48,005)	(111)	417,669	274
203,626	45	140,320	221	(115,733)	(138)	307,188	319

Profit and Loss Account

Turnover increased by 54% as compared to year 2023 due to addition of paper sales and improved sugar prices.

Operating profit is negative 80% as compared to last year, mainly due to decrease in other income generated on disposal of fixed assets Last year.

Finance cost increased during the year due to increase in short term borrowing and higher discount rate by the State Bank of Pakistan during the year.

Share of loss in associate is due to decrease in exchange rates & higher borrowings due to sugar mill operation.

Vertical Analysis-Last Six Years

	2024		2023	
	Rs. in '000	%	Rs. in '000	%
Balance Sheet				
Assets				
Non current assets	8,285,522	60	9,236,690	67
Current assets	5,497,374	40	4,587,255	33
Non current asset held for sale	-	-	-	-
Total Assets	13,782,896	100	13,823,945	100
Equity & Liabilities				
Shareholders equity	2,497,233	19	4,092,013	30
Non current liabilities	3,301,431	24	3,061,102	22
Current liabilities	7,984,232	58	6,670,830	48
Liabilities against non current asset held for sale	-	-	-	-
Equity & Liabilities	13,782,896	100	13,823,945	100
Turnover & Profit				
Turnover-net	11,969,725	100	7,779,469	100
Gross profit/(Loss)	819,879	7	1,363,262	18
Operating profit	249,565	2	1,266,771	16
Profit/(Loss) before taxation	(2,261,298)	(19)	1,054,417	14
Profit/(Loss) for the year	(2,221,448)	(19)	839,316	11

COMMENTS ON HORIZONTAL ANALYSIS:

Statement of Financial Position

Total asset base almost remained same as major capitalization was done last year on account of paper and board project. Non current assets as percentage of total assets decreased whereas current assets increased due to re-classification of long term investment to short term.

Non current liabilities as percentage of equity and liabilities have increased due to overall decrease in equity and liabilities on account of loss for the year & rise in short term borrowings year on year basis.

2022		2021		2020		2019	
Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%
7,561,295	74	5,307,864	69	4,414,133	69	3,973,441	69
2,361,638	23	2,134,667	28	1,965,049	31	1,827,130	31
301,264	3	301,264	3				
10,224,197	100	7,743,795	100	6,379,182	100	5,800,571	100
3,111,200	31	3,225,984	42	2,845,870	45	1,983,905	34
2,981,386	29	1,738,025	22	1,684,659	26	1,269,197	22
3,381,611	33	2,649,786	34	1,848,653	29	2,547,469	44
750,000	7	130,000	2				
10,224,197	100	7,743,795	100	6,379,182	100	5,800,571	100
4,832,646	100	3,861,442	100	4,637,141	100	3,728,986	100
477,993	10	282,776	7	304,723	7	607,954	16
289,386	6	276,301	7	143,475	3	452,101	12
300,022	6	215,773	6	(48,005)	(1.04)	417,669	11.20
203,626	4.21	140,320	3.63	(115,733)	(2.50)	307,188	8.24

Profit and Loss Account

Turnover increased as compared to year 2023 due to addition of 12 month's sales and improved sugar prices.

Finance cost Increased as compared to last year further share of loss from associate adversely effected the profitability of the company.

Summary of cash flow statement - Last six years

	2024	2023	2022	2021	2020	2019
	----- (Rupees in '000) -----					
Summary of Cash flows						
Net cash (used in)/generated from operating activities	410,669	(745,891)	(142,814)	(395,500)	603,979	882,009
Net cash (used in)/generated from investing activities	(143,397)	(923,298)	(1,271,580)	(532,148)	99,472	105,853
Net cash generated from / (used in) financing activities	(247,082)	1,684,498	1,398,620	927,824	(710,678)	(963,778)
Change in cash and cash equivalents	20,190	15,309	(15,774)	176	(7,227)	24,084
Cash and cash equivalents - beginning of the year	34,879	19,570	35,344	35,168	42,395	18,311
Cash and cash equivalents - Year end	55,069	34,879	19,570	35,344	35,168	42,395

Comments on Cash Flow

Cash generated from operating activities during the year mainly due to better working capital Management and full year operation of Paper segment also contributed in improved inventory turnover. The Company managed to pay its creditors well on time and also secure advance payments against sale. Management is fully committed for managing operations efficiently

Cash flows from investing activities mainly represent the payment of capital expenditures. The Company also invested in its capital assets to modernize its existing plant. Besides this, cash was generated as a result of dividend received from associates & related parties.

Cash flows from financing activities decreased due to Higher finance cost payments owing to higher markup rates ,the company is diligently addressing the repayment of loan installments and coping with substantial finance cost associated with these loans. During the year the Company raised fund through issuance of right shares.

Statement of Cash Flows-Direct Method

For the year ended September 30, 2024

	2024	2023
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	11,625,356	7,409,844
Cash paid to suppliers and employees	(11,061,287)	(8,016,300)
Cash generated from / (used in) operations	564,069	(606,456)
Long-term deposits - net	21,486	1,696
Income tax paid	(174,886)	(141,131)
Net cash generated from / (used in) operating activities	410,669	(745,891)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(172,611)	(1,197,979)
Sale proceeds of operating property, plant and equipment	1,133	8,679
Investment in Term deposit receipt	(20,000)	(28,500)
Sale proceeds of short term investment - net	-	1,500
Profit realised on term deposits	3,405	152
Dividend received from an associate	25,000	275,000
Dividend received from related parties	19,676	17,850
Net cash used in investing activities	(143,397)	(923,298)
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance cost paid	(1,902,361)	(904,342)
Short-term borrowings-net	1,005,724	2,570,105
Long-term financing-net	172,013	29,958
Payment of lease liability	(11,941)	(11,000)
Proceeds from issuance of right shares-net	489,523	-
Payment of dividend	(40)	(223)
Net cash (Used in) / generated from financing activities	(247,082)	1,684,498
Net increase in cash and cash equivalents	20,190	15,309
Cash and cash equivalents at the beginning of the year	34,879	19,570
Cash and cash equivalents at the end of the year	55,069	34,879

Share Price Sensitivity Analysis

Many factors may result in changes in Company's share price. Following are some key factors that may affect the price of the share in the stock exchange:

Industry Performance:

The share price of the Company will move in correlation with share prices of other companies in the industry with similar performance parameters. The economic and market conditions along with cost and revenue variables, that are regulated through Government, influence generally affect the industry performance. Prices of Sugarcane i.e. key raw material of Sugar Industry is controlled through Support price mechanism by the Provisional Government coupled with regulated exports as allowed by the Federal Government from time to time. Increase in discount rate and inflationary pressure also affect the cost of production of sugar which results in share price variation. Any adverse news related to competitors will benefit the share price.

Selling Price:

The profitability in the sugar industry is highly sensitive to the price of sugar, which eventually has a strong effect on the share price of the Company.

Raw Material Costs:

Manufacturing cost mainly includes sugarcane cost and OCC cost which directly effects the cost of production of sugar and paper. The cost of procurement of sugarcane is directly affected by the minimum support price for the relevant Season and also through fair market competition in operational areas of procurement. The fluctuation in Sugarcane procurement cost / OCC cost affects the profitability of the Company and resultantly affects the share price.

Government Policies and Regulations:

The policies adopted and regulations promulgated by the Government have a direct association with share prices. Any policy that will result in increased demand, improved tax rates, reducing production costs, the better economic environment may positively influence the Sensitivity Analysis

of Change in Market Capitalization share price. Whereas the policies that create hindrances for the sugar industry and for the overall business environment will adversely impact the share price.

Law and Order:

Improved law and order conditions and stable political environment foster the business conditions. Poor law order conditions disrupt business activities and will have a negative effect on performance. Therefore, these have a direct effect on the share price sensitivity of the Company.

Economic Conditions:

The Company's performance has a direct relationship with economic conditions so as the share price. The factors that contribute to economic conditions include the discount rate, currency devaluation, and inflation. Increased in the discount rate will expose the Company to higher cost of debts. Currency devaluations will benefit the Company in terms of exports however, on the other hand, will result in a higher cost of imported raw material, stores and spares and plant and machinery. However, all these factors will improve the performance of the company if contribute positively to the economic conditions.

Operational Efficiencies:

Employment of cost reduction techniques, stable plant operations, better production planning, taking benefits of synergies of the production facility will have a significant and positive effect on the profitability of the Company and eventually on the share price as well.

Investor Sentiments:

The share price of the Company is also open to the volatility of investor sentiments or confidence in the stock market and macro-economic conditions. In a strong stock market, the investors' confidence is growing and so as the share prices. Whereas in weak stock market investors' sentiments are negative so do the share prices. Stock market's strength is closely associated with economic conditions.

Share Price Sensitivity Analysis

Sensitivity Analysis of Change in Market Capitalization

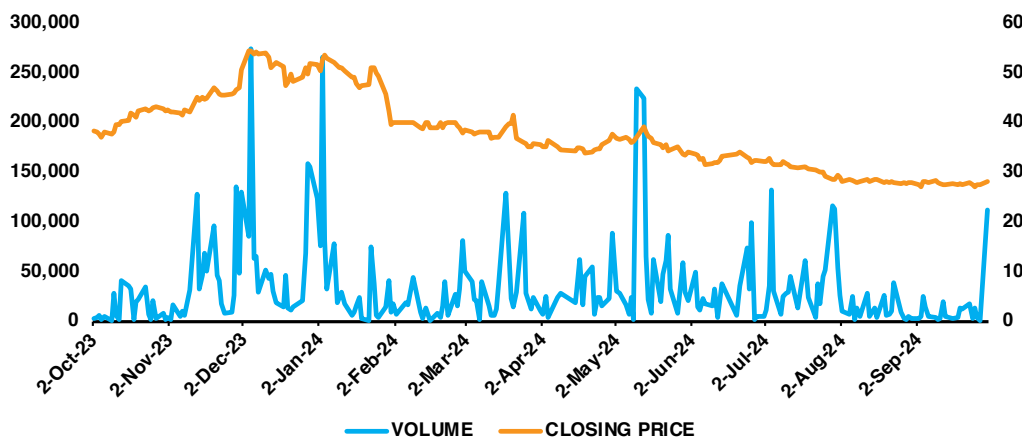
Share Price of 30.09.2024

Market Capitalization as of 30.09.2024

Change in Share Price by

:	Rs. 28.02
:	1,864,952,022
:	Change in Market Capitalization
+10%	Rs. 186,495,202
-10%	Rs. (186,495,202)

**SHARE PRICE- TREND V/S VOLUME TRADED
FINANCIAL YEAR 2023-24**



Calendar of Notable Events

OCT
2023

12th Achieved 1st place in the Best Corporate & Sustainability Report award 2023, organized by ICAP & ICMAP.

30th Breast Cancer Awareness day (Pinktober)

DEC
2023

3rd Annual Picnic 2023

27th Audit committee meeting Annual 2023

27th Board of Directors Meeting Annual 2023.

JAN
2024

24th Audit committee meeting 1st quarter 2023-24

26th Board of Directors & AGM Meeting 1st quarter 2023-24

FEB
2024

16th Cricket Tournament & Family Gala

MAR
2024

7th Cricket Tournament - Mirpurkhas

8th Women's Day

MAY
2024

14th Board of Directors Meeting (for right shares issue)

21st Audit committee meeting 2nd quarter 2023-24

23rd Board of Directors Meeting 2nd quarter 2023-24

27th right shares issued to subscribers

JUN
2024

14th Mango Fest

JUL
2024

4th 1st HRRC Meeting

26th Audit committee meeting 3rd quarter 2023-24

26th Board of Directors Meeting 3rd quarter 2023-24

AUG
2024

13th Independence day Celebrations

SEP
2024

19th 2nd HRRC Meeting

26th Board of Directors Meeting (Budget approvals)

SAP Success Factors Implementation at GFG

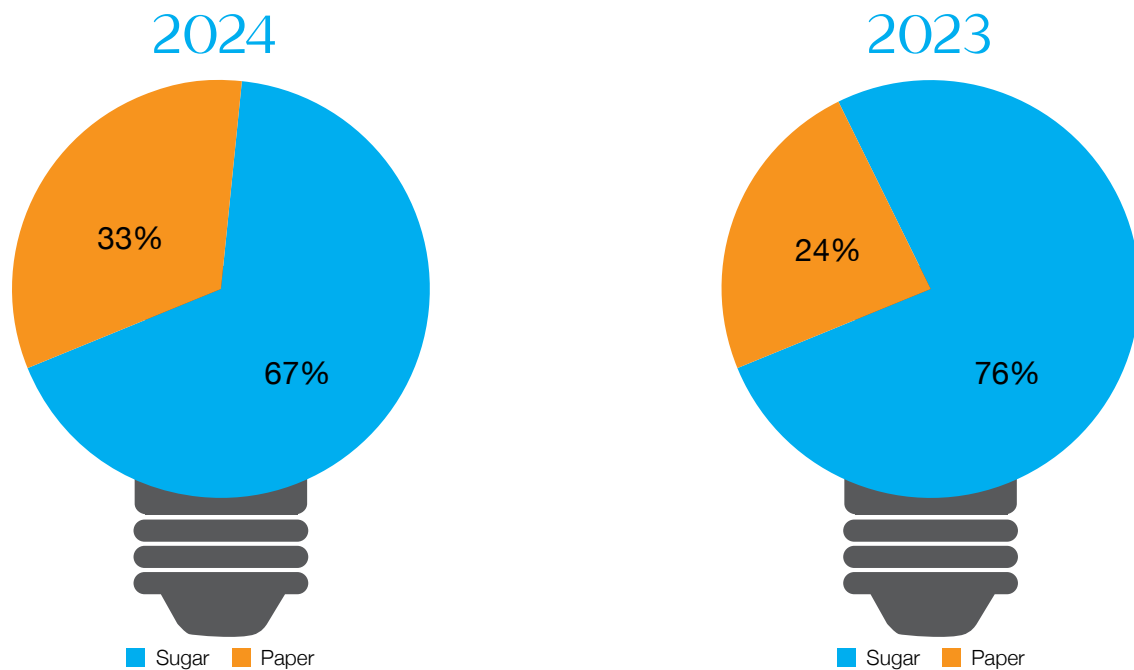
An organization cannot lead to success unless it has vital and dedicated human capital. To further support HR processes and help our employees reach new heights of performance elevations, the Company implemented SAP Success Factors. SAP Success Factors is a flexible, global HR solution that supports HR processes and employee self-services for the total workforce. With SAP SuccessFactors, we will enable a more flexible, engaged workforce that can adapt to constant change and achieve peak performance.

GFG has implemented SAP SuccessFactors with following objectives:

- Align HR with corporate strategy to drive growth;
- Attract, identify, and retain top performers and develop future leaders;
- Connect to HR and non-HR applications and processes;
- Robust technology for core HR, talent acquisition, talent management, and people analytics;
- Guided workflows allowing best practices to be melded with integrations to other systems;
- Global HR solutions and best practices;
- Strong partner ecosystem and extensible platform with complementary apps benefits;
- Address the HR needs with easier app building and integration;
- Make faster, informed decisions based on data-driven insight across HR processes;
- Boost overall business success by aligning HR to business goals;
- Increase profitability by saving man-hours and achieving efficiency in processes;
- Single portal “Employee Center” to fulfill employee’s information needs.

Segmental View of Business Analysis

In the fiscal year that ended in September 2024, our company's operations in the sugar and paper segments showcased distinct yet promising performances. The sugar segment, a longstanding revenue driver, showed enhanced revenues that increased to net Rs 8,010 million. Capturing a stable market share, this segment exhibited consistent demand for refined sugar products within the local market. Operational improvements were achieved through refined production techniques and efficient resource management. The graphical analysis of turnover is shown below:



Conversely, our newly established paper segment embarked on its focusing on energy efficient production process. The segment attained net revenue figures of Rs. 3,959 million by September 2024, contributing to almost 33% in overall revenue for the Company. It is operating efficiently and has achieved all the operational parameters required. Due to high inflation and poor economic conditions, consumer spending is on a downward trend. This is directly impacting all FMCG's, including snacks and confectionary businesses, leading to a reduced demand of packaging and corrugated products. However, paper segment sales is expected increase in upcoming years as the economic conditions get better.

Looking ahead, potential synergies between these segments arise in the form of saving in energy costs. As the sugar segment continues to be a cornerstone of our revenue stability, the paper segment promises diversification benefits, signaling an era of sustained growth supported by innovation, quality assurance, and adaptive market strategies across both segments.

Business rationale of major capital expenditure /projects during the year and for those planned for next year

The company has always strived for growth and diversification to enhance the returns for the stakeholders. During last many years, the company has worked on improvement in steam to cane ratio to improve bagasse savings. It has also worked on diversification projects in the past and is continuing its efforts to generate revenues from avenues other than sugar. The Company has plans to invest into biomass pulping project. This will help the company in reducing its cost of production of paper.

Sugar

The company continues to incur capital expenditure to enhance the plant efficiency and improve storage capacity for its inventories. The Company has planned to expand its storage for sugar in the next year. Further, the Company has installed economizer on its boiler for improving boiler efficiency and saving more bagasse. The Company also incurs capex on product quality improvement and replacements of key spares to keep the plant up and running and minimize stoppages.

Paper and Board project

The Company also incurs capex on product quality improvement and replacements of key spares to keep the plant up and running and minimize stoppages. For the next year, for better storage and seamless dispatch operations, the Company has planned for expansion of paper reels storage and biomass pulping project.

SAP Success Factors

For a more robust human capital management, the Company has successfully implemented the SAP Success Factor application that will integrate all employee related activities in one place and will assist in better human resource management as well as accurate and timely reporting to the management as well as the employees.

SPECIFIC CAPEX PLANNED FOR UPCOMING YEARS

Biomass Pulping Project

The Company plans to invest into biomass pulping project. It will enable the Company to produce pulp from wheat straw/bagasse locally and reducing the dependency on imported waste paper. By replacing some component of imported raw material, the company would not only mitigate exposure to exchange rate fluctuation, but also reduce cost of production.







IT Governance and Cybersecurity

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IT Governance Policy

The Company has a well-conceived and implemented IT Governance Policy which seeks to ensure that it is aligned with Mirpurkhas Sugar Mills Limited organizational goals and strategies and delivers value to the organization. The policy is designed to promote effective, efficient, timely, and informed decision-making concerning MSM's IT investments and operations. Specifically, the policy aims to establish the IT governance structure and its associated procedures, roles, and responsibilities, as a critical component of the overall IT Management (ITM) framework, which guides the management, implementation, and monitoring of IT investments for MSM.

The Company's IT Governance Policy is mainly charged with:

- Establishing a shared vision of how information technology can add value to the organization
- Establishing information technology goals, and the strategies for achieving those goals
- Establishing principles and guidelines for making information technology decisions and managing initiatives
- Overseeing the management of institutional information technology initiatives
- Establishing and communicating organizational information technology priorities
- Determining information technology priorities in resource allocation
- Establishing, amending and retiring, as necessary, organizational information technology and other technology related policies, and determining the distribution of responsibility between the IT department and end users.

INFORMATION SYSTEM SECURITY POLICY

Objective

The objective of Information Security is to ensure continuity of business of the company and to minimize business damage by preventing and limiting the impact of security incidents.

Policy

- The purpose of the Policy is to protect Company information assets from all types of threats including cybersecurity threats, whether internal or external, deliberate or accidental. These assets relate to information stored and processed electronically.
- It is the Policy of the Company to ensure that:
 - Information will be protected against unauthorized access.
 - Confidentiality of information will be assured by protection from unauthorized disclosure or intelligible interruption.
 - Integrity of information (its accuracy and completeness) will be maintained by protecting against unauthorized modification.
 - Regulatory and legislative requirements will be met, including record keeping, according to Information Security Management System standard.
 - Disaster Recovery Plans will be produced, maintained and tested, to ensure that information and vital services are available to Company when needed.
 - Information on security matters will be made available to all staff.
 - All breaches of information security, actual or suspected, will be reported to and investigated by the Cybersecurity Officer / Internal Audit.
 - The controls, rules and procedures for all individuals accessing and using an organization's IT assets and resources
- Standards will be produced to support the policy. These standards will include regulations, guidelines and procedures covering matters such as (not limited to) cybersecurity threats, data security, backup, endpoints users control and password.
- Business requirements for the available of information and information system will be met.

- The role and responsibility for managing information security will be assigned to a designated Cybersecurity Officer / Internal Audit.
- The Information Security Officer / Internal Audit will be responsible for maintaining the policy and providing advice and guidance on its implementation.
- All managers are responsible for implementing the Policy within their business areas, and for adherence by their staff.
- It is responsibility of each employee to adhere to the Policy.

Industry Specific Requirements for Cybersecurity And Strategy

IT steering committee has approved and enforce IT teams to implement multiple controls for cybersecurity attacks & risks mitigations.

As per direction of the IT steering committee, the IT team has implemented multiple controls like next generation edge network firewalls, user end-point security system, email security gateway and user access policy & procedures as best industry practises to ensure secure environment from any type of cybersecurity threats.

BOARD'S RISK OVERSIGHT FUNCTION FOR CYBERSECURITY

When it comes to cybersecurity governance, the Company's Board of directors has specifically assigned agenda to IT steering committee to align with management on the appropriate risk appetite related to cybersecurity.

Emphasizing that cybersecurity risk is not just an IT concern, but is an enterprise- wide business issue that cuts across all divisions and functions. Accordingly, management beyond the security function needs to be fluent on what controls and processes are protecting its operations, how employees are trained and tested from management down to the front line, and what protocols to follow in the event of a cybersecurity incident or breach.

Through its oversight, the IT steering committee plays an important role in encouraging management to take broader ownership of cybersecurity risk, and it is incumbent on them to understand if and how the responsibility for cybersecurity is shared across the company.

Cybersecurity risks and mitigation is on the agenda once a year or is it part of IT steering committee meeting and discussions about strategy and risk, and prioritize self-education and seek external advice to improve cybersecurity risk controls.

IT security policy, controls, procedures & third party audit are reviewed in IT steering committee meeting and ensure that all the recommendations identified in third party security audit report should be implemented.

IT SYSTEM SECURITY LOGS AND ANALYSIS

Networks and systems are constantly evolving due to threats, organizational growth or new regulatory & business requirements. Traditional analysis products focus on recording and identifying company-wide threats through logging, analysis and reporting over time.

Company has deployed multiple systems to secure IT systems and data i.e network firewall, email security gateway and end point security systems which are all monitored by system and firewall log Analyzer.

Firewall Log Analyzer is powerful log management, analytics, and reporting platform that provides organizations with a single console to manage, automate, orchestrate, and respond, enabling simplified security operations, proactive identification and remediation of risks, and complete visibility of the entire attack landscape. Integrated with the Firewall Security Fabric, advanced threat detection capabilities, centralized security analytics, end-to-end security posture awareness and control, helps security teams identify and mitigate threats before a breach can occur.

COMPREHENSIVE SECURITY ASSESSMENT OF TECHNOLOGY ENVIRONMENT

Information Security Policies and assessment of IT objects serve as the backbone of any mature information security program. IT steering committee has implemented information security policies that support its organization's business objectives while also adhering to industry standards and regulations. Board of directors

always fully support and participate in the development, enforcement of information security policies and independent third party security assessment of IT environment to determine whether the IT security of your organisation is, or how easily it could be compromised. Identify and address any gaps in security. Improve employee vigilance concerning the IT security of the business. Increase awareness and clarification of potential security issues.

The Board has approved and executed Vulnerability Assessment and Penetration Testing (VAPT) of IT assets from third party in 2022 which provides enterprises with a more comprehensive application evaluation than any single test alone. Using the VAPT approach gives an organization a more detailed view of the threats facing its applications, enabling the business to better protect its systems and data from malicious attacks. Vulnerabilities can be found in applications from third-party vendors and internally made software, but most of these flaws are easily fixed once found. Using a VAPT provider enables IT security teams to focus on mitigating critical vulnerabilities while the VAPT provider continues to discover and classify vulnerabilities.

VAPT report was submitted by third party and had been reviewed by the IT steering committee members who have directed to do measures against the gaps identified in the report and the management had taken necessary actions.

BUSINESS CONTINUITY AND DISASTER RECOVERY POLICY

The Board of Directors has approved and continuously reviews the IT Policy and Business Continuity Plan of the Company. The management has arranged offsite data storage facilities. All the key records are being maintained at different locations. Employees are aware of the steps required to be taken in case of any emergency. After migration to S4 / HANA, the SAP server is cloud based protecting the data base of company from any disaster.

BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN

The concept of Business Continuity Planning has become a major business management requirement over the past few years. Business Continuity Planning is a process used to develop a practical plan for how a business can recover or partially restore critical business activities within a predetermined timeframe after a crisis or disaster. The resulting plan is called a Business Continuity Plan.

Manufacturing Facilities

Manufacturing facility of the Company is in Sub Posed Office Sugar Mills Jamrao, Umerkot Mirpurkhas, Sindh Province of Pakistan. The building is fire resilient and fully equipped with modern firefighting equipment. It also meets HSE requirements at all levels. Despite all these arrangements, insurance coverage is made at the maximum level. Therefore, in case of any natural disaster, the Company would be able to recover its financial loss through insurance coverage. Hence, partial loss would not affect the Company's operations. Moreover, other locations of the Ghulam Faruque Group are available as alternate locations therefore; interruptions, if any, can be managed.

Identification of Potential Issues and The Plan Update

Potential issues are identified and updated from time to time to have an up to the mark solution for the anticipated problems. For the purposes of such identification, independent studies are conducted and drills are carried out. Based on the results obtained from these studies and drills, plans are updated.

Disaster Recovery Plan and IT Infrastructure

The Company's production server facility is at PTCL Karachi. In case of any disaster, the Company would be able to continue its operations smoothly. Availability of servers at such distant locations enables the Company to perform its IT functions without glitches in the event of an infrastructural damage at any particular location. Moreover, the Company is situated at various locations across Pakistan and operations may be carried out through all such locations. Also, at the time of imposition of lockdowns by the government due to COVID-19 pandemic, the employees of the Company were able to work from home smoothly via VPN clients.

Cyber Insurance

Cybersecurity insurance, is a contract that an entity can purchase to help reduce the financial risks associated

with doing business online. In exchange for a monthly or quarterly fee, the insurance policy transfers some of the risk to the insurer.

Cybersecurity insurance is a new and emerging industry. Companies that purchase cybersecurity insurance today are considered early adopters. Cybersecurity policies can change from one month to the next, given the dynamic and fluctuating nature of the associated cyber-risks. Unlike well-established insurance plans, underwriters of cybersecurity insurance policies have limited data to formulate risk models to determine insurance policy coverages, rates and premiums insurer.

Currently we have no specific Cyber insurance. But we have kept the option of DR as contingency in any case of theft, disaster and cyberattack to restore the data and hardware. Resources are available to make data and hardware to restore at any level with all harmony of DR & BC.

Currently we have no specific Cyber insurance. Although, we have implemented relevant prevention about the cyber security. As result, the theft, disaster and cyberattack to restore the data and hardware as per our DR policy.

ADVANCEMENT IN DIGITAL TRANSFORMATION

In the past few decades, a fourth industrial revolution has emerged, known as Industry 4.0. Industry 4.0 takes the emphasis on digital technology from recent decades to a whole new level with the help of interconnectivity through the Internet of Things (IoT), access to real-time data, and the introduction of cyber-physical systems. Industry 4.0 offers a more comprehensive, interlinked, and holistic approach to manufacturing. It connects physical with digital, and allows for better collaboration and access across departments, partners, vendors, product, and people. Industry 4.0 empowers business owners to better control and understands every aspect of their operation, and allows them to leverage instant data to boost productivity, improve processes, and drive growth.

There are hundreds of concepts and terms (ERP, IoT, RPA, Block chain, AI, Big data, Cloud Computing etc) that relate to Industry 4.0, but we have to decide in which domain we want to invest in Industry 4.0 solutions as per our business requirement.

In our case, board of directors in IT steering committee decided to invest in ERP and Cloud computing to improve business process management tools and reporting that can be used to manage information across an organization.

Marketing and Other Staff

The Company's senior management, as a part of Ghulam Faruque Group, is present across Pakistan and not restricted to one location. In case of any mishap, operations can be taken over and continued from any other location.

Cloud Computing

Cloud computing is the delivery of computing services including servers, storage, databases, networking, software, analytics, and intelligence over the Internet ("the cloud") to offer faster innovation, flexible resources, and economies of scale. You typically pay only for cloud services you use, helping you lower your operating costs, run your infrastructure more efficiently, and scale as your business needs change.

STAFF TRAINING TO AVOID CYBERSECURITY THREAT AND RISKS

IT steering committee advised IT team to regularly informed and organized training for the company's end users to follow best standard practises to avoid any cybersecurity threats & risks.

IT team regularly conduct information security awareness session. The purpose of security awareness is to focus attention on security, creating sensitivity to the threats and vulnerabilities of computer systems and recognition of the need to protect data, information and systems. Security awareness training helps to minimize risk thus preventing the loss of PII, IP, and money or brand reputation. An effective awareness training program addresses the cybersecurity mistakes that employees may make when using email, the web and in the physical world such as tailgating or improper document disposal.





Outlook

Forward Looking Statement

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Forward Looking Statement

During FY2024, Pakistan's economy registered moderate recovery reflected by a GDP growth of 2.38 percent against previous year's contraction of 0.21 percent. Agriculture emerged as a main driver of economic growth, registering a growth of 6.25 percent on the back of double digit growth in output of major crops wheat, cotton and rice. Industrial and services sectors also showed resilience with each posting a growth of 1.21 percent. Current account deficit was kept under check, with marked improvement in foreign exchange reserves. Fiscal deficit remained manageable with an overall primary surplus. Rupee appreciated by almost 3.0 percent during the first eleven months. The external account position improved on account of a notable increase in exports and remittances notwithstanding an increase in imports.

During Jul-Oct FY2025, CPI Inflation stood at 8.7 percent against 28.5 percent recorded the same period last year.

The overall signs of recovery also affected the Company where the Company was able to secure more volumes for both of its segments as compared to last year. However, high finance costs kept the company's environment challenging during the last year. Nevertheless, reduction in monetary policy rates is expected to benefit the Company in the coming year due to increased reliance of the Company on banks for working capital needs.

Disclosure about company's future Research & Development initiatives

The Company recognizes that growth and sustainability in the sugar industry is also dependent on access to a growing volume of sugar cane, particularly from within existing areas of supply, and on promoting early maturing cane variety alongside the existing ones, to have a more even sucrose recovery throughout the season. The key here lies in long-term engagement with farmers, so as to convince them to plant more cane, demonstrating the use of superior cane varieties (higher yield and hence higher income), timely growing support (provision of seeds, fertilizers and crop protecting agents) and prompt payment. The Company continuously develops model demonstration plots on the farmers' land and educates farmers that better results ultimately mean better financial returns to them. Sugarcane development team is working very hard to improve the situation in relevant areas of sugarcane procurement.

For paper plant, the Company's purchase team and production team work in close liaison to get the best available waste paper that yields better results in terms of output. The Company's team also gets assistance from the paper plant supplier in China and from industry experts to improve the product. Recently, the Company has started working on bio-mass pulping project that will enable the Company to produce pulp from wheat straw/bagasse that will reduce dependency on imported waste paper. By replacing sizable component of imported raw material, the company would not mitigate exposure to exchange rate fluctuation, but also reduce cost.

With regards to R&D on customer side, Company's marketing department works in collaboration with customers and production team to produce and continuously innovate products that meets customer requirements while also being beneficial for the Company in terms of cost.

On the human resource side, based on the last year's Training Need Analysis (TNA) and performance appraisal of the company personnel, adequate technical trainings were conducted for the identified employees. The same process is followed on yearly basis. The company has developed extensive training program for all levels of management. The company will be conducting these trainings in future also which would equip the employees with required technical and management skills in the years to come.

SUGAR DIVISION

During the season 2023/24, total sugar produced in Sindh rose to 2.022 million metric tons compared to 1.745 million metric tons last year, an increase of 15.8% over the last year. National sugar production for the crushing season 2023/24 stood at 6.76 million metric tons (2022/23: 6.66 million metric tons). The first tranche of 150,000 metric tons of government-approved exports fell under the financial year ended September 30, 2024. Later on, additional approvals for the export of 640,000 metric tons of sugar were given, totaling to exports of 790,000 metric tons to date. The Company has successfully exported 6,253 tons to date as per its allocated quota.

For the crushing season 2024/25, the Sindh Government has not announced any minimum support price

owing to the terms and conditions agreed by the Federal Government with the IMF. This development is expected to be beneficial for the sugar industry as the cane price will be determined by demand and supply conditions. However, sugar prices should also be reflective of the cane price and should be free from government interventions otherwise, the sugar mills won't be able to benefit from the same.

Rapidly changing Environmental conditions including availability of irrigation water in Sindh, cultivation of Sugarcane vs other crops patterns and National Agriculture Policies are the key factors that translates into various opportunities and challenges for Sugar Industry.

Sugar prices continue to remain depressed throughout the year due to excessive sugar stock which stood at 1.45 million metric tons at the end of October 2024. If the government takes a prudent view of the situation, Pakistan can return to being a regular exporter of sugar, sugarcane being one of the few large crops of Pakistan.

PAPER AND BOARD DIVISION

The plant produced 31,968 metric tons of paper compared to 17,959 metric tons of paper last year, registering an increase of 78% over last year, and sold 31,707 tons compared to 13,688 tons last year. The production and sales quantity increased primarily as the company operated for the full financial year compared to last year, when it started its commercial operations only on May 12, 2023. The Company has been able to introduce its quality products, with a good sales mix, to all major corrugation plants operating in Pakistan.

The division continues to be loss-making mainly due to the unrestricted imports of paper by traders and box manufacturers and the constant rise in prices of local and imported old corrugated cartons (OCC) other raw materials as well as fuel. Furthermore, higher financial costs and the extension of credit to customers has impacted the bottom line significantly. The management continues maximum efforts to increase the revenue and customer base in a highly competitive market. Due to 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. The company is focused on improving its operational results through volume growth, optimizing the sales mix and better cost control and declining lending rates. The Company is also working on export of paper to middle east markets and hopeful for the positive outcome.

FUTURE OUTLOOK

On a global level, heightened geopolitical tensions exacerbate market uncertainties, impeding investment flows and hindering economic growth. A surge in oil prices could ensue if tensions in the Middle East intensify. Such an occurrence would amplify global inflationary trends and impede global growth.

From the Pakistan's perspective, the Company expects that the economic outlook of the country will improve as the Government continues the implementation of reforms aimed at maintaining fiscal discipline, political stability and foreign economic assistance and is hopeful this improves the growth trajectory of the economy in the coming years. However, the country's high debt servicing costs and external repayments remain a challenge. To address this and to continue stabilizing the relevant economic indicators, the government has been able to reach a staff level agreement with the IMF for a 37-month Extended Fund Facility Arrangement (EFF) of USD 7 billion.

Given the challenging operating environment, the Company remains focused on minimizing the negative impacts while maximizing shareholder value by spreading its borrowings amongst different banks, reducing inventory and managing trade debts, amongst other measures. With a cumulative cut of 900 basis points of the policy rate to date, the monetary easing is expected to continue, driven by a high base effect stable exchange rate and improved supply of foreign exchange, management is hopeful this will favorable impact the Company in the foreseeable future.

The external environment including political, economic, social, technological, environmental and legal

It has been covered in detail in the section 'Organizational Overview and External Environment'

Revenue Projections combined (Sugar and Paper divisions)

The Company on an annual basis sets sales, crushing, production and other targets in the form of a budget which is duly approved by the Board of Directors.

FY 2025 is expected to remain a challenging one as mentioned in detail above. However, considering the available information and management best judgement, revenue projections for sugar and paper business are as follows:

Year	Revenue - net (Rs. in '000)
2024-25	13,607,929
2025-26	14,716,424
2026-27	16,039,499

Sources of Information used for projections of future revenues

The Company adopts and practices meaningful budgetary exercises for various areas of company's operations. Based on the inputs provided, production, sales and sugarcane procurement plans are developed for the next financial year. On the basis of sound sugarcane procurement plan, company sets its crushing target for every season to quantify sugar and molasses production. The Company also uses data from external sources such as field surveys, drone surveys, Pakistan Economic Survey and State Bank's agricultural data.

Same is the case with Paper project whereby inputs from sales department, market conditions and external data sources is used to project revenue which forms the basis of projecting the production, purchases of raw materials and other consumables.

Company performance against last year projection

FY 2023/24 was once again a challenging year for both the sugar and paper industry. The Company fell short of revenue projections due to lower quantity of paper sold than the budget. Due to challenging economic conditions, consumer spending remained on a downward trend, directly impacting all FMCG businesses, and leading to a reduced demand of packaging and corrugated products. Further, there is a tough competition in the paper market especially with the unregistered sector. For sugar, the company could not achieve the desired revenue targets due to significantly lower prices due to Government's continuous intervention to control the prices of sugar as it allowed conditional export of sugar. The recovery of cane improved to 10.73% compared to 10.60% as per budget.

During the year under review, the Company sold 70,036 metric tons of sugar, including 1,250 metric tons of exports, compared to 63,213 metric tons last year. The Company was able to achieve higher sales volumes due to sale during the year of unsold sugar at the start of the year. Sugar prices remained depressed throughout the year. In the paper division, the Company sold 31,707 metric tons of paper compared to 13,688 metric tons of paper last year. The prices of paper remained low due to low demand and competitive pricing due to the unregulated market segment and players attempting to gain market share. Increasing sugarcane costs, OCC (local and imports) and other raw material purchasing led to higher borrowing at a time when discount rates were at an all time high. Sugar is a seasonal industry where all the sugarcane payments are made early in the financial year during the crushing period, with sugar being sold throughout the year, which leads to high working capital requirements and therefore financial costs. This contributed significantly to losses, as it was difficult to recover the same from sugar sales due to depressed prices and excessive sugar stock in the country. The company's financial charges soared by 65 % to Rs. 1.86 billion, compared to Rs. 1.12 billion last year. These include both long-term and short-term borrowings. The other key factor contributing to bottom line loss was one-third share of loss in Unicol Limited amounting to Rs. 652 million as against a share of profit of Rs. 911 million last year. Unicol's loss was primarily due to lower ethanol prices and devaluation of USD, combined with higher financing costs on both long-term and short-term borrowings.

Status of the projects/Upcoming Projects

Bio-mass pulping project

As mentioned above, the Company has started working on bio-mass pulping project that will enable the Company to produce pulp from wheat straw/bagasse that will reduce dependency on imported waste paper. By replacing some component of imported raw material, the company would not mitigate exposure to exchange rate fluctuation, but also reduce cost. The project is expected to take around sixteen months to be operational.

Economizer for Boiler

The Company has successfully installed the economizer on its 80-ton boiler for improving boiler efficiency and saving more bagasse.

SAP Success Factors

For a more robust human capital management, the Company has successfully implemented the SAP Success Factor application that will integrate all employee related activities in one place and will assist in better human resource management as well as accurate and timely reporting to the management as well as the employees.

Organization readiness in responding to the critical challenges and uncertainties that are likely to arise.

Today's business environment is more uncertain than ever. Businesses are facing challenging times due to change in macro-economic conditions, climate change, technological disruption and changing business norms post COVID-19. Tackling and responding to such events and ever fast changing environment is critical for organizations in order to survive and thrive in future.

In order to respond to uncertainty, embracing the uncertain environment is critical, otherwise the Company would be ignorant of its surrounding and such changes may catch the Company off-guard during impact. As a responsibility towards its stakeholders, company regularly assesses risks and opportunity profile to identify any disruption.

The Company is managing business risk through its diversification plans while financial and liquidity risk is managed by maintaining adequate capital structure and gearing ratio and having good relationships and credit lines from various reputable banks.

Additional Disclosures

Fair Value and Forced Sales Value of Property, Plant and Equipment – Sugar Division and Paper Division

Total Assessed Present Market Value of existing plant, machinery, building and land is over Rs. 11.67 billion however, the company has only accounted for revaluation in respect of land in its financial statements.

Forced sales value of plant, machinery, building and land is Rs. 8.83 billion.

Significant Material Assets

Significant material assets of the Company are land, building, complete set of mills, Boilers, Steam Turbines, Evaporators, Centrifugal and Diesel Generator Sets. The significant assets of paper project are plant and machinery, civil buildings, PEB structures and Boiler equipment.

Plant Capacities

Sugar Mills Cane Crushing capacity	12,500 MT per day
Paper and Board capacity	250 MT per day.





Stakeholders' Relationship and Engagement

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Stakeholders' Engagement

Our stakeholders extend valuable contribution towards our growth and existence. Procedure for stakeholders' engagement includes effective communication, harmony and compliance with laws & regulations. We cannot truly execute our purpose without input from our stakeholders.



STAKEHOLDERS

Institutional Investors / Shareholders

SHAREHOLDERS

Safeguarding our shareholders' interest is our prime responsibility. Our shareholders' interest revolves around good returns, profitability, growth and regulatory compliance. We respond to our shareholders' expectations through improvement in business mechanics, effective governance and corporate reporting framework. Annual General Meetings and statutory reporting are the most effective means of our engagement with our shareholders. Support of shareholders is critical in achieving the Company objectives.

MINORITY SHAREHOLDERS

The management of the Company firmly believes in encouraging and ensuring the equitable treatment of all shareholders including minority shareholders to attend, speak and vote at the Annual General Meeting and appoint another member as his / her proxy in his / her instead. The Notice of the AGM is published in Urdu and English language in one issue of a daily newspaper of respective language having a nationwide circulation. Such notice is also placed on the Company's website.

INVESTORS SECTION

To keep transparency in the relation between the Company and its shareholders, the website of Mirpurkhas Sugar Mills (<http://gfg.com.pk/msm>) contains all the major financial information needed for investors' decision making in a separate tab of "Investor relations".

Customers & Suppliers

WHOLESALE, CUSTOMERS AND TRANSPORTERS

Sustaining and developing long term relationship with our wholesalers, customers and transporters forms the key of our business' success. Their expectations are focused on product quality, pricing and service delivery. Our sales team remains in close contact to this segment of our stakeholders to resolve issues on a priority basis. We continue to engage them through meetings and market visits and communications. We derive success from the brand loyalty of Mirpurkhas Sugar Mills Ltd and the cooperation from our transporters.

SUGARCANE FARMERS AND OTHER VENDORS

Efficient supplier network is a key for effective working capital management. To achieve this objective, we conduct market surveys to strengthen our bond with our sugarcane farmers and other vendors. Our supply chain management team is in continuous contact with suppliers and vendors through meetings and correspondence to resolve all queries for on time deliveries. Cooperation of our sugarcane farmers in supplying sugarcane on timely basis in order to run smooth crushing operations.

Banks and Other Lenders

BANKS AND OTHER LENDERS

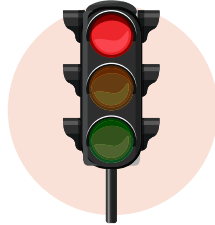
We value our relationship with our financial partners and lenders. Financial risk management and business sustainability are few of the interests of this segment of stakeholders. Periodic briefings, Quarterly financial reporting, Head Office and Site visits are the main means for our engagement with this category of stakeholders. Bank and other institutes help us in obtaining loans at attractive rates and advise on strategic issues whenever needed.



Media

MEDIA

Ads and campaigns are launched in media based on marketing requirements. Interaction with media improves the Company brand image.



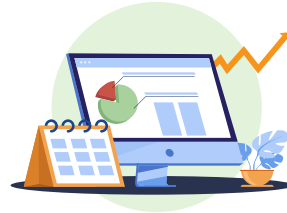
Regulators

GOVERNMENT AND REGULATORY BODIES

Our commitment to compliance with laws and regulations is evident from our Corporate and Legal team's continued efforts for efficient and effective legal and regulatory obedience. The engagement includes submission of periodic reports, responding to enquiries and meetings as and when required. Active engagement with regulators improves level of compliance.

AGM PROCEEDINGS

The last AGM was conducted at Mirpurkhas Sugar Mills Site on Friday, January 26, 2024 at 11:00 a.m. The meeting was well organized and well attended by the Shareholders. Shareholders asked different questions regarding Company's market share and exploring new markets and venues to sustain. Shareholders also raised questions on the Company's cost saving strategy. Shareholders approved the Financial Statements and also gave approval for appointment of M/s. Kreston Hyder Bhimji & Co, Chartered Accountants as external auditors. Further, the Chairman & Members of the Audit Committee had Participated in the Annual General Meeting of the Company and responded to queries of shareholders.



Analysts

INSTITUTIONAL INVESTORS AND ANALYSTS BRIEFING

Corporate / analyst briefings are the interactive sessions between the management of Mirpurkhas Sugar Mills Limited and the investors where the Company takes the opportunity to apprise investors about the Company in explaining its financial performance, business outlook, competitive environment and right perspective of affairs of the Company in which it operates and invests. The Company has strong connections with the institutional investors and analysts. Institutional investors regularly obtain Company's business briefings and financial reports.

The management of the Company firm believes in conducting corporate briefing session in accordance with the directions / regulations issued by the Pakistan Stock Exchange to update the shareholders, institutional investors and analysts about the status of the Company's operational and financial performance.

Apart from these regular meetings, the Company also conducted formal Corporate Briefing Session via zoom on February 6, 2024 to apprise the stakeholders about the Company's operational and financial performance during the year 2022-2023. The Director and Chief Financial Officer of the Company summarized the Company's performance and progress highlighted the growth, diversification and challenges regarding the sugar sector. A Question & Answer session was also held in order to provide further explanation that shown the commitment of the Company towards continuous evolving stakeholders' engagement.



Employees

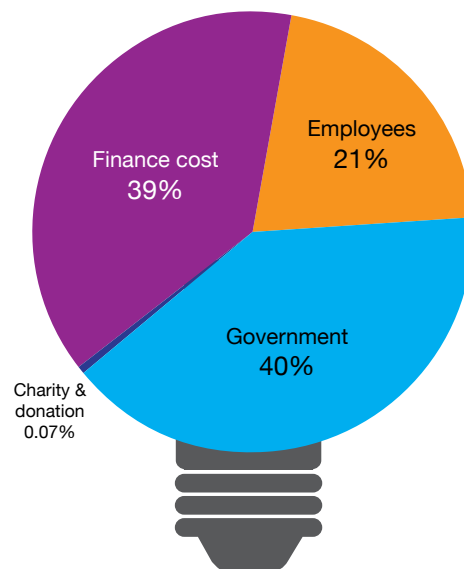
EMPLOYEES

Our company has extensive employee engagement schemes in place. The employees' issues revolve around work life balance, training and development and rewards. We have educational loan schemes, in-house and outside training programs and long-term employment reward schemes in place to value our employees as Human Capital. Employee meetings are on regular intervals in form of Annual get-togethers, celebrating sports day and team building activities. Employees' engagement improves the level of dedication and hard work.



Statement of Value Addition and Distribution of Wealth

	2024	2023
	(Rupees in '000)	
Wealth Generated		
Gross Sales	13,916,110	9,042,304
Material and Services	10,361,864	(6,028,639)
	3,554,246	3,013,665
Other income	47,140	515,883
Share of loss in an associate	(652,468)	911,711
	2,948,918	4,441,259
Wealth Distributed		
EMPLOYEES REMUNERATION		
	1,013,530	740,657
GOVERNMENT AS:		
Direct & Indirect taxes	1,951,168	1,481,453
Workers' Funds	-	10,741
	1,951,168	1,492,194
CHARITY & DONATIONS		
	3,333	205
SHAREHOLDERS AS DIVIDEND		
Cash dividend**	-	-
Bonus Share**	-	310,386
FINANCE COST		
	1,858,395	1,124,065
RETAINED IN BUSINESS		
Depreciation & Amortisation	384,722	244,822
Retained (Loss) / Profit	(2,221,448)	528,930
	(1,836,726)	773,752
	2,989,700	4,441,259









Sustainability and Corporate Social Responsibility

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Sustainability Highlights

Certifications are benchmark



Our sustainability commitment ensures that Mirpurkhas Sugar Mill's (MSM) everyday actions generate positive impact on the environment and society. With sustainability embedded throughout our business, we fulfill our mission of setting science in motion to create a better world. This is Science for Goodness.

We are committed to a sustainable future for MSM and all our stakeholders. As a national industry player, we have a responsibility to deliver long-term value to our associates, customers, suppliers, shareholders and communities.

By taking a holistic approach to our business strategy, we are ensuring our actions go beyond today's needs to generate a positive impact on the environment and society in the future. In doing so, we foster a unified and inclusive work environment and strengthen and support our communities. This culture enables us to deliver more sustainable product and service solutions that create lasting positive impacts for all our stakeholders. Sustainability is fundamental for us, our achievements & Sustainability Development Goals (SDGs) are:

System Certification and Accreditation.

MSM always takes care of its responsibility towards the product quality, people, environment and climate and therefore strives to ensure the wellbeing of all. Dedicated departments are responsible to ensure the system effectiveness by measuring, monitoring, controlling and reporting to the top management.

For accomplishing this, MSM is certified on multiple systems accreditation such as QMS, EMS, OH&S Management System, GMP by Bureau Veritas Certification - Pakistan on behalf of BVC Holding SAS – UK and HALAL Food PS 3733 by ACTS on behalf of Pakistan National Accreditation Council (PNAC).

In order to improve the efficiency and effectiveness of company's operations and to motivate staff by defining their key roles and responsibilities, Mirpurkhas Sugar Mills Ltd holds certified for Integrated Management System & Good Manufacturing Practices.

Since June 2020, Bureau Veritas awarded certification to MSM for compliance of the standard of Quality management system ISO 9001:2015, Environmental management System ISO 14001:2015 & Occupational health and safety management system ISO 45001:2018 while MSM is already certified for Good Manufacturing Practices Codex Alimentarius. The successful Surveillance audits are being done annually.

Last year, Bureau Veritas Pakistan conducted a successful re-certification audit of the Integrated Management System, which included the scope of the paper plant.

Additionally, the MSM Paper & Board Division is accredited on a new FSC certification following a successful audit of the FSC Chain of Custody, conducted by SGS Pakistan.

The FSC-COC (Forest Stewardship Council - Chain of Custody) supports sustainability in the paper and board industry by ensuring recycled waste paper is responsibly sourced and traceable. It promotes sustainable supply chains, reducing dependence on virgin fibers and minimizing environmental impact. By certifying recycled materials, it encourages responsible waste management and circular economy practices. FSC certification ensures ethical labor standards and compliance with environmental regulations. It builds consumer trust in sustainable products, aligning the industry with global eco-friendly goals. This fosters a balance between economic growth and environmental responsibility.

This inherent responsibility is the basis of Integrated Management System, Good Manufacturing Practices and HALAL Food Safety to focus on reliability to maintain quality.

Our standards your guarantee



Further highlights of the Company's performance, policies, initiatives and plans in place relating to various aspects of Sustainability are as follows:

Environmental

MSM is successfully managing environmental compliance with today's ever-changing regulatory requirements and applicable laws through a team of highly qualified professionals. An experienced team deals with challenging environmental issues. Our interdisciplinary staff excels at developing effective strategies to address and minimize environmental liabilities while taking into account the business priorities.

Mirpurkhas Sugar Mills is fully compliant with the NEQS as stipulated in Sindh Environment Protection Act 2014- (SEPA) and now working towards a cleaner production.

Keeping in view, we utilize our waste as a soil reclaimer for fertigation of soil to produce better yield of crop.



Following are the key measures taken by Mirpurkhas Sugar Mills for protecting the environment:

a. Energy

Energy efficiency has proven to be a lucrative and proficient way to guarantee a sustainable future. The efficient energy usage is not only vital in terms of the environment, but it can also provide the Company a competitive edge in terms of cost factors. Energy is a significant component of our sugar production process and further due to the national energy crisis, this topic has become of significant importance to the Company. The Company has taken numerous initiatives to save energy which also decrease the cost of production. In order to reduce reliance on conventional fuels and attaining steam economy through efficient use of bagasse in steam generation

process, the Company continuously seeks to undertake significant measures to conserve energy by creating awareness at Head Office and Plant site on efficient energy usage through regular sessions. The Company also participated in the "Energy management system implementation programme" and got the certification of appreciation.



Captive Power Plant

The company has steam turbines of 19 MW, which can run on steam. This reduces the environmental impact on our society and attaining steam economy through efficient use of bagasse in steam generation Process.

Following are the other key steps taken by the Company to achieve this target:

- Periodical energy audit (Internal & Outsource) based on EnMS.
- Up gradation of boiler DCS system to improve boiler efficiency.
- Addition of VFD drives across the manufacturing plant.
- Partial Automation of crystallization process.
- Addition of melt evaporation process.
- Replacement of ordinary lighting with energy efficient LED.
- Energy auditing is a system in place to avoid transmission losses.
- Replacement of old inefficient electric motors with high efficiency electric motors.

The Company has also commissioned a 2MW Solar power plant to avail cost efficiency & developing green environment.



Energy Conservation Drive at Head Office

Installation of LED lights and trainings and awareness on energy conservation measures has resulted in considerable savings in electricity consumption at Head Office as compared to last four years.

b. Emissions and Effluents

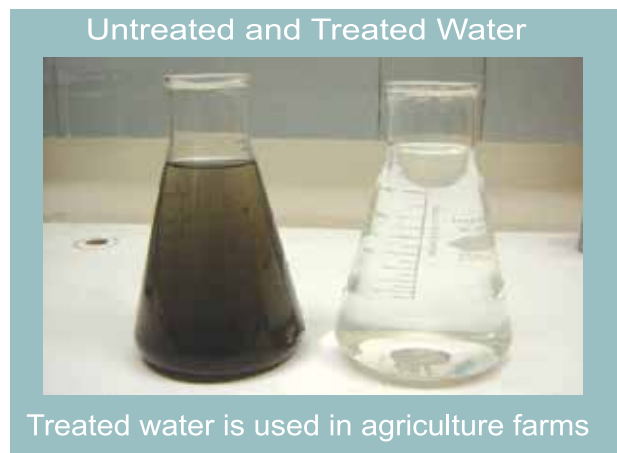
Emission control relates directly to climate change and the impact of gaseous emissions on the ozone layer. As a manufacturing concern, this is of vital importance. As stated above, the Company is fully compliant with national and provincial regulations.



All of our emission parameters monitored from power generation and sugar manufacturing process are well below their respective limits as specified in the National Environmental Quality Standards (NEQS).

Water Conservation Plan

- Water balance is carried out.
- A list of water consuming and draining points was prepared.
- The next utilization of used water was identified according to the nature of process.
- The end pipe effluent is being treated in a state of art effluent treatment plant. Activated Sludge process / Physicochemical and biological process in order to comply with NEQS.
- The treated water is recycled / used in agriculture farms and plantation / horticulture purpose.



Achievements

- Approximately 2000 tons / day fresh canal water consumption has been saved. Source of contamination has been blocked. As a result, BOD and COD has decreased.
- Decrease in level of TSS & TDS as about 90% of total suspended solid collected from wastewater drain.
- Reduced the level of oil & grease.
- About 70 to 80 Ton / hour condensate water has been reused and the same level is reduced for effluents. Improved working environment.
- Occasional spillage has been controlled through continued process optimization.

Air Emission

Our plant is equipped with bagasse-fired boilers and their emission complies with NEQS's limits.

Pollution Control Equipment

MSM has installed and enhanced the capacity of pollution control equipment in order to reduce emission load. These are:

- Bagasse Dryers: About 80% Flue gasses are used in these dryers to dry wet Bagasse.
- Ash removing and collecting system: Ash Removed / Collected from Flue gasses.
- Dust Catcher: Dusted Extracted.
- Oil Skimmer / gravity separation chamber: Oil and Grease Collected from wastewater.
- Strainers: About 90% of total suspended solid collected from waste water drain.
- Automated DCS Boiler system and I-Boilers: To reduce fuel consumption and flue gases emission.

- Pan automation project: Overall 2% of steam has been saved as a result of fuel burning and its emission level is also reduced.
- Energy saving project through installation of VFDs.
- Major quantity of CO₂ is reused at carbonation process, which also reduces the emission load in the ambient environment.

Products

Our products i.e. sugar, paper, by-products Molasses, Bagasse, Mud and Effluents are of organic nature and from renewable resources which do not have any harmful effect on environment.

c. Quality Operations

MSM is focused to manufacture high quality of food grade sugar as per GMP and HALAL Food requirements as well as the implementation of comprehensive integrated Quality and Food Safety Management System.

High level of Quality operations is essential to achieve MSM's business objectives. Quality is a source of competitive advantage and remains an attribute of MSM's products. The high quality is not an added value but it is a fundamental basic requirement.



MSM (Paper & Board Division) focuses on customer satisfaction through delivering defect-free products and believes in this concept as an integral strategy. It involves a range of techniques and procedures to identify and correct any defects that may impact the quality of the final product. Additionally, MSM (PBD) has also acquired international quality, health & safety and environmental standards to gain customer's confidence that their products are safe, reliable and complying with required quality parameters.

Quality Operation's emphasis is to produce high quality of white refined sugar / paper by implementing the tools of Good manufacturing practices, which includes:

- Design, installation, operation and performance qualification of all manufacturing equipment and testing instruments as part of Quality Assurance.
- Manufacturing Process Validation & Analytical Test Methods as part of Quality Assurance.
- Timely and Accurate testing of incoming materials raw/packaging, in-process, final product.
- Performing concurrent and accelerated stability studies for shelf life determination in order to monitor preservation of quality characteristics within shelf life.
- Implementation of Good Manufacturing Practices (GMP) & HALAL Food production with respect to housekeeping & HALAL controlling points at mill, boiler and process house, yards and Godowns, workers' hygiene, pest management and documentation.
- Formal Risk Assessment before any Change and Change Control Mechanism during Change Implementation.
- Formal Deviation Management related to suppliers, mill and process house including customer complaints investigation / root cause analysis and implementation of Corrective & Preventive Action (CAPA).
- Planning and conducting all inspection and testing activities as per Good Laboratory Practices.



- Monitoring of whole sugar manufacturing process against the standard of GMP and HALAL Food.
- Use of Statistical Process Control Tools to monitor the process capability.

The consistency of performance across the sugar / paper manufacturing is vital for our customers; hence, reliability of our testing of raw materials, in process and final product is a part of manufacturing Quality Assurance activity.

- Quality Assurance is responsible to monitor the entire operational activity against process parameters and product attributes, focused on stability studies, validations, handling customer complaints and investigating all deviations with the coordination of main laboratory, process and mill house.

For integrity of data, SAP & Oracle ERPs are used for controlled data recording and different reports generations.

Our Quality operation work facility (sugar / Paper)

Sugar

- Sugarcane quality control laboratory's focus is on the quality of sugarcane, testing of sugarcane against each arrival and performing source / field inspection frequently during the sugarcane growing season.

Process control laboratory / Main laboratory focuses on the manufacturing activity, testing of raw materials, each step of in process and final product.

- Decreased losses of in process and finished materials by control during manufacturing activity.
- Quality Assurance is responsible to monitor the entire operational activity against process parameters and



product attributes, focused on stability studies, validations, handling customer complaints and investigating all deviations with the coordination of main laboratory, process and mill house.

For integrity of data, SAP & Oracle ERPs are used for controlled data recording and different reports generations

Paper

1. Raw materials testing: Quality control begins with testing the raw materials, including wood pulp, recycled paper, and other additives, to ensure that they meet the required specifications.
2. Process control: During the manufacturing process, various parameter such as steam temperature, pressures, and loads are monitored and controlled to ensure consistent quality.
3. In-process testing: Samples are taken at various stages of the manufacturing process to test for factors such as concentration, color (shade), grammage, moisture and strength.

Major Quality Achievements:

- Quality sugar production as per GMP Codex Alimentarius, Food safety management system, USP, BP and Consistency in the production of high quality white Refined Sugar.
- SAP (ERP) Quality Management Module implemented and successfully run
- Acquired certification for HALAL Food from ACTS (PNAC certified Body.) Increased productivity by supporting development work of high-quality sugar cane in the operational area.
- Decreased losses of in process and finished materials by control during manufacturing activity.
- Improved the efficiency of plant by close monitoring and measuring the performance against agreed indicators and target limits.
- Successful operation of effluent treatment plant at full capacity
- MSM's human resource in the area of Quality Control and Assurance is academically qualified from science graduates to Masters and has remarkable experience of sugar manufacturing.
- The research work of our quality professional was published and acknowledged in the National & International conventions. Mr. Sharif Khan, DGM - Quality Assurance presented his paper on innovative technique for energy

saving at 52nd Annual Convention by Pakistan Society of Sugar Technologist whereas Mr. Shakil Ahmed Malik, GM Operations shared his point of view on energy saving techniques through planetary drives at Mills.



d. Transport

The mechanism by which our Sugar bags and Paper reels are transported to whole sellers and registered sector is through qualified transporters by heavy trucks and containers. The Company is familiar to the fact that these trucks / containers could have an impact on surroundings as small mishaps can lead to heavy accidents. In order to mitigate the risk, the Company has adopted the procedure of Pre-delivery inspection, which is performed by QA/QC inspectors before lifting of sugar bags / paper reels in the trucks for product safety and safe transportation.

Further, for load management, trucks' and containers' capacity is effectively utilized in order to avoid risk of accidents resulting from overloading. For bulk Sugar, the Company allows only 'specialized bulk trailers' to dispatch Sugar.

e. Tree Plantation Drive and wildlife reserve

Companywide tree plantation drives were continued throughout the year along with the Head Office. The Company has planted a large number of trees in and around the factory premises. Moreover, the Company has maintained a wildlife reserve for wild life protection at factory location where different kinds of birds and animals redecorate the environment.



2. SOCIAL

a. Employment

Mirpurkhas Sugar Mills Ltd has given tremendous employment opportunities through expansion of business operations, created especially for the locals. Mirpurkhas Sugar Mills is recognized among top employers due to its excellent employee benefits.

b. Labour / Management Relations

The Company supports right to exercise freedom of association and collective bargaining. Sufficient time is given by the Company to employees and their elected representatives for any significant operational changes which affect them.

c. Occupational Health and Safety

We manage and utilize resources and operations in such a way that the safety and health of our people is ensured. We believe our safety and health responsibilities extend beyond protection and enhancement of our own facilities. We have a highly trained safety team, emergency response team, a qualified doctor and paramedical staff at our plant. In addition, the factory is provided with dedicated and fully equipped ambulance and an in-house dispensary. Moreover, safety sign boards are in place at all important visible places.

Our workers are sufficiently trained through fire & safety trainings and are also adequately equipped with

Personal Protective Equipment which is monitored at regular intervals. Workers are also trained by theoretical explanations and practical drills to handle unforeseen emergencies. Regular mock drills are also carried out to familiarize everyone with the steps and procedure to follow in emergency situations. Mock drills of chemical spillage, firefighting, evacuation, casualty handling and security are also conducted. Moreover, safety audits are also conducted on regular basis.

At Mirpurkhas Sugar Mills, Health and Safety is the first and foremost agenda topic for each in-house and higher management meetings. The Company has made safety manual containing policies and procedures. Moreover, contractors' safety measures and mechanism are also in place, which are in complied with. In addition, Health and Safety concerns are explicitly included in SMART goals of head of departments and senior management of plant.

Good compliance with policy programme resulted in the conclusion of the year with no reportable occupational illness. These programme includes the regular testing of plant equipment and sites from a health perspective, as well as monitoring of employee health. Additionally, health awareness sessions on basic lifesaving techniques, medical emergency handling and first aid were conducted at our factory and head office. Basic Life Support is a first-aid resuscitation that educates and equip individuals to recognize various life-threatening emergencies. By educating our employees with basic life support and medical practices, we are maintaining a safe and healthy workplace. Our production facility operated without any major injury. Reported injury case if happens, is thoroughly investigated by trained personnel and findings are subsequently circulated to higher ups. Once investigations are completed, actions and recommendations are assigned to individuals with a strict follow-up system put in place to avoid any recurrence.

d. Training and Education

The training, education and development of our people is a topic of critical importance to us. We have the long-standing ambition to be an employer of choice and to be known as a "Talent factory", recruiting and retaining the best and the brightest. We work towards this goal on a continuous basis, with formal training, development and growth opportunities, effective and timely performance appraisal and feedback systems, and by creating an open culture that encourages feedback and discussion. Moreover, Apprenticeship and Management Trainee Programs are also in place.



e. Diversity and Equal Opportunity

As part of our HR policy, we strive to be an equal opportunity employer. Mirpurkhas Sugar Mills is committed to encourage greater diversity and ensuring equal opportunities for individuals based on merit. Policies, objectives and progress in this regard is elaborated in detail under the governance policies section presented earlier in this report.

f. Non-discrimination

Mirpurkhas Sugar Mills is committed to ensure equal treatment and fair working conditions for employees. This belief is driven by our core values and our Code of Conduct.

g. Child Labor

Despite of manufacturing concern near rural area of Mirpurkhas, the Company has strict policy over prohibition of child labor. No child has ever been employed by the Company and the same policy will be followed in future.

h. Forced or Compulsory Labor

The Company believes in free working environment; no employed worker is forced and compulsory.

i. Consumer Protection Measures

The Company ensures that the Sugar is packed and dispatched to its consumers in a safe manner. It also complies with all safety standards and industrial requirements. The Company ensures that the customers get best value for money.

j. Business Ethics and Anti-Corruption Measures

The Company is fully committed to promoting the highest standards of ethical behavior throughout its business. The management condemns corrupt and fraudulent practices and ensures transparency, integrity and honesty in all aspects of work. The Company expects all its employees to perform services with integrity and professionalism.

Fundamental to this is the adoption of a 'zero tolerance' approach to all forms of corruption and misrepresentation.

k. Local Communities

We strive for the development of communities surrounding us. Investment in the communities where we operate in is a strong focus for Mirpurkhas Sugar Mills. Further details on this topic are presented under the next section of Corporate Social Responsibility.

3. Raising the Bar

Organic / Bio Fertilizer

The cost of crop inputs is increasing day-by-day, resulting in higher production cost. It affects the overall conventional economics of agricultural farms. The Company actively engages with various organic/bio fertilizer producers and perform trials on its farms to see comparative results with conventional fertilizers with reference to productivity and profitability and advise accordingly. These organic/bio fertilizers are priced much lower as compared to urea/DAP and using the organic/bio fertilizer would improve soil health as well as reducing cost of production.

Statement on Environmental, Social, and Governance (ESG)

The Company is committed to positive change and long-term sustainability for our business and stakeholders. Our strategic objectives on ESG are as under:

Environmental:

The Company is focused on reducing its environmental impact by implementing sustainable practices, reducing carbon emissions, and saving resources.

Social Responsibility:

The Company contributes to the well-being of the society towards commitment to health, safety, diversity, equality, and inclusion which is reflected in our work force and culture.

Governance:

The Company ensures transparency, accountability and ethical behavior at all levels of corporate governance.

The Company has always been aware of its responsibility towards the society, environment, economy and climate and has opened sustainable ways to ensure healthy and happy conditions for current and future generations.

The ESG awareness influences the strategy and allows the Company to take more initiatives in respect of ESG and allocating more resources such as financial resources, human resources and time for the achievement of excellence in ESG.

Statement on strategic objective and Impact on Stakeholders

The Board of Mirpurkhas Sugar Mills is pleased to present MSM's strategic objectives concerning our Environmental, Social, and Governance (ESG) commitments and their anticipated impact on stakeholders. Our strategy is meticulously designed to integrate sustainability into every facet of our operations, reflecting our dedication to responsible business practices and long-term value creation.

Strategic Objectives	Impact on Shareholders
Promoting Eco-Friendly Practices	<ul style="list-style-type: none"> Enhanced Financial Stability through reduction in Operational risks & Long term costs Risk Mitigation through avoidance of regulatory fines & operational disruptions
Encouraging Social Accountability	<ul style="list-style-type: none"> Strengthened Reputation
Promoting Sound Governance Practices	<ul style="list-style-type: none"> Increased confidence and credibility of Shareholders Risk mitigation for governance related risks
Reducing Carbon Footprint	<ul style="list-style-type: none"> Cost savings and improved energy efficiency
Promoting Regular Community Engagement	<ul style="list-style-type: none"> Enhanced company's image and can attract more investment
Promoting Diversity in Workforce	<ul style="list-style-type: none"> Drives innovation in work culture and improves Business Performance

Key Sustainability Related Risks and Opportunities

The Board of MSM principally assumes full responsibility for operation of the company within the laws and the urging need for the company to be environmental friendly, meeting expectations of various groups of stakeholders through application of best governance practices. The Board has put in place rigorous mechanism for identification of risks, evaluation of its possible impact on scenario based analysis on the Company and developed strategies to mitigate all possible risks. This principle keeps the Company within its risk appetite and helps to achieve its corporate objectives. The Board through its Audit Committee evaluates the control system for possible improvisation and enforce changes due to emerging risks & opportunities presented by the ESG. The Board empowered management to perform comprehensive planning to address key risk and develop established control framework comprising clear structures, authority limits and accountabilities, well implemented policies and procedures. The management of the Company has maintained close eyes in the overall environment the Company operates and align/redesign its policies and procedures to the ever-changing business dynamics and the risks involved to protect the interest of the company and its stakeholders.

Following are the major risks which may affect our business operations and mitigating strategies for controlling these risks.

Risks and Opportunities	Company Responses & Initiatives
<p>Energy shortage and reliance on non-renewable resources (timeframe: short to long term)</p> <p>Energy shortage remain a continuous concern for industries operating in Pakistan including MSM. Reliance on fossil fuels, increasing cost of energy and negative impact of non-renewable sources on the environment is the key risk the company faces related to ESG. Disruption in the supply of Energy will lead to disruption in production and will hinder meeting growing customer demands.</p>	<ul style="list-style-type: none"> - Alternate Sources of energies have been explored and installed in the company; - The company has steam turbines of 14.5 MW, which can run on steam. This reduces the environmental impact on our society and attaining steam economy through efficient use of bagasse, canola husk and rice husk in steam generation Process; - Periodical energy audit (Internal & Outsource) based on Energy Management System; - By installing solar panels, the company ensures uninterrupted production during power failures, while conserving the environment; - Production processes are regularly reviewed for cost efficiencies and energy savings.
<p>Water Availability and discharge (timeframe: medium to long term)</p> <p>The supply of water is critical for manufacturing processes, and any delay or scarcity can lead to significant production delays. Water utilization varies across industries, but scarcity can pose serious risks to the entire supply chain, starting with the availability of raw materials. Overuse of water sources can result in drought conditions, harming local ecosystems, leading to biodiversity loss, and degrading natural habitats. Additionally, the excessive discharge of hazardous materials can severely impact ecosystems and threaten all forms of life.</p>	<p>Water is conserved through the following measures:</p> <ul style="list-style-type: none"> - The end pipe effluent is being treated in a state of art effluent treatment plant. Activated Sludge process / Physicochemical and biological process in order to comply with NEQS. - The treated water is recycled / used in agriculture farms and plantation / horticulture purpose.

<p>Environment protection risk, Availability of responsibly sourced paper raw material (timeframe: short to long term)</p> <p>Being in the paper industry that is reliant on fiber for production of paper, there is a risk of sourcing forest materials that are generated through illegal logging, deforestation and violation of human rights associated with the place where timber is harvested.</p>	<ul style="list-style-type: none"> - This risk is mitigated by using waste paper as input for production instead of fresh fiber sourced from forests. - The company is FSC certified which means that: <ul style="list-style-type: none"> • The wood used to make the product comes from responsibly managed forests that comply with the highest environmental, social and economic standards. • The wood is traceable throughout the manufacturing process • The forests are managed to protect the environment, wildlife, and people • The forests are managed to uphold the rights of Indigenous people • The forests are managed to eliminate illegal logging
<p>Supply Chain Disruption (timeframe: medium to long term)</p> <p>ESG factors have a very critical role in the supply chain as any hindrance at any stage of the supply chain will lead to the disruption in the succeeding stages of the supply chain with ultimate dissatisfaction of the customer. The disruption can occur at any level starting from the supplier of raw materials to transporter transporting the goods to the ultimate consumer and it may be caused by flood, earthquake, shortage of critical resources, extreme weather conditions, workers strike etc.</p>	<ul style="list-style-type: none"> - Comprehensive strategy established for monitoring and mitigating supply chain risks and potential disruptions; - Increased suppliers base both in the local market as well as at international level; - Transportation arrangements are in place for timely delivery of goods to the customers - Contingency plans are in place including stock levels to meet urgency or disruption for quite some time and these plans are regularly reviewed/improved; - The company diversifies its supplier base to reduce concentration risk in areas prone to environmental hazards by purchasing from both local and international suppliers and has multiple suppliers for most of its raw materials and consumables. This approach helps avoid interruptions caused by such disruptions. - For OCC, the Company strives to have long term arrangements with the suppliers and continuous engagements with respect to the quality issues as well as timely payments.
<p>Cybersecurity (timeframe: short to long term)</p> <p>Mishandling or breaches of sensitive data can result in operational disruptions, financial losses, reputational harm, and regulatory penalties.</p>	<p>The company has an up-to-date disaster recovery plan to ensure the continuity of operations in the event of a disaster.</p> <p>Effective data backup mechanisms are in place, along with regular log reviews and access control audits to maintain robust system controls. Also refer the section “Disclosures on IT Governance and Cybersecurity”.</p>

<p>Product Safety and Integrity Risk (timeframe: short to medium term)</p> <p>MSM is engaged in business with many well reputed FMCGs and pharma for the supply of sugar where the product quality is paramount and any breach of product integrity, low quality product supply, allergic reactions from the product supplied by MSM could be very damaging for the company reputation and future business. Further, the Company supplies customized brown paper to various corrugators according to their product strength and shade requirements, any variations from requirements could lead to rejection of product and financial loss for the company.</p>	<p>Extensive quality testing of raw materials and finished products for conformance of the customer requirements and applicable standards;</p> <ul style="list-style-type: none"> - The Company is ISO 9001: 2015 certified and meets the highest quality standards for all its products.
<p>Climate Change: Natural Disaster/catastrophe (timeframe: short to long term)</p> <p>Natural disaster is hard to predict which have pervasive impact on company operations if so struck which could include flood, earthquake, thunderstorm with lightning.</p>	<ul style="list-style-type: none"> - Safety measures have been taken by the Company during construction and erection of building and plant; - Comprehensive insurance cover is well in place for the whole company; - Well established disaster recovery plan and data backup to address any unwarranted event.
<p>Air Quality (timeframe: medium to long term)</p> <p>In recent years, global attention to air quality and air pollution has intensified, leading to stricter environmental regulations and the implementation of advanced emission control technologies. Manufacturing processes discharge hazardous gases that significantly impact the environment and contribute to air pollution. Many countries have enacted comprehensive laws and established stringent standard operating procedures (SOPs) to control and mitigate the rising levels of emissions, aligning with global sustainability goals and climate change initiatives</p>	<p>MSM has installed and enhanced the capacity of pollution control equipment in order to reduce emission load. These are:</p> <ul style="list-style-type: none"> • Bagasse Dryers: About 80% Flue gasses are used in these dryers to dry wet Bagasse. • Ash removing and collecting system: Ash Removed / Collected from Flue gasses. • Dust Catcher: Dust Extracted. • Automated DCS Boiler system and I-Boilers: To reduce fuel consumption and flue gases emission. • Major quantity of CO₂ is reused at carbonation process, which also reduces the emission load in the ambient environment. - Regular maintenance of machines is carried out to control the emissions well within control.
<p>Regulatory Changes in framework (timeframe: short to medium term)</p> <p>Due to the increasing realization of the ESG actors and its impacts; Govt. are moving towards developing clear laws, regulations and policies & procedures to have better future for their next generations while other have developed and implemented laws & regulations. We are witnessing a paradigm shift in laws & regulations in the past few years to counter global climate change, warmer environment and depletion of natural resources.</p> <p>Non-compliance with ESG laws & regulations are not only costly but also create impediments to operate. It also creates bottleneck in the engagement with the customers with consequent impact on the reputation of the Company.</p>	<ul style="list-style-type: none"> - MSM believe not only on mere compliance with laws & regulation but rather believe on the spirit of the law; - We are closely monitoring the changes taking place in the legal landscape through our dedicated legal department; - Contingency plans are well in place which are updated as the situation evolves and actions are taken as demanded by the circumstances; - Accurate and timely reporting of the material information are disclosed to the stakeholders whether inside or outside the company; - Arrange training & development for the staff to embrace the changes & challenges happening in the legal framework.

Comprehensive Governance & Strategy for sustainable Development and Risk Management

The Company's management approach is built on four core pillars: Governance, Strategy, Risk Management, and Metrics/Targets. Each pillar is detailed with specific metrics to showcase the Company's performance and advancement.

Core Pillars	Overview	Metrics
Governance	Develop structured policies and processes to oversee compliance with regulatory requirements related to sustainability and ESG practices.	<ul style="list-style-type: none"> - Sustainability Goals to be defined, monitored, and integrated in operations - Comprehensive and transparent reporting of all related Risk & Opportunities
Strategy	Focus on minimizing environmental impact by optimizing resource use, enhancing energy practices, and reducing emissions.	Frequency of sustainability initiatives to be overseen, including: <ul style="list-style-type: none"> - Energy efficiency goals, - Water conservation efforts, - Waste management practices, and - Sustainable sourcing strategies
Risk Management	A comprehensive risk management framework to identify, assess, and address sustainability-related risks, including those associated with supply chain disruptions, and evolving regulations.	<ul style="list-style-type: none"> - Monitor number of identified risks addressed - Check incident response times - Continuously assess Sustainability risk
Metrics and Targets	Specific metrics to measure our progress towards sustainability goals, including enhancing energy efficiency, increasing the use of alternative fuels and raw materials, improvements in employee diversification, and maintaining robust governance standards.	<ul style="list-style-type: none"> - Environmental goals (e.g. reducing carbon footprint) - Social objectives (e.g. community engagement initiatives) - Governance (e.g. adherence to strong governance protocols)

Sustainability-Related Risks and Opportunities Throughout the Value Chain

Mirpurkhas Sugar Mills places a strong emphasis on transparency in managing sustainability risks and opportunities across throughout its value chain. Ranging from Raw material, moving through production, and ending on distribution, we intend to address all consideration of ESG, to minimize risks and maximize positive impacts. Through thorough analysis of each component of value chain, our aim is to identify sustainability risks at an earlier stage, work closely with suppliers to ensure responsible sourcing and ethical practices, and implement rigorous standards for resource efficiency and waste management during production.

Value Chain Stage	Risk	Opportunities	Initiatives
Raw Material Acquisition	<ul style="list-style-type: none"> - Damage to Ecosystems - Legal issues from stricter regulations - Health and safety hazards to workers 	Sustainable practices and regulatory compliance enhance reputation and efficiency, while community engagement and technological innovation promote sustainability and reduce resource dependence.	<ul style="list-style-type: none"> - Comprehensive strategy established for monitoring and mitigating supply chain risks and potential disruptions. - The company diversifies its supplier base to reduce concentration risk in areas prone to environmental hazards by purchasing from both local and international suppliers and has multiple suppliers for most of its raw materials and consumables. This approach helps avoid interruptions caused by such disruptions. - Continuous engagement with the farmers to educate them to use environment friendly farming techniques. - Establish robust health and safety protocols and training programs, for employees and vendors - Explore and implement alternative materials and methods
Operations	<ul style="list-style-type: none"> - High energy & resource consumption - Community impact from environmental harm - Inefficient waste management 	The company can enhance sustainability by adopting energy-efficient technologies, using alternative materials, improving waste management, investing in renewable energy, and implementing eco-friendly innovations.	<ul style="list-style-type: none"> - Treatment of waste water for reuse - Investment in Solar Power Plant - Effective Management of Energy System - Regular community engagement initiatives - Periodical energy audit (Internal & Outsource) based on EnMS.

			<ul style="list-style-type: none"> - Up gradation of boiler DCS system to improve boiler efficiency. - Maximum use of renewable energy to minimize impact on the environment.
Distribution & Logistics	<ul style="list-style-type: none"> - High carbon emissions due to transportation, - Potential inefficiencies in supply chain management - Environmental impacts from fuel use. - Overloading and risk of accidents. 	MSM can invest in sustainable logistics and supply chain management by optimizing logistics to reduce carbon footprint, investing in fuel-efficient or alternative energy vehicles, improving packaging sustainability, and enhancing supply chain efficiency to lower overall environmental impact.	<ul style="list-style-type: none"> - Implementation of route optimization - Fuel efficient transportation - Pre-delivery inspection of vehicles - Efficient utilization of space to avoid overloading.

Climate-Related Risks & Opportunities Under IFRS S2

Mirpurkhas Sugar Mills is dedicated to sustainability and transparency, while recognizing the importance of managing climate-related risks and opportunities. We are in the process of adopting a framework aligned with IFRS S2 standards to identify, assess, and address these risks and opportunities. Our approach involves specific methodologies and tools to ensure our strategy is resilient and adaptive to the evolving climate landscape.

Climate-Related Risks:

- Direct impacts of extreme weather may physically damage the assets and cause operational disruptions.
- Transition to a lower carbon mechanism, due to change in policies and technologies may cause financial and operational challenges.
- Long term climate shifts, such as rising sea, and increased temperatures may affect infrastructure stability, resource availability, and operational sustainability.

Climate-Related Opportunities:

- Implementing energy-efficient processes and utilizing renewable energy sources can reduce operational expenses and increase profit margins.
- Improving water management practices can mitigate the risks of water scarcity and decrease associated operational costs.
- Utilization of eco-friendly packaging can increase brand reputation and ensure compliance with regulatory standards.
- Utilization of diversified sources and partnering with sustainable suppliers can help decrease the effects of climate-related disruptions.

Environmental Initiatives by Focusing on 3R's

At Mirpurkhas Sugar Mills, our environmental strategy is deeply rooted in mitigating climate change and adhering to the principles of the 3Rs: Reduce, Reuse, and Recycle. These principles guide our efforts to minimize pollution, conserve resources, and combat environmental degradation.

Reduce	Reuse	Recycle
Our goal of minimizing Environmental footprint, is achieved through implementing Energy efficient technologies such as bagasse based boilers and solar plants and bagasse dryers and ash removing system for reducing pollution in the air.	The company's paper plant uses waste paper as raw material, which reduces waste, eventually leading to less reliance on non-renewable resources.	These include recycling and repurposing for various waste materials, such as used oils, waste water and empty drums.



Corporate Social Responsibility Highlights

Being a diligent and responsible member of the corporate community, the Company contributes to various social and charitable causes towards health, education and social sectors as part of its Corporate Social Responsibility. The Company has stood by the people of Pakistan in their hour of need and shall always continue to do so. Here is an overview of the progress of our community supports and CSR projects.

DONATIONS

Health

Support extended to health-related initiatives includes:



a) Medical Camps

The Company promotes well-being of society by becoming a part of medical and health related initiatives. In lieu of promoting better health, the Company has arranged medical camp in collaboration with Dr.Essa Laboratories & Government of Sindh for less privileged class of the society.

b) Treatment Supports

For those people who lack facilities of medical treatment or cannot afford them, the Company has made efforts by donating a reasonable amount. By providing medical facilities to the less privileged, the Company made it easier for them to take care of themselves and their families.

The Company always cares for special people who are integral part of our society. In this regard the Company had made donations to special trusts and schools for their education and vocational training including Gulistan-e-Mazooreen for disabled persons.

Development and Community Support

Our operations are supported by our communities, both directly and indirectly. And we know that giving back to them and helping them develop simply makes good sense in the long run for them and for us. In this regard, the Company has made donations to:

a) Local Government and Bodies

Company supported local Government and Bodies through donations for following events:

- Mango & Summer fruits festival
- WWF for preservation wild life.



Along with education and health, environment also contributes in development of societies and communities.



b) Ramadan Bachat Bazaar:

MSM also contributed for betterment of less privileged class by taking part in Ramadan Bachat bazaar, so the people can buy the goods at lesser prices.

c) Promotion of sports

For the promotion of sports activities MSM arranged a Cricket league at PCB ground Mirpurkhas.

The Company has also paid an amount of Rs. 2.5 million to Mr. Arshad Nadeem (Javelin thrower) as a token of appreciation.

d) Employment

The Company participates in various job fairs to provide new job opportunities to the new generation.

Preservation of Wild Life

To save wild life, the company is managing a wildlife reserve to conserve the beauty of nature.







Business Model

Our Business Model

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Our Business Model

Key Resources

INPUTS:

HUMAN CAPITAL

255 Employees

MANUFACTURED CAPITAL

- 4 process lines
- Sugar Plant capacity of 12,500 Metric Tons per day
- Paper plant capacity of 250 Metric Tons per day
- Effluent Treatment Plant
- 19 MW Power Generation Plant
- 2 MW Solar Plant
- Sugar cane procured and crushed: 15.403 million maunds costing approx. Rs. 4.6 billion
- OCC, pulp and chemicals consumed costing Rs. 2.5 billion

FINANCIAL CAPITAL

- From equity of Rs. Rs. 4.09 billion in 2023 to Rs. 2.50 billion in 2024
- Total assets Rs. 13.78 billion
- Strong Credit Rating
 - Long Term A-
 - Short Term A2
- Credit lines of Rs. 10.75 billion at September 2024.

INTELLECTUAL CAPITAL

- Purest Quality refined sugar
- Producing multiple varieties of Sugar and paper
- Pharma Grade Sugar
- Quality Certifications
 - Certificate of continued satisfactory operation of the Organization's Management System ISO 9001:2015.
 - Certificate of Compliance with standard of Good Manufacturing Practices (GMP).
 - Halal Certification
- SAP S4 Hana

SOCIAL & RELATIONSHIP CAPITAL

- Cane team educated farmers and growers on best farming techniques
- Financial support to growers for sugarcane Farming
- Specialized data driven cane procurement team
- Relationship with local and international suppliers of OCC, pulp and chemicals

NATURAL CAPITAL

- Major production on power plants fueled by bagasse, rice husk and solar
- Planted large number of trees for environment Protection
- Certifications of
 - Implemented Environmental Management System ISO 14001:2015 certified
 - Implemented Occupational Health & Safety Management System ISO 45001:2018 certified
 - FSC (Forest Stewardship Council) Certification

Our Integrated Value Chain

INPUTS:

Mirpurkhas sugar mills limited (MSM) procures the best sugarcane from its surrounding areas.

A dedicated Cane procurement team performs a data driven survey throughout the year and take best sugarcane growers onboard for smooth supply in Season at optimum cost. The Company has long association with many growers.

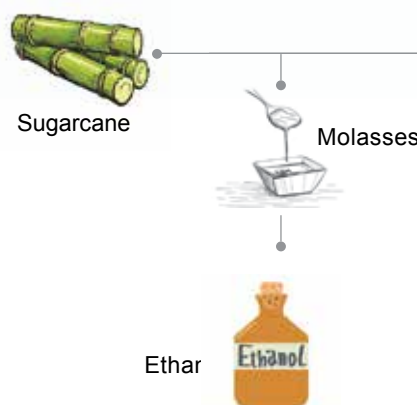
For OCC, the Company strives to have long term arrangements with the suppliers and continuous engagements with respect to the quality issues for production of fine quality paper.

With a very low employee turnover, company takes pride in its accumulated human resource.

BUSINESS ACTIVITIES/ DIFFERENTIATION

MSM has capacity to crush 12,500 MT of sugarcane per day. All the by-products of sugarcane like bagasse, molasses etc. are 100% further converted (internally utilized/sold), to obtain maximum output from the sugar making process and minimize costs. Here, skilled human resource of the company plays key role to obtain a maximum sucrose recovery from sugarcane by better quality and timely procurement. Also, paper plant is running on renewable energy and bio-fuels.

The company supports its customers in case of any complaints and addresses their concerns.



OUTPUT

MSM manufactures the following varieties of Sugar:

- White Refined Sugar
- Pharma & Food Grade Sugar

Paper:

- Test liner
- White test liner
- Kraft liner
- Fluting paper

OUTCOME

During the year MSM's net revenue was Rs. 11.97 billion.

The Company contributed Rs. 1,590 million to the National Exchequer during the year.

KEY OUTPUTS**HUMAN CAPITAL**

- Training & Development
- New hiring
- Promotions
- High retention and low turnover

MANUFACTURED CAPITAL

- Sugar Produced: 66,101 tons
- Paper produced: 31,968 tons
- Molasses produced: 30,110 tons
- Investment in latest manufacturing technology
- Waste water which is processed in Strainers for usage in agriculture farms.

FINANCIAL CAPITAL

- Investment in new projects relying on the energy of sugar plant.

INTELLECTUAL CAPITAL

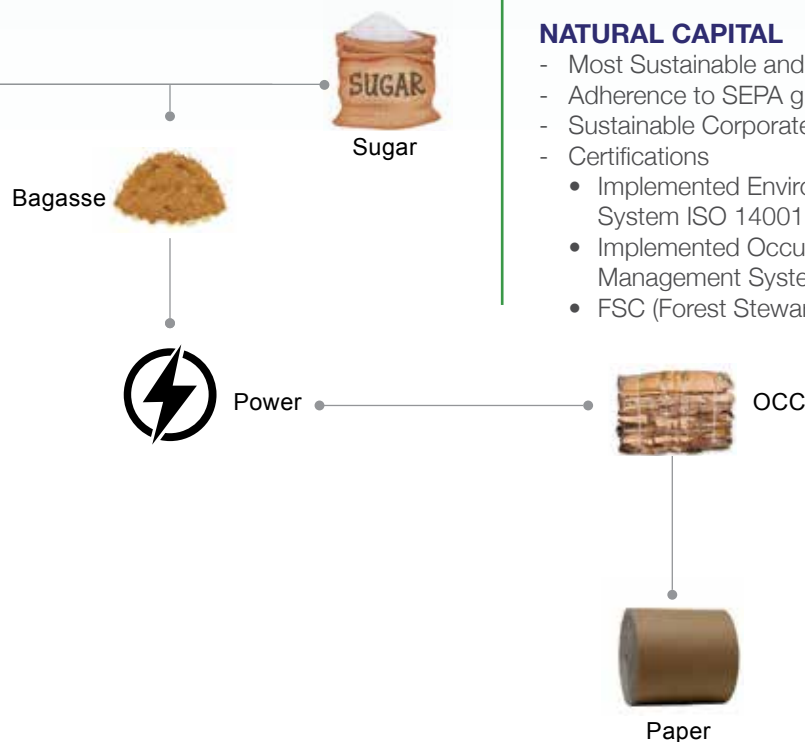
- Strong and loyal customer base
- Preferred supplier for pharma companies
- Secured & advanced remote working techniques.

SOCIAL & RELATIONSHIP CAPITAL

- Exceptional relationship with raw material suppliers
- Preferred Mill by grower to supply Sugarcane
- 24hrs Uninterrupted cane supply and production during season.
- New growers and Procurement circles
- New customers
- Charity and donations

NATURAL CAPITAL

- Most Sustainable and Green industry
- Adherence to SEPA guidelines
- Sustainable Corporate Farming
- Certifications
 - Implemented Environmental Management System ISO 14001:2015 certified
 - Implemented Occupational Health & Safety Management System ISO 45001:2018 certified
 - FSC (Forest Stewardship Council) Certification





Excellence in Corporate Reporting

Statement of Unreserved Compliance of International Financial Reporting Standards (IFRSs) issued by International Accounting Standards Board (IASB)	188
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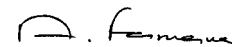
Statement of Unreserved Compliance of International Financial Reporting Standards (IFRSs) issued by International Accounting Standards Board (IASB)

Mirpurkhas Sugar Mills Limited is preparing statutory financial statements in accordance with the IFRS issued by IASB as notified under the Companies Act 2017 including the disclosure requirements of fourth schedule.

However, SECP has not notified adoption of following IFRS:

Standards / Amendments	IASB Effective dates (annual periods beginning on or after)
IFRS 1 - First time adoption of IFRSs	1-Jan-2004

In addition to this, note 2 to the financial statement specify few standards and interpretations which are yet to be effective in Pakistan. The Company believes that that the impact of the above standards and those referred in note 2 does not have any material impact to the Financial Statements.



Arif Faruque
Chairman

Karachi: December 20, 2024

Glossary of Term

Acid Test Ratio:

The ratio of liquid assets to current liabilities.

AGM:

A mandatory, public yearly gathering of a publicly traded company's executives, directors and interested shareholders.

Amortization:

To charge a regular portion of an expenditure over a fixed period of time.

Borrowing Cost:

Finance costs that are directly attributable to the construction/acquisition of a qualifying assets and included in the cost of such asset.

Current Ratio:

The current ratio indicates a company's ability to meet short-term debt obligations.

Dividend Payout Ratio:

The ratio found by dividing the annual dividends per share by the annual earnings per share.

Earnings Per Share:

Earnings found by dividing the net income of the Company by the number of shares of common outstanding stock.

EBITDA:

Earnings before Interest, Taxes, Depreciation and Amortization.

Financial leverage Ratio:

The ratio found by dividing total debt by the equity held in stock. This is a measure of financial risk.

Gearing Ratio:

Compares some form of owner's equity (or capital) to borrowed funds.

HR & RC:

Human Resource and Remuneration Committee.

HS&E:

Health, Safety and Environment.

IAS:

International Accounting Standards.

IASB:

International Accounting Standards Board.

IFRIC:

International Financial Reporting Issues Committee.

IIRF:

International Integrated Reporting Framework.

IFRS:

International Financial Reporting Standard.

Joint Venture:

A business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task.

KIBOR:

Karachi Inter Bank Offer Rate.

MSM:

Mirpurkhas Sugar Mills Limited

Price-Earnings Ratio (P/E):

The ratio found by dividing market price per share by earnings per share (This ratio indicates what investors think of the firm's earnings' growth and risk prospects).

Principal:

In commercial law, the principal is the amount that is received, in the case of a loan, or the amount from which flows the interest.

Qualifying Asset:

An asset that takes substantial period of time to get ready for its intended use/sale.

Return on Equity (ROE):

The value found by dividing the Company's net income by its net assets (ROE measures the amount a company earns on investments).

Security:

A pledge made to secure the performance of a contract or the fulfillment of an obligation.

Spread:

Rate charged by the bank over KIBOR.

Term:

The maturity or length of time until final repayment on a loan, bond, sale or other contractual obligation.

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	• Gender and race diversity;	104
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	Within 40 days - 6 marks	

	Within 50 days - 6 marks (in case of holding company who has listed subsidiary / subsidiaries) Within 60 days - 3 marks	
	(Entities requiring approval from a Regulator before finalization of their financial statements would be provided a 20 days relaxation, on providing evidence to the Committee).	
5.19	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include:	
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6. Analysis of the Financial Information

Page No.

6.01	Analysis of the financial and non-financial performance using both qualitative and quantitative indicators, showing linkage between: a) Past and current performance; b) Performance against targets /budget; and The analysis should cover significant deviations from previous year in operating results and the reasons for loss, if incurred, as well as future prospects of profits.	116-119
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Annexure II - Specific Disclosures of the Financial Statements

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3	Capacity of an industrial unit, actual production and the reasons for shortfall.	258
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7	Disclosure about Human Resource Accounting (includes the disclosure of process of identifying and measuring the cost incurred by the company to recruit, select, hire, train, develop, allocate, conserve, reward and utilize human assets).	245-246
8	In financial statements issued after initial or secondary public offering(s) of securities or issuance of debt instrument(s) implementation of plans as disclosed in the prospectus/offering document with regards to utilization of proceeds raised till full implementation of such plans.	N/A
9	Where any property or asset acquired with the funds of the company and is not held in the name of the company or is not in the possession and control of the company, this fact along with reasons for the property or asset not being in the name of or possession or control of the company shall be stated; and the description and value of the property or asset, the person in whose name and possession or control it is held shall be disclosed.	N/A





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Independent Auditors' Report to the members of Mirpurkhas Sugar Mills Limited

Report on the Audit of Financial Statement



Opinion

We have audited the annexed financial statements of Mirpurkhas Sugar Mills Limited, ("the Company") which comprise the statement of financial position as at September 30, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2024 and of the loss, comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following are the Key Audit Matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	<p>Paper project and related financing.</p> <p>As disclosed in note 4 to the accompanying financial statements, the Company had capitalized paper project cost in the preceding year and the project commenced commercial production as well as to finance the above project cost the Company has obtained long-term borrowings as disclosed in note 18 to the accompanying financial statements.</p> <p>During the year, capacity utilization of paper project at 46.5% and due to under utilization of capacity as well as finance cost there was a loss situation.</p> <p>Accordingly, we have identified the paper project operation and related financing as a key audit matter.</p>	<p>Our procedures are as follows:</p> <ul style="list-style-type: none"> ➤ Obtaining an understanding of the Company's process with respect to operating cycle related to paper project and testing the Company's controls in this area relevant to our audit ➤ We considered whether the items of fixed cost, including borrowing cost, meet the recognition criteria in accordance with the applicable financial reporting standards. ➤ We checked the timing and effective control over revenue and cost of paper project by examining, on a sample basis and also applied test of control as well as test of details. ➤ We obtained and checked the financing agreements and circularized confirmations to the financing banks to confirm outstanding loan balances and other related terms at year end. ➤ We checked compliance of the covenants and their implications. We also checked the analysis of the financing to ascertain the servicing of loans as per their remaining maturities. ➤ We assessed the adequacy of the Company's disclosures in accordance with the applicable financial reporting standards.
2.	<p>Recognition of Revenue:</p> <p>The company is engaged in the production and sale of sugar and paper and recognized revenue there for the year ended September 30, 2024.</p> <p>We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that it could be subject to misstatement to meet expectations or targets.</p>	<p>Our audit procedures to assess the recognition of revenue included the following:</p> <ul style="list-style-type: none"> ➤ Obtaining an understanding of the process relating to recognition of revenue and assessing the design, implementation and operating effectiveness of key internal controls over recording of revenue. ➤ Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards. ➤ Obtaining an understanding of the nature of the revenue, testing a sample of sales contracts to confirm our understanding and assessing whether or not management's application of IFRS 15 requirements was in accordance with the standard.

		<ul style="list-style-type: none"> ➤ Performing analytical procedures and test of details by selecting sample of transactions for comparing with sales orders, sales invoices, delivery orders and other underlying records. ➤ Comparing a sample of revenue transactions recorded around the year end with the sales orders, sales invoices, delivery orders and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. ➤ Reviewing the adequacy of disclosure as required under applicable financial reporting framework.
3	<p>Valuation of stock-in-trade.</p> <p>As at reporting date, the Company held stock-in trade amounting to Rs. 2,181 million which constitutes 16% of total assets, as disclosed in note 9 to the financial statements. As described in note 9 to the financial statements, stock-in-trade is measured at lower of cost and Net Realizable Value (NRV). The cost of work-in-process and finished goods is determined at average manufacturing cost including a proportion of production overheads. Judgements are required to determine the appropriate basis for costing and its valuation.</p> <p>Given the significance of the amount involved and the level of judgements and estimates required to value the stock-in-trade, we have identified valuation of stock-in-trade as a key audit matter.</p>	<p>Our key audit procedures in this area amongst others included the following:</p> <ul style="list-style-type: none"> ➤ Obtained an understanding of the Company's valuation process for stock-in-trade and tested controls relevant to such process. ➤ Tested the calculations of per unit cost of finished goods and assessed the appropriateness of management's basis for the allocation of cost and production overheads. ➤ Tested the NRV of the stock-in-trade by performing a review of sales close to and subsequent to the year end and comparing with the cost for a sample of products. ➤ Observed physical stock count activities to ascertain the condition and existence of stock-in-trade, performed testing on a sample of items to assess their NRV and evaluated the adequacy of NRV adjustment for stock-in trade as at the year end. ➤ Assessed the adequacy of the related disclosures in accordance with the applicable financial reporting standards.
4.	<p>Contingencies: The Company is under litigation cases over the years in respect of various matters including the matter of fixation of minimum price of sugarcane for crushing season 2017-18 and other miscellaneous cases as disclosed in note 25 to the annexed financial statements.</p> <p>Given the nature and amounts involved in such contingencies and the appellate forums at which these are pending, the probability of the related payments and the appropriate accounting in the financial statements require significant professional judgments. These judgments can</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ➤ Evaluating management's processes and controls to identify new possible obligations and changes in existing obligations through meetings with the management and review of the minutes of meetings of the Board of Directors and Audit Committee. ➤ Review of the relevant information including case proceedings and correspondences with regulatory authorities and company's external counsel in respect of the ongoing litigations as well as industry practice of such matters.

	<p>change over time as new facts emerge and as the case progresses. Therefore, we have identified this matter as a key audit matter.</p>	<ul style="list-style-type: none"> ➤ Circularizing confirmations to the legal counsels of the Company to evaluate the status of the pending litigations and view point of any Company's legal counsels thereon. ➤ Verifying legal and professional expenses to confirm that all pending legal matters are identified and disclosed. ➤ Re-computing the amounts of obligations based on available underlying information and confronted parameters. <p>Whilst noting the inherent uncertainties involved with the legal and regulatory matters, assessing the appropriateness of the related disclosures made in the annexed financial statements.</p>
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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of these financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mohammad Hanif Razzak.



Chartered Accountants

Karachi:

Dated: December 20, 2024

UDIN AR202410222Am792njib

Statement of Financial Position

As at September 30, 2024

		2024	2023
	Note	----- (Rupees in '000) -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	6,633,113	6,846,091
Long-term investments	5	1,436,726	2,362,945
Long-term loans and deposits	6	6,168	27,654
Deferred tax asset-net	7	209,515	-
		8,285,522	9,236,690
CURRENT ASSETS			
Stores, spare parts and loose tools	8	794,827	739,189
Stock-in-trade	9	2,180,809	2,407,741
Trade debts	10	1,421,583	667,539
Loans and advances	11	171,452	219,379
Trade deposits and short-term prepayments	12	22,155	50,383
Other receivables	13	223,532	282,317
Short-term investments	14	468,152	31,254
Tax refunds due from the Government		159,795	154,574
Cash and bank balances	15	55,069	34,879
		5,497,374	4,587,255
		13,782,896	13,823,945
TOTAL ASSETS			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	16	665,579	465,579
Reserves	17	1,170,158	2,964,938
Surplus on revaluation of property, plant & equipment	17	661,496	661,496
		2,497,233	4,092,013
NON-CURRENT LIABILITIES			
Long-term financing	18	2,458,619	2,183,659
Long-term lease liabilities	19	11,111	11,845
Deferred liabilities	20	646,878	618,976
Government grant	21	184,823	246,622
		3,301,431	3,061,102
CURRENT LIABILITIES			
Trade and other payables	22	1,373,974	969,935
Accrued mark-up	23	334,316	381,562
Short-term borrowings	24	5,777,970	4,772,246
Current portion of long-term financing	18	424,446	458,964
Current portion of long-term lease liabilities	19	4,014	11,941
Current portion of government grant	21	61,799	68,429
Unclaimed dividend		7,713	7,753
		7,984,232	6,670,830
		13,782,896	13,823,945
CONTINGENCIES AND COMMITMENTS			
	25		
TOTAL EQUITY AND LIABILITIES			

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


Aslam Faruque
 Chief Executive


Hasan Reza Ur Rahim
 Director


Wasif Khalid
 Director & Chief Financial Officer

Statement of Profit or Loss

For the year ended September 30, 2024

		2024	2023 Restated
	Note	----- (Rupees in '000) -----	
Turnover - net	26	11,969,725	7,779,469
Cost of sales	27	(11,149,846)	(6,416,207)
Gross profit		819,879	1,363,262
Distribution cost	28	(264,816)	(165,756)
Administrative expenses	29	(319,397)	(269,480)
Other operating expenses	30	(33,241)	(177,138)
		(617,454)	(612,374)
Other income	31	47,140	515,883
Operating profit		249,565	1,266,771
Finance cost	32	(1,858,395)	(1,124,065)
		(1,608,830)	142,706
Share of (loss) / profit in associates - net	5	(652,468)	911,711
(Loss) / Profit before levies and taxation		(2,261,298)	1,054,417
Levies	33	(165,915)	(111,057)
(Loss) / Profit before taxation		(2,427,213)	943,360
Taxation	33	205,765	(104,044)
(Loss) / Profit after taxation		(2,221,448)	839,316
			(Restated)
(Loss) / Earnings per share - basic & diluted (Rupees)	34	(39.17)	16.43

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


Aslam Faruque
 Chief Executive


Hasan Reza Ur Rahim
 Director


Wasif Khalid
 Director & Chief Financial Officer

Statement of Comprehensive Income

For the year ended September 30, 2024

	2024	2023
	----- (Rupees in '000) -----	
(Loss) / Profit after taxation	(2,221,448)	839,316
Other Comprehensive income		
Items that will not be subsequently reclassified to statement of profit or loss:		
Actuarial loss on defined benefit plan	(31,992)	(2,871)
Unrealised gain on remeasurement of equity investment at fair value through other comprehensive income	169,137	27,567
Surplus on revaluation of land	-	116,801
	137,145	141,497
Total comprehensive (Loss) / Income	(2,084,303)	980,813

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


Aslam Faruque
 Chief Executive


Hasan Reza Ur Rahim
 Director


Wasif Khalid
 Director & Chief Financial Officer

Statement of Cash Flows

For the year ended September 30, 2024

	2024	2023
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before levies and taxation	(2,261,298)	1,054,417
Adjustments for :		
Depreciation	4.1 376,667	236,767
Depreciation on right-of-use asset	4.6 8,055	8,055
Provision for market committee fee	20.1 6,203	5,639
Provision / (Reversal of provision) against receivable	10 / 31 850	(1,168)
Accrued profit term deposit	(2,415)	(2,828)
Fair value adjustment of biological assets	-	13,329
Dividend income from related parties	31 (19,676)	(17,850)
Share of loss / (profit) in associates	5 652,468	(911,711)
Gain on disposal of property, plant and equipment / non- current asset held for sale	31 (266)	(452,073)
Gratuity expense	6,902	1,217
Provision of deferred liabilities-net	21,699	138,231
Finance cost on lease liabilities	32 3,280	4,256
Finance cost	32 1,855,115	1,119,809
	2,908,882	141,673
	647,584	1,196,090
Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(55,638)	(451,219)
Stock-in-trade	226,932	(1,006,941)
Biological assets	-	(9,189)
Trade debts	(754,894)	(553,142)
Loans and advances	47,927	(132,135)
Trade deposits and Short-term prepayments	28,228	(48,353)
Other receivables	19,891	(18,070)
	(487,554)	(2,219,049)
Increase in current liabilities:		
Trade and other payables	404,039	416,503
Cash generated from / (used in) operations	564,069	(606,456)
Long-term loans and deposits-net	21,486	1,696
Income tax paid	(174,886)	(141,131)
	(153,400)	(139,435)
Net cash generated from / (used in) operating activities	410,669	(745,891)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	4 (172,611)	(1,197,979)
Sale proceeds of property, plant and equipment	4.2 1,133	8,679
Investment in Term deposit receipt	(20,000)	(28,500)
Redemption on investment in term deposit receipt	-	1,500
Profit realised on term deposits	3,405	152
Dividend received from an associate	5 25,000	275,000
Dividend received from related parties	31 19,676	17,850
Net cash used in investing activities	(143,397)	(923,298)
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance cost paid	(1,902,361)	(904,342)
Short-term borrowings-net	1,005,724	2,570,105
Long-term financing-net	172,013	29,958
Payment of lease liability-net	19 (11,941)	(11,000)
Proceeds from issuance of right shares-net	489,523	-
Payment of dividend	(40)	(223)
Net cash (used in) / generated from financing activities	(247,082)	1,684,498
Net increase in cash and cash equivalents	20,190	15,309
Cash and cash equivalents at the beginning of the year	34,879	19,570
Cash and cash equivalents at the end of the year	15 55,069	34,879

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


Aslam Faruque
 Chief Executive


Hasan Reza Ur Rahim
 Director


Wasif Khalid
 Director & Chief Financial Officer

Statement of Changes in Equity

For the year ended September 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 in '000) -----									
Balance as at October 01, 2022	134,950	34,250	1,583,835	-	61,191	452,715	2,131,991	844,259	3,111,200
Profit after taxation	-	-	839,316	-	-	-	839,316	-	839,316
Surplus on revaluation of land	-	-	-	-	-	-	-	116,801	116,801
Surplus on revaluation of land realized on account of disposal	-	-	299,564	-	-	-	299,564	(299,564)	-
Other comprehensive (loss) / income	-	-	-	-	(2,871)	27,567	24,696	-	24,696
Total comprehensive income / (loss)	-	-	1,138,880	-	(2,871)	27,567	1,163,576	(182,763)	980,813
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 September 30, 2023	465,579	34,250	2,392,086	-	58,320	480,282	2,964,938	661,496	4,092,013
Balance as at October 01, 2023	465,579	34,250	2,392,086	-	58,320	480,282	2,964,938	661,496	4,092,013
Loss after taxation	-	-	(2,221,448)	-	-	-	(2,221,448)	-	(2,221,448)
Other comprehensive income	-	-	-	-	(31,992)	169,137	137,145	-	137,145
Total comprehensive (loss) / income	-	-	(2,221,448)	-	(31,992)	169,137	(2,084,303)	-	(2,084,303)
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	-	-	-	(10,477)	-	-	(10,477)	-	(10,477)
Balance as at September 30, 2024	665,579	34,250	170,638	289,523	26,328	649,419	1,170,158	661,496	2,497,233

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


Aslam Faruque
 Chief Executive


Hasan Reza Ur Rahim
 Director


Wasif Khalid
 Director & Chief Financial Officer

Notes to the Financial Statements

For the year ended September 30, 2024

1. STATUS AND NATURE OF BUSINESS

1.1 Mirpurkhas Sugar Mills Limited (the Company) was incorporated in Pakistan on May 27, 1964 as a public limited company and its shares are quoted on Pakistan Stock Exchange Limited. 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 Head Office	Address Modern Motors House, Beaumont Road, Karachi.
Registered Office / Factory 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 Summary of significant transactions and events that have affected Company's financial position and performance during the year

1.2.1 Issuance of Right shares

During the year company issued 42.957% right shares (i.e. 42.957 shares for every 100 shares held), full amount of right i.e. Rs. 500,000,000/- has been received and utilized according to the purpose mentioned in the offering documents.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as 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 Accounting standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Accounting convention

These financial statements have been prepared following the accrual basis of accounting except for the statement of cash flows.

These financial statements have been prepared under the historical cost convention without any adjustments for the effect of inflation or current values, except for the following material items in the

statement of financial position:

- a) Inventories which are valued at lower of weighted / moving average cost or Net Realizable Value (NRV) in accordance with IAS 2;
- b) Biological assets that are valued at fair value less estimated cost to sell in accordance with IAS 41;
- c) Obligation under certain employees retirement benefits that are based on actuarial valuation in accordance with IAS 19;
- d) Free hold land which stands at revalued amount in accordance with IAS 16;
- e) Right-of-use assets and corresponding lease liabilities in accordance with IFRS-16; and
- f) Long-term loan under TERF and wage financing facility discounted at present value & related Government grant.

2.2.1 Adoption of amendments and improvements to approved accounting standards effective during the year

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year, except as described below:

Amendments to approved accounting standards

IAS 8 Definition of Accounting Estimates

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's financial statements.

IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies (Amendments)

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The above amendments do not have any significant impact on the Company's financial statements.

2.2.2 Standards, amendments and improvements issued but not yet effective.

The following standards, amendments and improvements to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Amendment or Improvement		Effective date (annual periods beginning on or after)
IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	1-Jan-2024
IAS 7 and IFRS 7	Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1-Jan-2024
IFRS 16	Lease Liability in a Sale and Leaseback - (Amendments)	1-Jan-2024
IAS 21	Lack of exchangeability - Amendments to IAS 21	1-Jan-2025
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments - Amendments	1-Jan-2026
IFRS 17	Insurance Contracts	1-Jan-2026
IFRS 18	Presentation and Disclosure in Financial Statements	1-Jan-2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1-Jan-2027
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet finalised

The above amendments and improvements are not expected to have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's financial statements in the period of initial application.

Standards / Amendments		IASB Effective dates (annual periods beginning on or after)
IFRS 1	First time adoption of International Financial Reporting Standards	1-Jan-2004

2.3 Significant accounting judgements, estimates and assumptions

The preparation of these financial statements in conformity with the approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses and the disclosures of contingent liabilities at the end of reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying value of assets and liabilities that are not readily apparent from other sources.

However, uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of the asset or liability affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and any future periods affected.

Judgments made by the management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuing paragraphs.

In the process of applying the accounting policies, management has made the following estimates, judgments and assumptions which are significant to the financial statements:

a) Employees retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 13.1 to the financial statements for valuation of present value of defined benefit obligation and fair value of plan assets. Any changes in these assumptions in future years might affect gains and losses in those years. The actuarial valuation involves making assumptions about discount rates, expected rate of return on plan assets, future salary increases and mortality rates.

b) Property, plant and equipment and intangible assets

The Company reviews appropriateness of the rate of depreciation / amortization, useful life and residual value used in the calculation of depreciation / amortization. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment and intangible assets, with corresponding effects on the depreciation / amortization charge and impairment. As of the year end the Company estimates that there is no impairment on any of its assets.

c) Classification of investments

The management has exercised its judgment in respect of classification of investments as disclosed in note 5 to the financial statements. Any change in such judgment might materially affect the accounting policy applied in respect of such investments.

d) Stock-in-trade

The Company reviews Net Realizable Value (NRV) of stock in trade, to assess any diminution in their respective carrying values. NRV is estimated with reference to the estimated selling price in the ordinary course of business less the estimated cost of completion and the cost necessary to make the sale.

e) Stores, spare parts and loose tools

These are valued at cost determined on weighted average basis less provision for slow moving and obsolete stores and spares. Items in transit are valued at invoice value plus other charges incurred thereon.

f) Taxation

In applying the estimate for income tax payable, the Company takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingency.

Deferred tax is provided using the statement of financial position liability method on all temporary differences arising at reporting date, between the tax bases of the assets and the liabilities and their carrying amounts. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that sufficient future taxable profits will be available against which these can be utilised.

g) Provision for impairment

The Company reviews the carrying amount of assets except deferred tax assets and inventories at the reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of assets is estimated and impairment losses are recognized in the statement of profit or loss.

h) Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgement as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future event(s).

i) Leases

The Company uses judgments and estimates in the measurement of right of-use assets and corresponding lease liabilities with respect to discount rates, lease terms including exercise of renewal and termination options etc.

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Segment reporting

The Company has identified the following reportable segments on the basis of criteria defined by the “IFRS 8 Operating Segment”.

Sugar Division - Manufacturing and sale of refined sugar

Paper Division - Manufacturing and sale of paper

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax assets, liabilities and related income and expenditures. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

3.2 Taxation

a) Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

b) Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37.

c) Deferred

Deferred tax is recognized using the statement of financial position liability method, on all temporary differences arising at the statement of financial position date between the tax base of assets and liabilities and their carrying values for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that the deductible temporary differences will reverse in the future and sufficient taxable income will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be utilized.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirement.

The carrying amount of deferred tax asset is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recognized. Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred income tax relating to items recognized directly in other comprehensive income is recognized in other comprehensive income and not in statement of profit or loss.

d) Sales tax and Government duties

Revenues, expenses and assets are recognized net of amount of sales tax and government duties except:

- Where amount incurred on a purchase of asset or service is not recoverable from the taxation authority, the tax / duties is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- Receivables or payables that are stated with the amount of sales tax and government duties included.

The net amount of sales tax and government duties recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3.3 Employees' retirement benefits

a) Provident fund scheme

The Company operates two approved defined contribution provident fund schemes for its eligible permanent employees who opted for the benefits. Equal monthly contributions are made, both by the Company and the employees to the funds at the rate of 8.33% of basic salary.

b) Gratuity scheme

The Company operates an approved and funded gratuity scheme for all of its eligible permanent employees, who have completed the minimum qualifying period of service. The scheme is administered by the trustees nominated under the trust deed. The contributions to the scheme are made in accordance with the actuarial valuation using Projected Unit Credit (PUC) method.

3.4 Property, plant and equipment

a) Owned assets

These are stated at cost less accumulated depreciation except for freehold land which is stated at revalued amount and capital work-in-progress, which is stated at cost. The revaluation of freehold land is carried out once in every three years.

Assets having cost exceeding the minimum threshold as determined by the management are capitalized. All other assets are charged to income in the year when acquired.

Depreciation is charged, on a systematic basis over the useful life of the assets, to income applying reducing balance method, except for building on leasehold land, furniture and fittings, office and other equipment and computer and accessories which are depreciated using straight line method at the rates mentioned in note 4 to the financial statements, which reflects the patterns in which the assets' economic benefits are consumed by the Company. Rate of Building on leased hold land is determined on the basis of lease tenure. Additions to assets are depreciated from the month of addition while no depreciation is charged on assets disposed off during the month.

Maintenance and normal repairs are charged to statement of profit or loss, when incurred. Major renewals and improvements which increase the asset's remaining useful economic life or the performance beyond the current estimated levels are capitalized and the assets so replaced, if any, are retired.

Gains and losses on disposal of assets, if any, are recognized in the statement of profit or loss when incurred.

The carrying values of owned assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If such indications exist and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount.

b) Capital work in progress

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when assets become available for use.

c) Ijarah contracts

Ijarah contracts are classified as operating leases irrespective of whether significant portion of the risks and rewards of ownership are retained by lessor. Payments made under Ijarah contracts (net of any incentives received from the lessor) are charged to the statement of profit or loss on a straight-line basis over the period of the lease.

d) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease i.e., the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the lower of the lease term and the estimated useful lives of the assets.

3.5 Intangible assets

An intangible asset is recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of such asset can also be measured reliably. Cost of the intangible asset (i.e. computer software) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Costs associated with maintaining computer software are recognized as an expense as and when incurred.

Computer software and implementation costs that are directly associated with the computer and computer controlled machines which cannot operate without the related specific software, are included in the cost of respective assets. Software which is not an integral part of the related hardware is classified as intangible assets.

Intangible assets are stated at cost less accumulated amortization and any impairment loss. Intangible assets are amortized when assets are available for use on straight line method. Amortization is charged from the month of the year in which addition / capitalization occurs while no amortization is charged in the month in which an asset is disposed off.

Useful lives of intangible assets are reviewed, at each financial year end and adjusted if appropriate.

The carrying values of intangible assets are reviewed for impairment at each financial year end when events or changes in circumstances, indicate that carrying value may not be recoverable. An impairment loss is recognized in the statement of profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversal of impairment losses are also recognized in the statement of profit or loss, however, it is restricted to the original cost of the asset.

3.6 Investments

a) In associate

Investment in an associate is accounted for using the equity method. Under this method, the investment is initially recognized at cost as adjusted for post acquisition changes in the Company's share of net assets of the associate and impairment in the value of investment and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss of the investee after the date of acquisition which is recognized in the statement of profit or loss. Dividend received, if any, reduces the carrying amount of investment. Changes in associate's equity including those arising from the revaluation of property, plant and equipment are recognized directly in the Company's equity in proportion of the equity held. Profit / loss from material transactions with associate is eliminated. The reporting dates of the associate and the Company are identical except for UniEnergy Limited and the associate's accounting policies conform to those used by the Company for like transactions and events in similar circumstances.

b) At fair value through other comprehensive income

Equity investments are initially recognised at cost, being the fair value of the consideration paid including transaction costs. Subsequent to the initial recognition these are measured at fair value, with any resultant gain or loss being recognized in the other comprehensive income. Gains or losses on fair value through other comprehensive income are recognized in the other comprehensive income and are never reclassified to the statement of profit or loss.

c) At fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term

fluctuation in prices are classified as 'financial assets at fair value through profit or loss' category. These investments are initially recognized at fair value, relevant transaction costs are taken directly to statement of profit or loss and subsequently measured at fair value. Net gains and losses arising on changes in fair value of these financial assets are taken to the statement of profit or loss in the period in which they arise.

3.7 Stores, spare parts and loose tools

These are valued at moving average cost. Provision / write-off if required is made for slow moving items, where necessary and recognized in statement of profit or loss.

Items in transit are valued at invoice plus other charges incurred thereon.

3.8 Stock-in-trade

Stock-in-trade is valued at the lower of average manufacturing cost or NRV. The cost of work in process includes cost of raw material and proportionate manufacturing expenses.

NRV signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

3.9 Trade debts, loans, advances, deposits and receivables

Trade debts, loans, advances, deposits and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Provision is made on the basis of lifetime Expected Credit Losses (ECLs) that result from all possible default events over the expected life of the trade debts, loans and other receivables. Bad debts are written off when considered irrecoverable.

3.10 Trade and other payables

Liabilities for trade and other payables are recognized initially at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company and subsequently measured at amortised cost.

3.11 Revenue recognition

- a) Revenue from sale of goods is recognized when or as performance obligations are satisfied by transferring control of a promised good or service to a customer, and the control transfers at a point in time, i.e. at the time the goods are dispatched / shipped to customer. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, returns rebates and government levies.
- b) Income / return on investments, loans, advances and bank deposits are recognized on an accrual basis.
- c) Dividend income on equity investment is recognized, when the right to receive the same is established.
- d) Capital gains or losses on sale of investments and disposal of Property, plant and equipment are recognized in the period in which they arise.
- e) Mark-up on growers' loans is accounted for in line with the recovery of the respective loan due to exigencies involved in such matters.
- f) Profit / (loss) on biological assets is recognized at actual and fair value gain / (loss) is recognized on standing crops.
- g) Unrealized gains / (losses) arising on revaluation of securities classified as 'at fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise.

- h) Monetary assets and liabilities denominated in foreign currencies are translated into Pakistani Rupees (reporting currency) at the rates of exchange prevailing at the date of statement of financial position. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. Any resulting gain or loss from change in exchange rates is recognized in the statement of profit or loss.

3.12 Foreign currency transactions and translations

The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Transactions in foreign currencies are translated into Pak Rupees at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rate of exchange ruling at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates to monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss.

3.13 Impairment of assets

Financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balance for which credit risk (the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

The expected credit loss approach has not resulted in any material change in impairment provision for any financial asset.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss.

3.14 Provisions

Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.15 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest / profit on loan and other costs that an entity incurs in connection with the borrowing of funds.

3.16 Related party transactions

Related party transactions are carried out on commercial terms, as approved by the Board, substantiated as given in note 39 to the financial statements.

3.17 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments at the lease commencement date, the Company uses the interest rate implicit in the lease. In case where the interest rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

3.18 Financial instruments

Financial Asset

The Company classifies its financial assets in to following three categories:

- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVTPL); and
- Measured at amortized cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

Debt Investments at FVOCI: These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

Equity Investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in statement of profit or loss.

Financial assets measured at amortized cost: These assets are subsequently measured at amortized cost using the effective interest rate method. The amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

Non-derivative financial assets

All non-derivative financial assets are initially recognized on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, advances, other receivables and cash and cash equivalent. The Company derecognizes the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially

different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit or loss.

Offsetting of financial assets and liabilities

A financial asset and financial liability is only offset and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses arising from such assets and liabilities are also offset accordingly.

3.19 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and balances in current, deposit and PLS accounts with the conventional and Islamic banks.

3.20 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved. Transfer between reserves made subsequent to the statement of financial position date is considered as a non-adjusting event and is recognized in the financial statements in the period in which such transfers are made.

3.21 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.22 Contingent Assets

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization become virtually certain.

3.23 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.24 Government grant

Government grant is recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate are expensed out.

The benefit of a long-term finance at a below-market rate of interest is treated as a deferred grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Grants related to long-term finances are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as finance cost related to long-term finances at market rate of interest.

3.25 Restatement

The Company reclassified the final taxes under the levy within the scope of IFRIC 21/IAS 37 in the statement of profit or loss account as per the IAS-12 application guidance issued by Institute of Chartered Accountants of Pakistan (ICAP) dated May 15, 2024. Consequently, there is no change in profit after tax due to this reclassification, the three column impact, in the context of restatement in the Company's financial statements, is not material.

Note **2024** **2023**
----- (Rupees in '000) -----

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment - owned	4.1	6,526,839	6,670,357
Capital work in progress	4.5	95,274	156,679
Right-of-use asset	4.6	11,000	19,055
		6,633,113	6,846,091

4.1 Following are the statements of property, plant and equipment for current and prior years:

2024	Free hold land (Note 4.3)		Building on free hold land		Lease hold improvements	Plant & machinery	Furniture & fittings	Vehicles	Office & other equipment	Computers & accessories	Total
	Factory	Non Factory	Non Factory								

(Rupees in '000)

As at September 30, 2024

Cost / Revalued amount	735,812	700,739	132,208	15,211	6,399,020	12,926	293,070	50,782	49,119	8,388,887
Accumulated depreciation and impairment	-	(149,608)	(42,175)	(3,591)	(1,438,149)	(10,903)	(153,607)	(28,053)	(35,962)	(1,862,048)
Carrying amount	735,812	551,131	90,033	11,620	4,960,871	2,023	139,463	22,729	13,157	6,526,839

Year ended September 30, 2024

Opening carrying amount	727,072	595,724	97,961	12,127	5,020,728	3,349	168,788	26,132	18,476	6,670,357
Additions / Transfers:										
-Additions	8,740	-	-	-	33,482	-	6,233	3,457	2,101	54,013
-Transfers from CWIP	-	15,712	1,933	-	162,358	-	-	-	-	180,003
	8,740	15,712	1,933	-	195,840	-	6,233	3,457	2,101	234,016
Disposals:										
-Cost	-	-	-	-	-	-	(2,509)	-	(180)	(2,689)
-Accumulated depreciation	-	-	-	-	-	-	1,682	-	140	1,822
	-	-	-	-	-	-	(827)	-	(40)	(867)
Depreciation for the year	-	(60,305)	(9,861)	(507)	(255,697)	(1,326)	(34,731)	(6,860)	(7,380)	(376,667)
Closing carrying amount	735,812	551,131	90,033	11,620	4,960,871	2,023	139,463	22,729	13,157	6,526,839
Depreciation rate per annum / useful life	-	10%	10%	Lease term	5%	5 Years	20%	5 Years	3 Years	

2023	Free hold land (Note 4.3)		Building on free hold land		Lease hold improvements	Plant & machinery	Furniture & fittings	Vehicles	Office & other equipment	Computers & accessories	Total
	Factory	Non Factory	Non Factory								

(Rupees in '000)

As at September 30, 2023

Cost / Revalued amount	727,072	685,027	130,275	15,211	6,203,180	12,926	289,346	47,325	47,198	8,157,560
Accumulated depreciation and impairment	-	(89,303)	(32,314)	(3,084)	(1,182,452)	(9,577)	(120,558)	(21,193)	(28,722)	(1,487,203)
Carrying amount	727,072	595,724	97,961	12,127	5,020,728	3,349	168,788	26,132	18,476	6,670,357

Year ended September 30, 2023

Opening carrying amount	610,271	111,370	24,956	12,634	1,474,374	3,086	133,471	7,022	6,706	2,383,890
Additions / Transfers:										
-Additions	-	-	-	-	62,564	1,909	75,487	23,307	13,748	177,015
-Transfers from CWIP	-	516,697	82,142	-	3,632,321	410	-	218	2,972	4,234,760
	-	516,697	82,142	-	3,694,885	2,319	75,487	23,525	16,720	4,411,775
Disposals:										
-Cost	-	-	-	-	-	-	(21,529)	-	-	(21,529)
-Accumulated depreciation	-	-	-	-	-	-	16,187	-	-	16,187
	-	-	-	-	-	-	(5,342)	-	-	(5,342)
Revaluation surplus	116,801	-	-	-	-	-	-	-	-	116,801
Depreciation for the year	-	(32,343)	(9,137)	(507)	(148,531)	(2,056)	(34,828)	(4,415)	(4,950)	(236,767)
Closing carrying amount	727,072	595,724	97,961	12,127	5,020,728	3,349	168,788	26,132	18,476	6,670,357
Depreciation rate per annum / useful life	-	10%	10%	Lease term	5%	5 Years	20%	5 Years	3 Years	

4.1.1 Operating assets as at September 30, 2024 include items having aggregate cost of Rs. 51.16 million (2023: Rs.32.15 million) which have been fully depreciated and are still in use of the Company.

Note **2024** **2023**
----- (Rupees in '000) -----

4.1.2 Depreciation charged for the year has been allocated as follows:

Cost of sales	27	359,836	216,655
Distribution cost	28	584	507
Administrative expenses	29	16,247	19,605
		376,667	236,767

2024	2023
----- (Rupees in '000) -----	

4.1.3 Reconciliation of carrying amount:

Carrying amount at beginning of the year	6,670,357	2,383,890
Addition during the year	54,013	177,015
Transfers from capital work in progress during the year	180,003	4,234,760
Surplus on revaluation of freehold land during the year	-	116,801
Depreciation for the year	(376,667)	(236,767)
Disposal during the year at carrying amount	(867)	(5,342)
	6,526,839	6,670,357

4.2 Disposal of property, plant and equipment

Description	Cost	Net book value	Sale proceed	Gain	Mode of disposal	Particulars of buyers and relationship, if any
----- (Rupees in '000) -----						
Toyota Corolla Altis	1,999	633	501	(132)	Employee scheme	Syed Muddasir Ali Shah
Items having book value less than PKR 500,000 each	690	234	632	398		
2024	2,689	867	1,133	266		-
2023	21,529	5,342	8,679	3,337		

*None of the buyers had any relationship with the directors of the company.

4.3 This includes Rs.661.49 million (2023 : Rs. 661.49 million) in respect of revaluation surplus (Refer note no.17.1). Had the revaluation not been carried out the freehold land would have been stated at Rs.74.32 million (2023: Rs.65.58 million).

4.4 Forced sale value of freehold land is Rs. 588.09 million.

2024	2023
----- (Rupees in '000) -----	

4.5 Capital work in progress:

Civil works	18,479	23,516
Plant and machinery	76,795	129,431
Advance against vehicles	-	3,732
	95,274	156,679

4.5.1 Movement in Capital work in progress:

Opening	156,679	3,370,475
Add: Addition during the year	118,598	1,020,964
	275,277	4,391,439
Less: Transferred to fixed assets during the year	(180,003)	(4,234,760)
	95,274	156,679

4.5.2 During the year, borrowing costs have been capitalised amounting to Rs. Nil (2023: Rs. 102.72 million) on account of financing obtained specifically for this purpose.

4.6 Right-of-use asset

Opening net book value	19,055	27,110
Add: Additions during the year	-	-
Less: Depreciation during the year	(8,055)	(8,055)
Closing net book value	11,000	19,055

4.6.1 The Depreciation charge for the year on right-of-use asset pertains to rental payments of Head office & Godown for paper & board.

4.6.2 Depreciation charged for the year has been allocated as follows:

		2024	2023
	Note	----- (Rupees in '000) -----	
Cost of sales	27	4,000	4,000
Administrative expenses	29	4,055	4,055
		8,055	8,055

5. LONG TERM INVESTMENTS

In Associate Unicol Limited

50,000,000 (2023: 50,000,000) fully paid ordinary shares of Rs.10/- each

Equity held: 33.33% (2023 : 33.33%)

Dividend received

5.1.1	1,783,176	1,146,526
	(25,000)	(275,000)

Share of (loss) / profit

5.1.2	1,758,176	871,526
	(652,544)	911,650

1,105,632 1,783,176

UniEnergy Limited

768,999 (2023:768,999) fully paid ordinary shares of Rs.10/- each

Equity held: 7.69% (2023: 7.69%)

Share of profit

5.2.1	7,928	7,867
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5.2.2	76	61
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8,004 7,928

5.3 **1,113,636** 1,791,104

In Related Parties

At fair value through other comprehensive income

Cherat Cement Company Limited

2,747,277 (2023:2,747,277) fully paid ordinary shares of Rs.10/- each

417,888 354,893

Cherat Packaging Limited

2,437,615 (2023: 2,437,615) fully paid ordinary shares of Rs.10/- each

323,090 216,948

740,978 571,841

Less: current portion of long term investments

5.4	(417,888)	-
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323,090 571,841

1,436,726 2,362,945

5.1 Unicol Limited

The Company holds 33.33% (2023: 33.33%) interest in Unicol Limited, which is a public limited (Un-quoted) company. Share of profit / (loss) arising from the associate has been taken to the statement of profit or loss in accordance with the accounting policy as mentioned in note no.3.6(a) to the annual audited financial statements for the year ended September 30, 2024 . The share of Company in the net assets has been determined on the basis of the audited financial statements of Unicol Limited for the year ended September 30, 2024.

2024	2023
----- (Rupees in '000) -----	

5.1.1 The Company's interest in assets & liabilities of Unicol Limited:

Non-current assets	3,062,071	3,033,915
Current assets	2,363,148	2,120,440
	5,425,219	5,154,355
Long-term liabilities	(1,463,880)	(1,333,333)
Current liabilities	(2,855,707)	(2,037,846)
	(4,319,587)	(3,371,179)
Net assets	1,105,632	1,783,176

5.1.2 The Company's share in profit and loss of Unicol Limited:

Sales	6,405,853	5,021,479
Cost of sales	(5,935,311)	(3,364,318)
	470,542	1,657,161
Other expenses, income and taxes	(1,123,086)	(745,511)
	(652,544)	911,650

5.2 UniEnergy Limited

The Company has invested Rs. 7.69 million in 768,999 (2023: 768,999) shares having face value of Rs.10/- each representing shareholding of 7.69% (2023: 7.69%) of UniEnergy Limited, a public Limited (Un-quoted) company. UniEnergy is a joint venture 50MW wind power project. This investment in UniEnergy Limited has been accounted for using the Equity method. Share of profit arising from the associate has been taken to statement of profit or loss in accordance with the accounting policy as mentioned in note no.3.6 (a) to the annual audited financial statements for the year ended September 30, 2024. The share of Company in the net assets has been determined on the basis of the audited financial statements of UniEnergy Limited as of June 30, 2024.

2024	2023
----- (Rupees in '000) -----	

5.2.1 The Company's interest in assets & liabilities of UniEnergy Limited:

Non-current assets	3,803	3,893
Current assets	4,296	4,110
	8,099	8,003
Current liabilities	(95)	(75)
Net assets	8,004	7,928

5.2.2 The Company's share in profit and loss of UniEnergy Limited:

Administrative expenses	(352)	(331)
Other expenses, income & taxes	428	392
	76	61

5.3 Investment in associated companies and undertakings have been made in accordance with the requirements of Companies Act, 2017.

5.4 This investment has been reclassified to improve short term liquidity.

	2024	2023
Note	----- (Rupees in '000) -----	

6. LONG-TERM LOAN AND DEPOSITS

Financial assets at amortised cost Loan:

Loan for cane development	6.1	-	25,091
Less: current maturity	11	-	(3,319)
		-	21,772
Deposits:			
Deposits against ijarah contracts		2,082	1,316
Others	6.2	4,086	4,566
		6,168	27,654

6.1 This represents an interest bearing loan for the cane development, secured by the retention of title documents of borrower's land which was fully settled during the year.

6.2 These represent non-interest bearing deposits paid by the Company for obtaining various services.

6.3 Long-term loans & deposits have been carried at cost as the effect of carrying these balances at amortised cost would not be material in the overall context of these financial statements.

	2024	2023
Note	----- (Rupees in '000) -----	

7. DEFERRED TAX ASSET / (LIABILITY) - NET

Taxable temporary differences arising in respect of: Accelerated tax depreciation allowance and investment

(907,451)	(1,108,256)
------------------	-------------

Deductible temporary differences arising in respect of: Unabsorbed tax losses and others Unpaid Liabilities

1,114,923	1,210,087
2,043	3,136

1,116,966	1,213,223
-	(104,967)

Deferred tax asset not recognized	-	(104,967)
Deferred tax asset / (liability)	209,515	-

209,515	-
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8. STORES, SPARE PARTS AND LOOSE TOOLS

Stores		490,884	561,811
Spare parts		251,108	189,866
Loose tools		2,692	2,455
Stores & spares in transit		65,086	-
		809,770	754,132
Less: provision for obsolescence	8.1	(14,943)	(14,943)
		794,827	739,189

8.1 Movement in provision for obsolescence

Opening balance		14,943	14,943
Provision made during the year		-	-
Closing balance		14,943	14,943

		2024	2023
		----- (Rupees in '000) -----	
9. STOCK-IN-TRADE	Note		
Raw material-OCC/ Chemicals		345,049	638,062
Work-in-process- Sugar	27	7,523	5,870
Finished stock - Sugar	27	1,308,069	1,241,077
Work-in-process- Paper	27	3,316	3,110
Finished stock Paper	27 & 9.1	422,366	519,622
Goods in transit (Raw material)		94,486	-
		2,180,809	2,407,741
9.1	These include items costing Rs. 205.88 million (2023: Rs. Nil) valued at net realizable value of Rs. 127.53 million (2023: Rs.Nil).		
10. TRADE DEBTS	Note	2024	2023
		----- (Rupees in '000) -----	
Considered good:			
Unsecured- Neither past due nor impaired		1,421,583	647,957
Secured- Neither past due nor impaired		-	19,582
Unsecured- considered doubtful		1,806	956
Allowance for expected credit loss	10.1	(1,806)	(956)
		-	-
		1,421,583	667,539
10.1	Movement in allowance for expected credit loss		
	As at October 01	956	2,124
	Provision made during the year	850	-
	Reversal during the year	-	(1,168)
	As at September 30	1,806	956
11. LOANS AND ADVANCES			
Current portion of loan for sugar development	6	-	3,319
Considered good: Unsecured			
To suppliers		120,338	197,600
To employees classified as recoverable within next twelve months		1,398	531
To sugar cane growers		49,716	17,513
To transport contractors		-	416
		171,452	219,379
Considered doubtful: Unsecured			
Sugar cane growers		593	593
Allowance for expected credit loss		(593)	(593)
		-	-
		171,452	219,379
12. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Prepaid insurance		44	711
Prepaid rent		268	342
Other prepayments		681	1,943
Security Deposits	25.1.17	21,162	47,387
		22,155	50,383

		2024	2023
13. OTHER RECEIVABLES	Note	----- (Rupees in '000) -----	
Freight subsidy	25.1.9	199,056	199,056
Staff Gratuity fund	13.1	22,276	61,170
Others		2,200	22,091
		223,532	282,317

13.1 Staff Gratuity fund

In accordance with the requirements of IAS-19 "Employee Benefits", actuarial valuation was carried out as at September 30, 2024, using the "Projected Unit Credit Method". Provision has been made in the financial statements to cover obligation in accordance with the actuarial recommendations. Details of significant assumptions used for the valuation and disclosures in respect of above mentioned fund is as follows:

		2024	2023
13.1.1 Amount recognized in statement of financial position as follows:	Note	----- (Rupees in '000) -----	
Present value of defined benefit obligation	13.1.3	303,934	255,970
Fair value of plan assets	13.1.4	(326,210)	(317,140)
Asset recognized as at September 30		(22,276)	(61,170)
13.1.2 Movement in (Net Assets) / Liability recognized in the statement of financial position:			
Balance as at October 1		(61,170)	(65,258)
Net expense / (income) for the year		6,902	1,217
Actuarial loss charged to other comprehensive income		31,992	2,871
Balance as at September 30		(22,276)	(61,170)
13.1.3 Movement in the present value of defined benefit obligation:			
Balance as at October 1		255,970	211,212
Current service cost		17,207	10,581
Interest cost		42,152	26,904
Benefits paid during the year		(7,930)	(5,494)
Actuarial (gain) / loss		(3,465)	12,767
Balance as at September 30		303,934	255,970
13.1.4 Movement in the fair value of plan assets:			
Balance as at October 1		317,140	276,470
Expected return		52,457	36,268
Benefits paid		(7,930)	(5,494)
Actuarial (loss) / gain		(35,457)	9,896
Balance as at September 30		326,210	317,140
13.1.5 Amounts charged to statement of profit or loss:			
Current service cost		17,207	10,581
Interest cost		42,152	26,904
Expected return on plan assets		(52,457)	(36,268)
		6,902	1,217
13.1.6 Total re-measurements chargeable in other comprehensive income:			
Remeasurement gain / (loss) on obligations		3,465	(12,767)
Remeasurement (loss) / gain on plan assets		(35,457)	9,896
		(31,992)	(2,871)

2024	2023
----- (Rupees in '000) -----	

13.1.7 Composition of plan assets is as follows:

Government securities	84,682	64,369
Mutual funds	81,817	58,181
Listed shares	157,296	180,741
Certificates of investments	-	10,190
Bank Balances	2,415	3,659
	326,210	317,140

13.1.8 Principal actuarial assumptions used are as follows:

Valuation discount rate (%)	12.00	16.75
Expected rate of return on plan assets (%)	12.00	16.75
Expected rate of salary increase (%)	11.25	16.00

13.1.9 The expected return on plan assets was based on the market expectations and depends upon the asset portfolio of the Company, at the beginning of the period, for returns over the entire life of related obligation.

13.1.10 The return on plan assets was assumed to equal the discount rate. Loss on plan assets on September 30, 2024 was Rs.17.00 million (2023: Rs.46.16 million), calculated on the basis of market conditions as allowed under IAS-19.

13.1.11 Expected gratuity expense for the year ending September 30, 2025 is Rs. 15.11 million.

13.1.12 Sensitivity Analysis:

Particulars	PVDBO (Rupees in '000)	Percentage Change
Current Liability	303,933	
+1% Discount rate	291,807	-3.99%
- 1% Discount rate	317,189	4.36%
+1% Salary increase rate	318,607	4.83%
- 1% Salary increase rate	290,286	-4.49%
+10% withdrawal rates	303,926	0.00%
- 10% withdrawal rates	303,940	0.00%
1 Year mortality age set back	303,964	0.01%
1 Year mortality age set forward	303,902	-0.01%

13.1.13 Comparisons with past years:

	2024	2023	2022	2021	2020
	----- (Rupees '000) -----				
Present value of defined benefit obligation	303,934	255,970	211,212	130,554	150,178
Fair value of plan assets	(326,210)	(317,140)	(276,470)	(302,575)	(272,498)
Surplus	(22,276)	(61,170)	(65,258)	(172,021)	(122,320)
Experience adjustments arising on plan liabilities	3,465	(12,767)	61,388	(42,109)	(14,733)
Experience adjustments arising on plan assets	(35,457)	9,896	47,981	(7,654)	(107,824)
	(31,992)	(2,871)	109,369	(49,763)	(122,557)

13.1.14 Maturity Profile:

Particulars	Undiscounted Payments (Rupees in 000)
Year 1	124,202
Year 2	16,588
Year 3	22,124
Year 4	6,755
Year 5	12,584
Year 6 to 10	283,507
Year 11 and above	143,121

13.1.15 Risks associated with defined benefit plans

Investment Risks:

The risk arises when the actual performance of the investment is lower than expectation and thus creating a shortfall in the funding objectives.

Salary Increase Risks:

The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

Withdrawal Risks:

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

		2024	2023
		-----(Rupees in '000)----	
14.	SHORT-TERM INVESTMENTS	Note	
	In Term deposit one year At amortised cost		
	Habib Metropolitan Bank Limited	14.1 / 25.1.15	21,710
	Bank Islami Pakistan Limited	14.1	9,544
		40,722	21,710
		9,542	9,544
		50,264	31,254
	In Related Parties At fair value through other comprehensive income		
	Cherat Cement Company Limited		
	2,747,277 (2023:Nil) fully paid ordinary shares of Rs.10/- each	417,888	-
		417,888	-
		468,152	31,254
14.1	Represents Term Deposit Receipt (TDR) having face value of Rs. 48.5 million (2023: Rs. 28.50 million) carrying markup rate of 14.5% to 17.5% (2023: 15%) per annum that will mature in March 2025 / August 2025 (Habib Metropolitan Bank Limited) and March 2025 (Bank Islami Pakistan Limited). The TDRs have been issued against the guarantee submitted with ETO as mentioned in note 25.1.15 and cheque with Nazir High Court.		
		2024	2023
		-----(Rupees in '000)----	
15.	CASH AND BANK BALANCES	Note	
	Islamic banks		
	Current accounts	15.1	15,362
	Saving accounts	15.1	46
		10,281	15,362
		17	46
		10,298	15,408
	Conventional Banks		
	Current accounts	15.2	8,359
	Saving accounts	15.2	6,366
		15,425	8,359
		24,719	6,366
		40,144	14,725
		50,442	30,133
	Cash in hand	4,627	4,746
		55,069	34,879
15.1	These carry profit rates ranging from 9.01% to 11.84% (2023: 6.50% to 11.83%) per annum.		
15.2	These carry profit rates ranging from 18.00% to 21.50% (2023: 14.5% to 20.5%) per annum.		

	2024	2023
Note	----- (Rupees in '000) -----	

16. SHARE CAPITAL

16.1 Authorized capital

	2024	2023
Number of Shares		
150,000,000	150,000,000	Ordinary shares of Rs. 10/- each
	1,500,000	1,500,000

16.2 Issued, subscribed and paid-up capital

Fully paid ordinary shares of Rs. 10/- each

1,770,000	1,770,000	Allotted for consideration paid in 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	-
66,557,891	46,557,891		665,579	465,579

16.6

16.3 Following is the detail of shares held by the related parties.

	2024	2023
Name of related parties		
Faruque (Private) Limited	27,615,080	19,286,163
Greaves Pakistan (Private) Limited	1,588,150	1,110,927
Cherat Cement Company Limited	3,594,435	996,186
Mirpurkhas Sugar Mills Limited Employees' Provident Fund	13,496	9,441
Mirpurkhas Sugar Mills Limited Employees' Gratuity Fund	2,044,902	1,894,902
	34,856,063	23,297,619

16.4 Voting right, Board selection, right of first refusal and block voting are in proportion to the shareholding.

	2024	2023
Number of Shares		

16.5 Movement in number of shares

Opening	46,557,891	13,495,040
Right shares issued during the year	20,000,000	33,062,851
Closing	66,557,891	46,557,891

16.6 This represents the issuance of 20,000,000 right shares by the company at Rs. 10 per share with a premium of Rs. 15 per share amounting to Rs. 500,000,000. These funds were utilized to meet working capital requirements.

Particulars	Proceed Utilization Plan (Rupees in '000)	Actual utilized proceeds (Rupees in '000)	Utilization %
Working Capital requirements	500,000	500,000	100%

17. RESERVES

Revenue reserves

General reserve
Share Premium
Unappropriated profit

Other components of equity

Actuarial gain on defined benefit plan
Unrealized gain on investment at fair value through other comprehensive income

Surplus on revaluation of freehold land

	2024	2023
Note	------(Rupees in '000)-----	
	34,250	34,250
	289,523	-
	170,638	2,392,086
	494,411	2,426,336
	26,328	58,320
	649,419	480,282
	675,747	538,602
	1,170,158	2,964,938
17.1	661,496	661,496
	1,831,654	3,626,434

17.1 It represents revaluation of freehold land which had been carried out by independent valuers M/s. K.G. Traders (Pvt.) Limited, on September 30, 2023 to determine the present (realizable) market value by enquiring from local active realtors. Surplus on revaluation of property, plant and equipment has been disclosed as per requirement and mentioned in note. 4.3 of the financial statements.

18. LONG TERM FINANCINGS - secured

From Conventional / Islamic banks	Mode & commencement of repayment	Security	Mark up / profit rate per annum	2024	2023
------(Rupees in '000)-----					
Conventional Banks					
Finance 1	Twenty quarterly installments commencing from May, 2018	Joint pari-passu hypothecation charge over Fixed Assets (Excluding land & Building)	3 months average KIBOR + 0.60%	-	10,000
Finance 2	Ten Semi annual installments commencing from September, 2018	Joint pari-passu hypothecation charge over Fixed Assets (Excluding land & Building)	6 months average KIBOR + 0.20%	-	30,000
Finance 3	Twenty eight quarterly installments commencing from July, 2017	Joint pari-passu hypothecation charge over Fixed Assets (Excluding land & Building)	3 months average KIBOR + 0.20%	64,286	150,000
Finance 4	Twenty quarterly installments commencing from August, 2021	Joint pari-passu hypothecation charge over Fixed Assets (Excluding land & Building)	3 months average KIBOR + 0.85%	140,000	220,000
Finance 5 (TERF)	Thirty two quarterly installments commencing from March 2023.	Joint pari-passu hypothecation charge over Fixed Assets (Excluding land & Building)	Flat 1.98% per annum, recognized at present value as per note 3.24	256,787	277,642
Finance 9	Twenty four quarterly installments commencing from March 2024.	Joint pari-passu hypothecation charge over Fixed Assets (Excluding land & Building)	3 months average KIBOR + 0.85%	437,500	500,000
Islamic Banks					
Finance 6 (ITERF)	Thirty two quarterly installments commencing from November 2023.	Joint pari-passu hypothecation charge over Fixed Assets (Excluding land & Building)	Flat 3.00% per annum, recognized at present value as per note 3.24	361,922	422,330

From Conventional / Islamic banks	Mode & commencement of repayment	Security	Mark up / profit rate per annum	2024	2023
----- (Rupees in '000) -----					
Finance 7 (ITERF)	Thirty two quarterly installments commencing from August 2023.	Joint pari-passu hypothecation charge over Fixed Assets (Excluding land & Building)	Flat 1.80% per annum, recognized at present value as per note 3.24	349,320	393,651
Finance 8	Twelve semi annual installments commencing from February 2025. (Settled early)	Joint pari-passu hypothecation charge over Fixed Assets (Excluding land & Building)	6 months average KIBOR + 0.80%	-	350,000
Finance 10 (IFRE)	Thirty six quarterly installments commencing from January 2024	Joint pari-passu hypothecation charge over Fixed Assets (Excluding land & Building)	Flat 6.00% per annum	173,250	189,000
Finance 11 (IFRE)	Sixteen semi annual installments commencing from June 2026	Joint pari-passu hypothecation charge over Fixed Assets (Excluding land & Building)	Flat 5.00% per annum	100,000	100,000
Finance 12	Twenty four quarterly installments commencing from April 2026	Joint pari-passu hypothecation charge over Fixed Assets (Excluding land & Building)	3 months average KIBOR + 0.80% per annum	1,000,000	-
				2,883,065	2,642,623
Less: Current portion				(424,446)	(458,964)
				2,458,619	2,183,659

Note

19. LONG TERM LEASE LIABILITIES - ROU ASSET

	2024	2023
----- (Rupees in '000) -----		
As at October 01	23,786	30,530
Accretions of interest	3,280	4,256
Rental Payments	(11,941)	(11,000)
As at September 30	15,125	23,786
Less: Current portion of lease liabilities	(4,014)	(11,941)
Long term portion of lease liabilities	11,111	11,845

20. DEFERRED LIABILITIES

Market committee fee	20.1 / 25.1.18	105,580	99,377
Deferred Sugar cane liability, FED and cess	25.1.6 / 25.1.7	541,298	519,599
		646,878	618,976

20.1 Reconciliation of Market Committee Fee

Opening balance	99,377	93,738
Charge during the year	6,203	5,639
Closing balance	105,580	99,377

21. GOVERNMENT GRANT

As at October 1	315,051	348,888
Received during the year	-	33,656
Released during the year	(68,429)	(67,493)
As at September 30	246,622	315,051
Less: Current portion of government grant	(61,799)	(68,429)
Long-term portion of government grant	184,823	246,622

		2024	2023
22. TRADE AND OTHER PAYABLES	Note	----- (Rupees in '000) -----	
Creditors		352,587	285,709
Accrued liabilities		73,542	87,611
Advances from customers	22.1	794,771	450,402
Withholding tax payable		13,006	5,936
Sales tax payable		125,409	122,980
Workers' profit participation fund	22.2	-	7,672
Workers' welfare fund	25.1.19	4,138	4,138
Other liabilities		10,521	5,487
		1,373,974	969,935

22.1 This include the following amounts of advances from related parties:

Unicol Limited.	-	8,257
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The maximum aggregate amount outstanding at any time during the year to Unicol Limited calculated by reference to month-end balance is Rs. 619.63 million (2023: Rs. 8.26 million)

		2024	2023
22.2 Workers' profit participation fund	Note	----- (Rupees in '000) -----	
Opening balance		7,672	-
Interest thereon		1,054	-
		8,726	-
Less: Paid during the year		(8,726)	-
		-	-
Charge for the Year		-	7,672
Closing Balance		-	7,672

23. ACCRUED MARK-UP

Islamic banks

Long-term financing	61,443	26,239
Short-term borrowings	96,118	137,625

Conventional banks

Long-term financing	34,967	54,088
Short-term borrowings	141,788	163,610
	334,316	381,562

24. SHORT-TERM BORROWINGS-secured

Islamic banks

Short-term	24.1	2,138,855	1,587,225
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Conventional banks

Short-term	24.1	2,439,115	3,185,021
Money market		1,200,000	-

		5,777,970	4,772,246
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24.1 This represents utilized portion of short term finance facilities aggregating Rs. 10,750 million (2023: Rs.9,150 million) obtained from various conventional / Islamic banks. These carry mark-up ranging from KIBOR+0.20% to KIBOR + 0.75% per annum (2023: KIBOR +0.20% to KIBOR + 0.75% per annum). The facilities are secured against registered joint pari-passu hypothecation charge over various assets of the Company. These facilities are renewable annually.

25. CONTINGENCIES AND COMMITMENTS

25.1 CONTINGENCIES:

- 25.1.1** The Company had filed suits before the Honorable High Court of Sindh against the arbitrary action of Collector of Customs and Central Excise for denying the rebate claim related to the financial years 1991-92 and 1992-93. The Company is entitled to get 50% rebate in Excise Duty which amounts to Rs.11.15 million and Rs.1.14 million respectively on account of excess production during the years over the preceding years production. The Company had paid the entire amount as per law and the amount has already been charged off in the financial statements. The petition for leave to appeal against the impugned judgement of Honorable High Court of Sindh was filed in Honorable Supreme Court of Pakistan in 2006. The proceedings were carried out from time to time and the Honorable Supreme Court of Pakistan vide its judgment dated February 26, 2018, allowed both appeals filed in Honorable High Court of Sindh with a direction that the Company shall be entitled to exemption under the terms and conditions of SRO 505(I)/90 dated June 7, 1990, for the respective financial years and if any, taxes that are collected by the Excise Authorities, the same should be refunded or adjusted as the case may be subject to determination by the competent forum that burden of such taxes have not been passed on to the general public. In light of the aforesaid judgment, the Company has filed a refund application through tax consultants in Excise and Taxation Department. The application is pending before the department.
- 25.1.2** The Company has filed a petition No. 3475 of 2020 before Honorable High Court of Sindh at Karachi challenging the Show Cause Notice (SCN) dated June 01, 2020 issued by Sindh Revenue Board (SRB) whereby SRB has held the Company liable for not withholding Sindh Sales Tax on various services obtained from foreign consultants claiming withholding of sales tax amounting to Rs.12.64 million. The Company's assertion is that such services were performed by non-resident person and hence are outside the purview of SRB. The Honorable High Court of Sindh granted stay on taking adverse action against SCN till the matter is subjudice. No provision is being made in this regard since the management is confident that the outcome would be in Company's favor.
- 25.1.3 a)** The Company challenged levy of further sales tax @1.5 % under the Sales Tax Act 1990, amounting to Rs.4.89 million in the Honorable High Court of Sindh, for which relief was granted. Against the judgment, the department preferred appeal with the Honorable Supreme Court of Pakistan, and got stay order. The Honorable Supreme Court of Pakistan has set aside the case and referred it to the lower level. No provision is made in this regard since the management is confident that the outcome would be in Company's favor.
- b)** The amendment brought through Finance Ordinance 2001 in the Sales Tax Act 1990, with the intention to nullify the decision of the High Court of Sindh on levy of further tax @3% w.e.f June 18, 2001, does not change the legal position of further tax. However, the Company made the payment of 3% further tax under protest in order to avoid the additional tax and penalties. In previous years, Honorable Supreme Court of Pakistan had set aside the case and referred it to the tribunal level, where the Company's appeal is pending. In view of the contingencies involved in this case, the Company has not accounted for the refund amount of Rs.50.97 million being the further sales tax paid in this regard.
- 25.1.4 a)** The Company in 2010, received a show cause notice from the Competition Commission of Pakistan (CCP) for violation of the Competition Ordinance 2009. The Company along with other sugar mills filed a Constitution Petition before the Honorable High Court of Sindh challenging the Ordinance. The Honorable High Court of Sindh, granted a stay against the proceedings of the CCP and restrained the CCP to pass the final order in respect of the show cause notice. The CCP filed an appeal before Honorable Supreme Court of Pakistan, which was disposed off by Honorable Supreme Court of Pakistan dated 25-03-2010 on the ground that the matter was pending before the Honorable High Courts. After several hearings and arguments for last many years, on January 17, 2022, the petition was dismissed by the Honorable High Court of Sindh. Against the dismissal order, the Company and other sugar mills have filed Civil Petitions for Leave to Appeal before the Honorable Supreme Court of Pakistan. There are no financial implications related to this at the moment.

- b) The CCP in August 2021, passed an order dated 13 August 2021, and imposed a penalty on Pakistan Sugar Mills Association (PSMA) and member sugar mills finding them to be guilty of collusive activities and cartelization. The penalty imposed on the Company was Rs.236 million. PSMA and our Company along with other sugar mills filed a suit against the order of the CCP at Honorable High Court of Sindh. The Honorable Court passed an interim order on 7, October 2021, that the operation of impugned orders dated 06 August 2021 and 13 August 2021 shall remain suspended till the hearing is underway. On 13, June 2022, the Honorable High Court of Sindh passed an order in which stay was granted on injunction application subject to securing 50% of the penalty amount imposed by the CCP through a bank guarantee with the Nazir of the court within two weeks. In order to ensure procedural compliance with the court order, the Company submitted a bank guarantee of Rs. 118 million with Nazir High Court of Sindh in July, 2022. Meanwhile, the Company also filed an appeal against the said order with the division bench of the Honorable High Court of Sindh. On 25, August 2022, Division Bench of the Honorable Court passed the order that impugned order dated June 13, 2022 passed by the learned Single Judge in Suit Nos. 2272, 2273, 2455 and 2474 of 2021, be set aside. Resultantly, the bank guarantee submitted was returned. It was further directed that the CCP shall not initiate any recovery proceeding against the plaintiffs in Suit Nos. 2272, 2273, 2455 and 2474 of 2021 until the final decision of the appeals pending before the Competition Appellate Tribunal and the appeals were disposed off by the Division Bench of the Honorable High Court of Sindh, accordingly.

25.1.5

The Company in 2011, filed a petition vide CP No. D-2130 of 2011, before the Honorable High Court of Sindh against Federation of Pakistan and Large Taxpayer Unit, Inland Revenue challenging the vires of Section 3A of the Federal Excise Act 2005, and SRO 655(1)/2007 dated June 6, 2007, said to have been issued in terms thereof. Company submitted that this SRO was a nullity in law and without any legal effect or force whatsoever. Company prayed for suitable declaratory and injunctive relief as well as a refund of all the duty that had been collected for the period July 2007 to June 2011 amounting to Rs.41.9 million under this section and notification. On February 22, 2013, the Honorable High Court of Sindh has accepted the said petition and termed that the Section 3A and SRO 655(1)/2007 dated June 29, 2007 were void ab initio, a nullity in law with no legal effect. It follows the suspension of the said notification and refund of the collected amount by way of direct repayment or adjustment (against any tax or duty). However, due to the contingent nature, the Company has not accounted for any revenue in this regard in its financial statements. The department has filed CA No.749 of 2013 before the Honorable Supreme Court of Pakistan, against the judgement passed by Honorable High Court of Sindh in Company's favor and the Company is contesting the same. In July 2024, Honorable Supreme Court of Pakistan passed an order in favor of the FBR and allowed CA no.749 of 2013 that the imposition of Special Excise Duty under Section 3A of Federal Excise Act 2005 and SRO 655(l) 2007 are valid and constitutional.

25.1.6 a)

The Company in 2014 had filed a petition vide CP No. D-759 of 2014, before the Honorable High Court of Sindh against the order of Additional/ Deputy Commissioner, Inland Revenue, on which the stay has been granted till the matter is disposed off. In its impugned order the concerned Additional/ Deputy Commissioner, IR ordered recovery of Federal Excise Duty (FED) amounting to Rs. 81.32 million on local sales equivalent to exported quantity, on which the Company has already paid the FED at 0.5% while availing the benefit of reduced tax allowed to exporters by Economic Coordination Committee (ECC) in its various decisions implemented under SRO 77(1)/2013 dated February 7, 2013. Aggrieved with the order passed by Additional / Deputy Commissioner Inland Revenue, Company filed an appeal with Commissioner Inland Revenue Appeals, where relief was granted against the order passed by Additional/ Deputy Commissioner Inland Revenue. Tax Department filed an appeal in an Appellate Tribunal Inland Revenue against the judgement passed by Commissioner Inland Revenue Appeals. Appellate Tribunal Inland Revenue maintained the order of Commissioner Inland Revenue Appeals and directed DCIR to follow the principle decided by this forum in the referred appeals. The department has filed a reference against the order of the Appellate Tribunal Inland Revenue in the Honorable High Court of Sindh, and Company is contesting the same. However, Company has made provision in its financial statements as a matter of prudence.

- b) The Company in 2015 had filed a petition vide CP No. D-2040 of 2015, before the Honorable High Court of Sindh against the orders of Additional / Deputy Commissioner, Inland Revenue, on

which the stay has been granted till the matter is disposed off. In its impugned order the concerned Additional/ Deputy Commissioner, IR ordered recovery of FED amounting to Rs. 15.75 million on local sales equivalent to exported quantity, on which the Company has already paid the FED at 0.5% while availing the benefit of reduced tax allowed to exporters by Economic Coordination Committee in its various decisions implemented under SRO 77(1)/2013 dated February 7, 2013. The matter was in adjudication at Appellate Tribunal level. As a result of efforts made by the Company, Appellate Tribunal decided the matter in favor of the Company dated January 24, 2018, and remanded back to the concerned Commissioner Inland Revenue level for further verification and reconciliation. The effect of the order is that alleged demand of Rs.15.75 million along with penalty and default surcharge stands deleted. However, as a matter of prudence, the provision has been made in the financial statements.

- 25.1.7 a)** The matter of fixation of minimum price of sugarcane under two different notifications for crushing season 2014-15 issued by the Government of Sindh is still subjudice before Honorable High Court of Sindh and Honorable Supreme Court of Pakistan. The Company challenged the Notification for Crushing Season 2014-15 in Civil Appeal 48 of 2015. In the said Appeal, the judgment of Honorable High Court of Sindh dated 30.12.2014 was challenged before the Honorable Supreme Court of Pakistan. After pending for several years, on September 13, 2023, the Honorable Supreme Court of Pakistan dismissed the Civil Appeal due to non-prosecution. The Company and other sugar mills have filed the Civil Review Petition 960 of 2023, against the dismissal order. However, as a matter of prudence, the Company has already booked a provision of Rs. 152.39 million against the same in the financial statements.
- b)** The matter of fixation of minimum price of sugarcane under notification for crushing season 2017-18 issued by the Government of Sindh was challenged in Honorable High Court of Sindh. Honorable High Court of Sindh vide its decision passed in CP No. 8666 of 2017 and 7951 of 2017 dated January 30, 2018, after taking consent of all the stakeholder / petitioners of the aforesaid petitions, directed the sugar mills to pay sugarcane at Rs.160/- per 40kg to the growers for crushing season 2017-18. The Hon'ble Supreme Court in 2018 took a suo moto notice regarding the same and held that without prejudice to any right or claim of the parties, and subject to final decision by the Hon'ble Supreme Court of Pakistan in the aforesaid cases, the petitioners (mill owners) will purchase the sugarcane @ Rs. 160/- per 40 KG from the growers, for crushing season 2017-2018. Therefore, considering the nature of liability as contingent, the Company earlier recorded provision, however classified the same as a deferred liability of sugarcane cost amounting to Rs.266.05 million under impugned notification number 8(142)/S.O(Ext)/2017-18 dated December 5, 2017.
- 25.1.8** The Company being aggrieved and dissatisfied with impugned order-in-original No. 05/58/2019 dated February 20, 2020 for TY 2017 passed under section 45B of the Sales Tax Act, 1990 passed by Deputy Commissioner Audit creating a demand of Rs.22 million, filed an instant Appeal before Commissioner Inland Revenue (CIR) [Appeal II], Karachi and paid Rs.2.2 million as 10% demand under protest to get stay order against coercive action that might be taken by the department. The matter is still pending before CIR [Appeal II].
- 25.1.9** A cash freight subsidy of Rs.10.70/ kg was announced by Ministry of Commerce vide letter No.7(2)/ 2012-Exp.III in lieu of which, the Company exported 74,021 M. tons of sugar during 2018 and submitted the total claim of subsidy of Rs. 754.34 million with State Bank of Pakistan. Out of the subsidy claimed, the Company has received Rs. 555.28 million till date. This remaining subsidy amount relates to the provincial government whereas the share pertaining to the federal government has been realized in full. The Company, despite every effort to recover the subsidy amount of Rs.199 million from the Sindh Government via State Bank of Pakistan, had been unable to get the same. Consequently, the Company had filed a petition No. 5409 of 2021 in the Honorable High Court of Sindh against the Sindh Government and the SBP for recovery of entitlement. On the hearing date of the case on March 30, 2023, Honorable Court passed the judgment/order in favor of the Company and the petitions was disposed off with the directions to the Finance Department, Government of Sindh to make payment to Sugar Mills by September 2023. PSMA is making efforts for recovery of the same from the Government of Sindh through active involvement with the Government of Sindh and SBP and is hopeful to receive the amount.

25.1.10 (a) The Federal Board of Revenue (FBR) in the financial year 2022 issued notices for conducting tax audits for multiple years commencing from 2015 to 2019 under Section 177 of the Income Tax Ordinance, 2001 and despite provision of all records, submission of evidences and details, audit proceedings were concluded by passing detrimental orders under Section 122(1)/(5) of the Income Tax Ordinance 2001 whereby frivolous tax demand of Rs. 16.4 billion for these tax years has been created. The demand was based on arbitrary and illogical observations against which the Company preferred appeals to the CIR [Appeals-I], Karachi. In May 2023, CIR (Appeals), Karachi decided the appeal in favor of the Company and deleted the demand made in the original order. However, the LTO Karachi has filed appeals before the Appellate Tribunal Inland Revenue (ATIR) Karachi against the orders of CIR [Appeals-I] Karachi which are not yet fixed for hearing.

(b) In February 2022, the Deputy Commissioner Inland Revenue issued show cause notices under Section 182 (2) of Income Tax Ordinance (ITO), 2001 alleging concealment of income / unexplained income / assets under Section 111 of ITO 2001, based on surmises and relating the same to biased conclusion made during tax audits carried out under Section 177 of ITO 2001 for Tax Year 2015 to Tax Year 2019 and proposed charging 100% penalty of approx. Rs.13 billion on the alleged concealed amount for the five tax years which are subjudice in legal course. These showcause notices were baseless and connected with the demand already raised in the order for audit. Subsequently, orders had been passed for the tax years 2015 and 2016 based on the above show cause notices. The Company preferred the appeals with the CIR (Appeals) and in May 2023, CIR (Appeals), Karachi decided the appeal in favor of the Company and deleted the demand made in the original order. However, the LTO Karachi has filed appeals before the Appellate Tribunal Inland Revenue (ATIR) Karachi against the orders of CIR [Appeals-I] Karachi which are not yet fixed for hearing.

25.1.11 For the tax year 2015, the Deputy Commissioner Inland Revenue passed an order under Section 161 (1) of the Income Tax Ordinance, 2001, raising a demand of Rs.314 million alleging default of tax withholding on entire amount of payments/expenses taken from the tax return / financial statements. In May 2023, CIR (Appeals), Karachi decided the appeal in favor of the Company and deleted the demand made in the original order. However, the LTO Karachi has filed appeals before the Appellate Tribunal Inland Revenue (ATIR) Karachi against the orders of CIR [Appeals-I] Karachi which are not yet fixed for hearing.

25.1.12 For the tax year 2018, the Deputy Commissioner Inland Revenue passed an order under Section 161 (1) of the Income Tax Ordinance, 2001 raising a demand of Rs.5.115 million alleging default of tax withholding on certain payments/expenses taken from the tax return / financial statements which is unwarranted and illogical as the Company provided complete supporting detail and evidences of tax withholding which have not been considered by the Deputy Commissioner as well as the Commissioner Appeals which carried out hearing of the matter summarily and passed order. The tax demand has already been adjusted from the Company's determined tax refunds, however appeal has been preferred before the Appellate Tribunal Inland Revenue for redressal of the grievance.

25.1.13 The Deputy Commissioner Inland Revenue passed an order in March 2022 disallowing input tax adjustment for the period July 2021 to November 2021 amounting to Rs.86.6 million mainly on account of not charging further tax on sales to unregistered buyers. The company preferred the appeal in CIR (Appeals) which was decided in Company's favor whereby demand on account of further sales tax of Rs. 58.52 was deleted. The remaining points were remanded back to the DCIR. However, The FBR has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the aforesaid decision of CIR (Appeals) which is pending for adjudication.

25.1.14 The Deputy Commissioner Inland Revenue passed as order for Tax Year 2020 in April 2022 demanding Rs. 42.55 million under Section 161(1) of Income Tax Ordinance 2001 by charging tax under Section 236H of the Income Tax Ordinance 2001 on sale to unregistered buyers and treated them as retailers instead of distributor/wholesaler under 236G. The Company made an appeal to the CIR(A) against the said order and in May 2023, the case has been decided in favor of the Company and CIR (Appeals) has deleted the demand of entire amount of Rs. 42.55 million.

- 25.1.15** The Company had filed a petition in Honorable High Court of Sindh against Government of Sindh for imposition of Infrastructure Cess on the goods entering or leaving the Province. The Honorable High Court of Sindh decided the case in favor of Govt. of Sindh and held that it is a valid law within the competence of the Provincial Legislature. Consequently, several petitioners filed an appeal before the Honorable Supreme Court of Pakistan (SCP) and the SCP has granted an interim relief order dated September 1, 2021 to those who have filed the appeal. Subsequently MSM has also filed the Civil Appeal No. 3159 of 2022, and got an interim order dated September 28 2022 whereby it was declared that the order of the Honorable High Court of Sindh shall remain suspended till the decision of our final order. In light of the above order the Company has submitted a bank guarantee of Rs. 40 Million towards Infrastructure Cess before ETO, till the decision of the final order of the Supreme Court. The Company has made a provision of 34.06 million in the financial statements for the amount of infrastructure cess on goods imported till reporting period.
- 25.1.16** The Company filed the Constitutional Petition No. 654/2023 in January, 2023, against the recovery of the Inland Freight Subsidy of Rupees 79.04 million by the Trade Development Authority of Pakistan (TDAP) which advertised the grant of subsidy for export of sugar in accordance with the decision of the ECC in 2012. Pursuant to the decisions of the ECC, and the advertisements of the TDAP, the company as per the requirement of TDAP, submitted 84 cases/claims to through PSMA to the auditors i.e. NZAJ & Co. for the release of inland freight subsidy of Rs. 79.044 million in respect of export of 56,252 tons of sugar. The said cases/claims were submitted in accordance with the directives issued by the TDAP, however, the amount was not released to date citing the reasons as pending NAB inquiry whereas the Company could not get details of any such inquiry from NAB. The matter is still pending before the Honorable High Court of Sindh.
- 25.1.17** Out of a total export quota of 250,000 metric tons of sugar approved by the ECC, the Ministry of Commerce allocated 80,000 metric tons to Sindh Province. This quota was to be distributed among the sugar mills by the Cane Commissioner of Sindh, who divided it equally, assigning 2,500 metric tons to each of the 32 sugar mills in the province. In February 2023, a lawsuit was filed in the Sindh High Court challenging the equal distribution of this export quota. The court issued a stay on sugar exports, leading the company and other sugar mills to join the petition as defendants in Suit No. 145 of 2023 and Suit No. 149 of 2023. In March 2023, a single-judge bench ruled on the matter, setting aside the decision by the Sindh Cane Commissioner and directing the Commissioner to reallocate the quota according to federal government policy. In response, the company and other sugar mills filed an appeal with the Divisional Bench of the Sindh High Court on March 9, 2023, under High Court Appeal (HCA) Nos. 64 and 65/2023, contesting the single-judge's ruling. The Divisional Bench issued an interim order permitting each sugar mill to export 1,500 metric tons. Later, in May 2023, as an interim arrangement, the court further allowed the export of the remaining 32,000 metric tons to the 32 mills in Sindh Province, as per a joint statement filed by the appellants and respondents. Under this arrangement, each mill was allowed to export an additional 1,000 metric tons, following the court-specified procedure. As required by the court, the company deposited a pay order of Rs. 47.38 million with the Nazir of the Sindh High Court. Subsequently, based on the filings presented, the court approved the Civil Miscellaneous Application (C.M.A.) and issued a directive for the Nazir to return the disputed amount to the respective sugar mills. Pursuant to this order, the Company was refunded around Rs. 20 million from the total deposited amount of Rs. 47.38 million. The remaining balance of around Rs. 27 million has to be returned to the respondent sugar mills in accordance with the Honorable Sindh High Court's decision and the company has accordingly charged the same in the financial statements.
- 25.1.18** The Company received a letter dated 22.05.2000 whereby demand was made for collection of Rs. 3,832,898 against levy of market committee fee for the year 1998-99 and 1999-2000 and similar letter was received for the year 2000-2001 demanding Rs. 1.916 million. Company had filed a suit in Honorable High Court of Sindh. On 28th September 2023, the Honorable Court dismissed the suit due to non-prosecution against which the Company filed the restoration application. The matter is still pending before the Honorable Sindh High Court.
- 25.1.19** The company has received an order from the Deputy Commissioner Sindh Revenue Board (SRB) in July 2024, order # 1381 of 2024, concerning the non-payment of Sindh Workers Welfare Fund

(SWWF) amounting to Rs. 6,300,042/-.The company believes that the order issued is unfair/ unjust within the applicable regulations. Consequently, the Company has filed an appeal before the Commissioner (Appeals), SRB, on 5th August 2024, seeking a review and resolution of this matter. Commissioner Appeals has granted interim stay against the same till next hearing which is fixed on February 04, 2025.

		Note	2024	2023
			----- (Rupees in '000) -----	
25.2	COMMITMENTS			
25.2.1	Commitments against LCs			
	Other Commitments		133,061	533,957
25.2.2	Letters of guarantee issued by commercial bank for Excise & Taxation office	25.1.15	40,000	20,000
25.2.3	Commitments for rentals under operating lease / Ijarah contracts in respect of vehicles are as follows:			
	Year		2024	2023
			----- (Rupees in '000) -----	
	2023-24		-	4,221
	2024-25		6,578	2,256
	2025-26		6,507	2,184
	2026-27		6,507	2,184
	2027-28		6,143	1,821
	2028-29		2,785	-
			28,520	12,666
	Payable not later than one year		6,578	4,221
	Payable later than one year but not later than five years		21,942	8,445
			28,520	12,666

This represents commitments against ijarah contracts for vehicles acquired on ijarah financing repayable in 5 years at the rate of 3 month KIBOR + 1.25%.

		2024	2023
		----- (Rupees in '000) -----	
26.	TURNOVER -NET		
	Local sales - gross	13,741,985	8,637,053
	Less: Sales tax	(1,907,467)	(1,262,835)
	Less: Federal excise duty	(38,918)	-
		11,795,600	7,374,218
	Export sales	174,125	405,251
		11,969,725	7,779,469

26.1 All revenue earned by the Company is Shariah Compliant

27. COST OF SALES

		2024	2023
	Note	----- (Rupees in '000) -----	
Raw materials -Sugar		7,309,995	4,539,733
Raw materials -Paper		2,451,259	1,531,725
Stores and spare parts consumed		594,764	346,735
Packing material and expenses		76,023	68,141
Salaries, wages and other benefits	27.1	807,961	585,938
Water, fuel and power		375,550	205,843
Insurance		48,717	19,651
Repairs and maintenance		74,457	44,752
Vehicles expenses		53,171	51,826
Stock handling expenses		4,725	3,554
Other expenses		50,591	26,005
Ijarah rentals		3,858	4,539
Depreciation	4.1.2	359,836	216,655
Depreciation on right of use assets	4.6.2	4,000	4,000
		12,214,907	7,649,097
Work-in-process			
- opening		8,980	4,512
- closing	9	(10,839)	(8,980)
		(1,859)	(4,468)
		12,213,048	7,644,629
Less:			
- sale of molasses	27.2	(1,028,315)	(840,956)
- sale of bagasse	27.2	(65,151)	(22,500)
		(1,093,466)	(863,456)
Cost of goods manufactured		11,119,582	6,781,173
Finished goods			
- opening		1,760,699	1,395,733
- closing	9	(1,730,435)	(1,760,699)
		30,264	(364,966)
		11,149,846	6,416,207

27.1 This includes Rs. 14.59 million (2023: Rs. 6.74 million) in respect of staff retirement benefits.

27.2 These figures are net of sales tax of Rs. Nil (2023 : Rs. Nil) in respect of molasses and Rs. 11.73 million (2023 : Rs. 3.82 million) in respect of bagasse.

28. DISTRIBUTION COST

		2024	2023
	Note	----- (Rupees in '000) -----	
Salaries, wages and other benefits	28.1	22,905	10,492
Insurance		9,087	8,448
Distribution and dispatch expenses		223,280	136,351
Vehicles expenses		2,627	2,446
Other expenses		5,253	6,763
Ijarah rentals		1,080	749
Depreciation	4.1.2	584	507
		264,816	165,756

28.1 This includes Rs. 0.56 million (2023: Rs. 0.13 million) in respect of staff retirement benefits.

		2024	2023
29. ADMINISTRATIVE EXPENSES	Note	----- (Rupees in '000) -----	
Salaries, wages and other benefits	29.1	182,664	144,227
Directors' fee		4,300	2,460
Rent, rates and taxes		1,254	3,482
Communication expense		5,775	6,476
Conveyance and travelling		7,389	9,155
Printing and stationery		2,654	2,665
Entertainment		4,004	2,340
Vehicles expenses		12,798	11,921
Insurance		8,017	8,702
Repairs and maintenance		5,342	5,980
Subscription		6,974	4,784
Legal and professional charges		23,480	25,176
General expenses		24,998	11,649
Utilities		8,311	5,829
Ijarah rentals		1,135	974
Depreciation	4.1.2	16,247	19,605
Depreciation on right of use assets	4.6.2	4,055	4,055
		319,397	269,480

29.1 This includes Rs. 8.94 million (2023: Rs. 5.28 million) in respect of staff retirement benefits.

		2024	2023
30. OTHER OPERATING EXPENSES	Note	----- (Rupees in '000) -----	
Auditors' remuneration	30.1	2,119	2,044
Provision against receivable		1,063	-
Provision against deferred Liability.	25.1.7(a)	-	152,392
Provisions against export deposit	25.1.17	26,726	-
Net loss from agriculture produce		-	6,062
Exchange loss -net		-	5,694
Workers' profit participation fund	22.2	-	7,672
Workers' welfare fund		-	3,069
Corporate social responsibility costs / donations	30.2	3,333	205
		33,241	177,138
30.1 Auditors' Remuneration			
Audit fee		1,032	1,032
Half yearly review fee & certifications		807	807
Out of pocket expenses		280	205
		2,119	2,044

30.2 Corporate social responsibility include an amount of Rs. 2.50 million paid to Mr. Arshad Nadeem (Olympic Gold Medalist - Javelin throw) as a token of appreciation. Recipient of donations do not include any donee in which any director or his spouse had any interest.

	2024	2023
Note	----- (Rupees in '000) -----	

31. OTHER INCOME

Income from Financial Assets

Dividend from related parties	31.1	19,676	17,850
Profit on PLS and deposit accounts	31.2	16,750	6,880
Exchange gain		48	-
Reversal of provision against receivables		-	1,168
Mark-up on growers' loans		1,680	4,765
		38,154	30,663

Income from non-financial assets

Gain on disposal of operating property, plant and equipment / non-current asset held for sales	4.2	266	452,073
Reversal of provision of deferred liability		-	26,523
Miscellaneous		8,720	6,624
		8,986	485,220
		47,140	515,883

31.1 Represents dividend income from Cherat Cement Company Limited & Cherat Packaging Limited, listed as Shariah compliant company at Pakistan Stock Exchange under KMIALLSHR index and KMI-30 index.

31.2 This includes Rs.0.67 million (2022: Rs.0.48 million) as profit from Islamic Banks.

	2024	2023
Note	----- (Rupees in '000) -----	

32. FINANCE COST

Islamic Banks

Profit on short-term borrowings	32.1	848,796	393,336
Profit on long-term borrowings		209,541	56,011
Bank charges		14,497	974
		1,072,834	450,321

Conventional Banks

Mark-up on short-term borrowings	32.1	596,646	503,357
Mark-up on long-term borrowings		181,120	163,469
Bank charges		3,461	2,662
		781,227	669,488

Others

Interest on workers' profit participation fund		1,054	-
Interest on lease liabilities		3,280	4,256
		4,334	4,256
		1,858,395	1,124,065

32.1 Includes the effect of amortization of government grant.

33. LEVIES AND TAXATION

Levies	33.1	165,915	111,057
Taxation	33.2	(205,765)	104,044
		(39,850)	215,101

33.1 This represents minimum tax and final taxes paid under sections 113 and 150 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21 and IAS 37.

33.2 TAXATION

2024	2023
------(Rupees in '000)-----	
Current	52,250
Deferred	51,794
<u>(209,515)</u>	<u>104,044</u>
<u>(205,765)</u>	

33.3 In view of unabsorbed tax losses, the Company is only liable to pay minimum tax at the rate of 1.25% under section 113 of the Income Tax Ordinance, 2001. Provision for current taxation is based on final tax on dividend received from associate. Therefore, reconciliation of accounting to tax profit has not been presented.

33.3 The Company records tax expense based on generally accepted interpretation of tax laws and accordingly sufficient provision in respect of taxation is available in these financial statements. Following analysis shows the comparison of last three years between tax provision and tax assessment.

Tax year	Provision for tax as per financial statements	Tax assessed as per income tax return
	------(Rupees in '000)-----	
2024	163,307	-
2023	159,639	-
2022	88,950	-

33.4 At the reporting date, deferred tax asset amounting to Rs. Nil million (2023: Rs. Rs. 104.97 million) has not been recognised.

34. EARNINGS PER SHARE- basic & diluted

	2024	2023
(Loss) / Profit after taxation (Rupees in '000)	<u>(2,221,448)</u>	<u>839,316</u>
Weighted average number of ordinary shares in issue during the year (Number of Shares)	<u>56,716,881</u>	(Re-stated) <u>51,099,480</u>
(Loss) / Earnings per share - basic (Rupees)	<u>(39.17)</u>	(Re-stated) <u>16.43</u>

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

35. 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

35.1 Segment analysis and reconciliation:

	-----Sugar division-----		-----Paper division-----		-----Total-----	
	2024	2023	2024	2023	2024	2023
	Rs in '000-----					
Turnover- net	8,010,208	5,931,974	3,959,517	1,847,495	11,969,725	7,779,469
Cost of sales	(7,190,899)	(4,653,248)	(3,595,111)	(1,542,304)	(10,786,010)	(6,195,552)
Distribution cost	(45,621)	(52,434)	(218,611)	(112,815)	(264,232)	(165,249)
Depreciation and amortisation	(126,066)	(127,289)	(258,656)	(117,533)	(384,722)	(244,822)
Profit / (loss) before tax and unallocated expenses	647,622	1,099,003	(112,861)	74,843	534,761	1,173,846
Unallocated income and expenses:						
Administrative expenses					(299,095)	(245,820)
Other operating expenses					(33,241)	(177,138)
Other income					47,140	515,883
Finance cost					(1,858,395)	(1,124,065)
Share of (loss) / profit in associates - net					(652,468)	911,711
(Loss) / Profit before taxation and levy					(2,261,298)	1,054,417
Levy					(165,915)	(111,057)
(Loss) / Profit before taxation					(2,427,213)	943,360
Taxation					205,765	(104,044)
(Loss) / Profit after taxation					(2,221,448)	839,316

35.2 Segment asset and liabilities:

	-----Sugar division-----		-----Paper division-----		-----Total-----	
	2024	2023	2024	2023	2024	2023
	Rs in '000-----					
Segment assets- allocated	6,971,725	7,349,985	6,264,254	6,064,815	13,235,979	13,414,800
Segment assets- unallocated					546,917	409,145
Total assets					13,782,896	13,823,945
Segment liabilities- allocated	1,188,930	866,178	2,493,865	2,199,370	3,682,796	3,065,548
Segment liabilities- unallocated					7,602,867	6,666,384
Total liabilities					11,285,663	9,731,932

35.3 Total sales of the Company relating to customers in Pakistan were 98.55% (2023: 94.79%), China were Nil (2023: 2.68%), Tajikistan were Nil (2023: 2.53%) and Afghanistan were 1.45% (2023: Nil) during the year ended September 30, 2024.

35.4 All non-current assets of the Company at the end of the current and preceding year are located in Pakistan.

35.5 Sales to 10 major customers of the Company are around 68.04% of the Company's total sales during the year (2023: 64.53%).

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to certain financial risks. Such financial risks emanate from various factors that include, but are not limited to, market risk, credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. Risks measured and managed by the Company are as follows:

- Market risk including currency risk, interest rate risk and price risk.
- Credit risk
- Liquidity risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and procedures for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Company risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

The Company's senior management provides policies for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, financial instruments and investment of excess liquidity.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below :

36.1 Market risk

Market risk is the risk that fair value of future cash flows will fluctuate because of changes in market prices. The Company is exposed to market risks such as currency risk, interest rate risk and price risk.

Financial instruments affected by market risk include investments (investments at fair value through other comprehensive income), long-term financing, short-term borrowings and foreign currency payments against letters of credit opened.

a) Foreign currency risk

Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of the change in foreign exchange rates. The Company's exposure to this risk arises mainly from future economic transactions or receivables and payables that exist due to transactions entered into foreign currencies.

Exposure to foreign currency risk

The Company is exposed to foreign currency risk arising from foreign exchange fluctuations primarily with respect to the CNY and USD. The Company manages foreign currency risk through due monitoring of the exchange rates, adjusting net exposure and obtaining forward covers where necessary. Presently Company is exposed to foreign currency risk, in respect of L/Cs opened for import of raw materials and spares.

	2024	2023
	Amount of net Exposure	
CNY (In thousands)	-	3,157
USD (In thousands)	475	1,413

The following significant exchange rates were applied at reporting date:

	2024	2023
Rupee per CNY		
Reporting date rate (Buying/Selling)	40.13 / 40.20	39.67 / 39.74

	2024	2023
Rupee per USD		
Reporting date rate (Buying/Selling)	277.55 / 278.05	288.60 / 289.10

Foreign currency sensitivity analysis

A ten percent strengthening / weakening of the PKR against the CNY and USD as at September 30, 2024 would have increased / decreased the equity and profit/ loss after tax by Rs. Nil (2023: Rs. Nil). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for September 30, 2023.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year.

b) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of the financial instruments will fluctuate due to change in the market interest rates. The Company's interest rate risk arises from long-term and short-term borrowings obtained with floating rates. All the borrowings of the Company are obtained in functional currencies. Applicable interest rates of financial instruments are given in respective notes.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instrument is:

	2024	2023
	----- (Rupees in '000) -----	
Financial assets:-		
Variable rate instruments		
Long-term loan - cane development	-	25,091
Fixed rate instruments		
Short term investments - TDR	50,264	31,254
	<u>50,264</u>	<u>56,345</u>
Financial Liabilities:		
Variable rate instruments	7,419,756	6,032,246
Fixed rate instruments	1,241,279	1,382,623
	<u>8,661,035</u>	<u>7,414,869</u>

Cash flow sensitivity analysis for variable rate instruments

Change in interest rate by 2% may have a positive or negative impact of approximately Rs. 148.39 million (2023: Rs. 120.64 million) in the statement of profit or loss account before taxation. This analysis has been made based on the assumption that all the other variables remain constant.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss account. Therefore, a change in markup at the reporting date would not affect the statement of profit or loss of the Company.

c) Other price risk

Other Price risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices (other than those arising from interest rate risk). The Company is currently exposed to the other price risk like equity price risk that arise from Company's investment in listed securities that are classified as investments at fair value through other comprehensive income. Listed securities are susceptible to market price risk arising from uncertainties about future returns on the investment securities.

At the reporting date, the exposure to listed equity securities at fair value was Rs.740.98 million (2023: Rs. 571.84 million). A decrease in 10% in the share price of the listed securities would have an impact of approximately Rs. 74.10 million (2023: Rs. 57.18 million) on the equity or income depending whether or not the decline is significant and prolonged. An increase of 10% in the share price of the same would impact equity by a similar amount but will not have an effect on income unless there is an impairment charge associated with it.

Investments	Credit rating	2024	2023
		----- (Rupees in '000) -----	
Cherat Cement Company Limited	A 1	417,888	354,893
Cherat Packaging Limited	A 1	323,090	216,948
		740,978	571,841

36.2 Credit Risk

Credit risk is the risk of financial loss to the Company if counter parties to a financial instrument fail to meet their contractual obligations. The Company does not have significant exposure in relation to individual customers. Aging analysis of trade debts is disclosed in note no.10.1 of this financial statements. The Company exposure to credit risk is minimal as the Company mostly receives advance against sale of goods to customers.

The maximum exposure to credit risk at the reporting date is as follows :	2024	2023
	----- (Rupees in '000) -----	
Loans & Deposits	6,168	27,654
Trade debts	1,421,583	667,539
Advances	51,114	21,363
Short-term investment - TDR	50,264	31,254
Bank balances	50,442	30,133
	1,579,571	777,943

36.2.1 Credit quality of financial assets

The credit quality of financial assets that are neither past nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates :

	2024	2023
	----- (Rupees in '000) -----	
Loans & Deposits		
Parties with no default in the past one year	4,086	26,338
Deposits against ijarah contracts (Credit rating "A" +)	2,082	1,316
	6,168	27,654
Trade debts		
Customers with no default in the past one year	1,421,583	667,539
Advances		
Counter parties without credit rating	51,114	21,363
Short-term investment - TDR		
Counter parties with credit rating (A1+)	40,722	21,710
Counter parties with credit rating (A1)	9,542	9,544
	50,264	31,254
Cash at bank		
A1+	41,756	29,947
A1	8,434	186
A-1	111	-
A-1+	141	-
	50,442	30,133

All other financial assets are not exposed to any material credit risk.

36.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they fall due.

The Company applies prudent liquidity risk management by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. As at the reporting date, the Company has unused credit facilities of Rs. 4,972 million (2023: Rs. 4,378 million).

Table below summarises the maturity profile of the Company's financial liabilities at the following reporting dates based on contractual undiscounted payments. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	INTEREST BEARING			NON-INTEREST BEARING			2024	2023
	Less than one year	one to five years	Sub Total (a)	Less than one year	one to five years	Sub Total (b)		
	----- (Rupees '000) -----						Total (a+b)	
Financial liabilities:								
Long-term financing	424,446	2,458,619	2,883,065	-	-	-	2,883,065	2,642,623
Lease Liabilities	4,014	11,111	15,125	-	-	-	15,125	23,786
Deferred liabilities	-	-	-	-	646,878	646,878	646,878	618,976
Short-term borrowings	5,777,970	-	5,777,970	-	-	-	5,777,970	4,772,246
Trade & other payables	-	-	-	436,650	-	436,650	436,650	378,807
Accrued mark-up	-	-	-	334,316	-	334,316	334,316	381,562
Unclaimed dividend	-	-	-	-	7,713	7,713	7,713	7,753
	6,206,430	2,469,730	8,676,160	770,966	654,591	1,425,557	10,101,717	8,825,753

Effective interest rates for the monetary financial assets and liabilities are mentioned in the respective notes to the financial statements.

36.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial, if any and non-financial assets and financial liabilities. When measuring the fair value of an asset or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the management recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

Management assessed that the fair values of cash & cash equivalents and short term deposits, other receivables, trade debts, trade and other payables, short term borrowing and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. For long term deposits being asset and long term liabilities, management considers that their carrying values approximates their fair value.

The fair value of land is a level 3 recurring fair value measurement. Management engages an independent external expert / valuator to carry out periodic valuation of its non-financial assets (i.e. Land) and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained by the valuer.

Land The valuation is considered on the factors of location, needs of the buyers, the overall prevailing market situation and other considerations linked with this.

Forward exchange contracts Valuation of the foreign currency forward contracts is based on foreign currency exchange rates in active markets, thus the Company measures the fair value of these contracts under a Level 2 input.

Financial assets measured at fair value	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
		---(Rupees '000)---		
September 30, 2024				
Investment at fair value through other comprehensive income	740,978	740,978	-	-
September 30, 2023				
Investment at fair value through other comprehensive income	571,841	571,841	-	-

As at the reporting date, the fair value of all the financial assets and liabilities approximates to their carrying values. The property plant and equipment is carried at cost less accumulated depreciation and impairment if any, except free-hold land and capital work in progress. Free hold land which is stated at a revalued amount, it's revaluation has been carried out by independent valuers. Capital Work in progress is stated at cost. Long term investments in associates is carried at equity method. The Company does not expect that unobservable inputs may have significant effect on fair values.

36.4.1 Changes in Liabilities to cash flows arising from financing activities

	2024				
	Long term financing*	Short term borrowings	Lease liabilities	Un-claimed dividend	Accrued Mark-up
	------(Rupees in '000)-----				
At the beginning of the year	2,957,674	4,772,246	23,786	7,753	381,562
Changes from financing cash flows					
Borrowings - net	172,013	1,005,724	-	-	-
Lease rentals paid	-	-	(11,941)	-	-
Dividend paid	-	-	-	(40)	-
Finance cost paid	-	-	-	-	(1,902,361)
Other changes					
Addition of lease liability	-	-	-	-	-
Recognition of government grant - net	-	-	-	-	-
Finance cost - net of borrowing cost	-	-	3,280	-	1,855,115
Borrowing costs	-	-	-	-	-
	-	-	-	-	-
At the end of the year	3,129,687	5,777,970	15,125	7,713	334,316
	------(Rupees in '000)-----				
	Long term financing*	Short term borrowings	Lease liabilities	Un-claimed dividend	Accrued Mark-up
	------(Rupees in '000)-----				
At the beginning of the year	2,927,716	2,202,141	30,530	7,976	166,095
Changes from financing cash flows					
Borrowings - net	(3,698)	2,570,105	-	-	-
Lease rentals paid	-	-	(11,000)	-	-
Dividend paid	-	-	-	(223)	-
Finance cost paid	-	-	-	-	(904,342)
Other changes					
Recognition of lease liability	-	-	-	-	-
Recognition of government grant - net	33,656	-	-	-	-
Finance cost - net of borrowing cost	-	-	4,256	-	1,119,809
Borrowing costs	-	-	-	-	-
At the end of the year	2,957,674	4,772,246	23,786	7,753	381,562

*Includes the effect of government grant

36.5 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as going concern in order to provide returns for share holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is not subject to any externally imposed capital requirements.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

The gearing ratios as at September 30 are as follows:

	2024	2023
	----- (Rupees in '000) -----	
Total Long-term debt	2,883,065	2,642,623
Share Capital	665,579	465,579
Reserves	1,170,158	2,964,938
Surplus on revaluation of Property, plant & equipment	661,496	661,496
Total Equity	2,497,233	4,092,013
Total Equity and Long-term debt	5,380,298	6,734,636
Gearing ratio	53.59%	39.24%

Risk management strategy related to agricultural activities

Regulatory and environmental risks

The Company is subject to various laws and regulations in Pakistan. The Company has established environmental policies and procedures aimed at ensuring compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

Climate and other risks

Due to inherent nature of the agricultural assets, it contains elements of significant risks and uncertainties which may adversely affect business and resultant profitability, including but not limited to the following:

- i) adverse weather conditions such as floods etc. affecting the quality and quantity of production; and
- ii) potential insect, fungal and weed infestations resulting in crop failure and reduced yields.

37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS & EXECUTIVES

Particulars	2024			2023		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	----- (Rupees in '000) -----					
Remuneration & bonus	73,762	27,294	89,791	62,776	22,698	72,702
Housing allowance	1,452	8,036	27,102	1,452	6,841	22,416
Utilities	250	1,786	6,399	250	1,519	4,980
Leave fare assistance	3,944	2,642	-	3,357	2,015	-
Retirement benefits	8,752	2,977	4,235	7,448	2,534	3,484
	88,160	42,735	127,527	75,283	35,607	103,582
No. of persons	1	1	26	1	1	23

The Chief Executive, Director and Executives are provided with the use of Company maintained cars and mobile phone facility which is reimbursed at actual to the extent of their entitlements.

- 37.1** The aggregate amount charged in the financial statements for the year for meeting fee to six directors amounted to Rs. 4.30 million (2023: six directors - Rs.2.46 million).

	2024	2023
Note	----- (Rupees in '000) -----	

38. PROVIDENT FUNDS RELATED DISCLOSURE

38.1 The following information is based on un-audited financial statements of the funds.

Size of the trusts	38.2	845,404	609,909
Cost of investments made		673,612	433,362
Fair value of investments		840,927	604,279

----- (Percentage) -----

Percentage of investments made		99.47	99.07
Loans to employees on mark-up		0.53	0.93
		100	100

38.2 The major categories of investments

Government securities		500,000	288,738
Listed securities		132,496	138,405
Units of collective investment scheme		155,244	129,036
Banks		53,187	48,100
		840,927	604,279

38.3 Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

39. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of related group companies, associated companies, directors and executives. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties, contribution to staff benefit funds, mark-up on loans, amount due from executives and remuneration of directors and executives are disclosed in the relevant notes. Other material transactions with related parties are given below :

Relationship	Nature of transactions	2024	2023
		----- (Rupees in '000) -----	
Group Companies	Services received	26,548	29,966
	Goods purchased	47,342	446,646
	Dividend received from related parties	19,676	17,850
Associated Company	Dividend received from associated company	25,000	275,000
	Sales made	1,067,407	867,281
Other related parties	Staff provident / gratuity fund	24,092	12,148
Key management personnel	Sales made under employee car scheme	-	1,547
Directors, Group companies, provident & gratuity funds	Right shares issued	292,728	-

39.1 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 had entered into transactions or has arrangements / agreements 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 Air-conditioning (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	-

40. CAPACITY AND PRODUCTION

Sugar division

	2024	2023
No. of days mill operated	97	87
Crushing capacity per day (M.tons)	12,500	12,500
Total crushing capacity on the basis of no. of days (M.tons)	1,212,500	1,087,500
Actual crushing (M.tons)	616,102	562,641
Sugar production (M.tons)	66,101	59,325

The sugar production plant capacity is based on crushing sugar cane on daily basis and the sugar production is dependent on certain factors which include sucrose recovery percentage and availability of sugar cane for crushing.

Paper division

	2024	2023
No. of days mill operated	175	112
Capacity per day (M.tons)	250	250
Total production capacity on the basis of no. of days (M.tons)	68,750	68,750
Actual paper production (M.tons)	31,968	17,959

The variance of actual production from capacity is primarily on account of production planning as per market demand /orders in hand and availability of essential raw materials.

41. NUMBER OF EMPLOYEES

The total number of employees and average number of employees at year end and during the year respectively are as follows:

	2024	2023
	----- (Number) -----	
Total number of employees as at September 30,	258	277
Total number of employees at factory as at September 30,	219	241
Average number of employees during the year	264	261
Average number of employees at factory during the year	227	225

- 41.1 During the year the cost of the Company to recruit, select, hire, train, develop, allocate, conserve, reward & utilize human assets was Rs. 2.44 million (2023: Rs 2.12 million)

42. DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

		2024	2023
	Note	----- (Rupees in '000) -----	
Long term financing as per Islamic mode	18	1,984,492	1,454,981
Short term borrowings as per Islamic mode	24	2,138,855	1,587,225
Shariah Compliant bank balances	15	10,298	15,408
Revenue earned from Shariah compliant business	26	11,969,725	7,779,469
Dividend earned from Shariah compliant investment	31	19,676	17,850
Finance cost on Islamic mode of financing	32	1,072,834	450,321
Profit earned from any conventional loan / advances	31	1,680	4,765
Finance cost on conventional mode of Financing	32	781,227	669,488
Exchange Gain earned	31	48	-
Profit earned from any Shariah compliant bank accounts	31	670	480

The Company has relationship with Askari Bank Limited, Al Baraka Bank (Pakistan) Limited, Bank Al-falah Limited, Dubai Islamic Bank Limited, Meezan Bank Limited, MCB Islamic Bank Limited, Faysal Bank Limited & Bank Islami (Pakistan) Limited.

43. DATE OF AUTHORIZATION FOR ISSUE

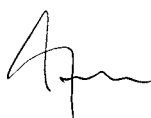
These financial statements have been authorized for issue on December 20, 2024 by the Board of Directors of the Company.

44. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison and better presentation. There were no significant reclassifications to these financial statements during the year.

45. GENERAL

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.



Aslam Faruque
Chief Executive



Hasan Reza Ur Rahim
Director



Wasif Khalid
Director & Chief Financial Officer

Independent Auditor's Report to the Members of Mirpurkhas Sugar Mills Limited on the Utilization of Right Shares Proceeds



We have reviewed the annexed statement of utilization of the proceeds of Right Shares issued by Mirpurkhas Sugar Mills Limited (the Issuer-Company) on May 23, 2024. The Issue of Right Shares comprised of 20 million shares at face value of Rs 10 per Right Share (Premium of Rs. 15 per share) amounting to Rs 500 million.

Scope of the Auditor's Report

Pursuant to the Notification (S.R.O. 231 (1)/2020) dated March 16, 2020 issued by the SECP as the statutory auditor of the Issuer-Company to confirm the appropriateness of utilization of Right Shares proceeds referred to in the final offer letter dated March 28, 2024 submitted by the Company to the SECP on the earmarked items mentioned in the said letter: (i) working capital requirement.

Management's Responsibility

It is the management responsibility to ensure that the utilization of Right Shares proceeds amounting to Rs 500 million have been on the descriptive items and any deviation, if any, therefrom are reported in the annexed statement of utilization of Right Shares proceeds and such utilization proceeds are appropriately reported in the Company's financial statements for the year ended September 30, 2024.

Auditor's responsibility

Our responsibility is to review and certify the utilization of proceeds of the Right Shares and appropriateness of reporting in the financial statements of the Company for the year ended September 30, 2024. We conducted our verification in accordance with 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Those guidelines require us to review the provision of adequate information by the management and to certify in accordance with the applicable financial reporting framework.

Our verification procedures include obtaining such evidence and explanation about the information as contained in the annexed Statement of Utilization of Right Shares Proceeds as at September 30, 2024. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for auditor's report.

Based on our review of the documentation and procedures as mentioned above, we report that out of the total Right Shares proceeds of Rs 500 million, the Company has utilized an amount of Rs 500 million earmarked for working capital requirement.

Chartered Accountants

Karachi:

Dated December 20, 2024

Pattern of Shareholding

As at September 30, 2024

Number of Shareholders	Shareholding			Shares Held
	From		To	
814	1	to	100	28,826
394	101	to	500	112,573
231	501	to	1000	183,005
440	1001	to	5000	1,089,749
122	5001	to	10000	851,693
68	10001	to	15000	849,637
33	15001	to	20000	572,050
25	20001	to	25000	570,059
19	25001	to	30000	511,389
11	30001	to	35000	365,935
7	35001	to	40000	269,157
5	40001	to	45000	208,791
8	45001	to	50000	390,086
7	50001	to	55000	367,775
2	55001	to	60000	113,500
3	60001	to	65000	184,692
3	65001	to	70000	203,111
6	70001	to	75000	435,880
3	75001	to	80000	230,360
4	85001	to	90000	353,513
3	90001	to	95000	275,085
6	95001	to	100000	592,345
1	100001	to	105000	102,678
1	105001	to	110000	105,966
1	110001	to	115000	113,436
1	115001	to	120000	115,100
2	125001	to	130000	253,076
1	130001	to	135000	134,256
2	135001	to	140000	270,716
2	150001	to	155000	307,674
1	160001	to	165000	165,000
2	185001	to	190000	376,360
1	205001	to	210000	207,152
3	225001	to	230000	679,395
1	245001	to	250000	246,065
1	260001	to	265000	263,745
1	270001	to	275000	270,768
1	290001	to	295000	293,953
1	295001	to	300000	300,000
1	320001	to	325000	322,940
1	330001	to	335000	335,000
1	405001	to	410000	409,105
1	475001	to	480000	475,020
4	540001	to	545000	2,170,088
1	1190001	to	1195000	1,193,646
1	1195001	to	1200000	1,199,601
1	1285001	to	1290000	1,288,380
1	1585001	to	1590000	1,588,150
1	1820001	to	1825000	1,823,900
1	2010001	to	2015000	2,012,004
1	2040001	to	2045000	2,044,902
1	2135001	to	2140000	2,139,795
1	3590001	to	3595000	3,594,435
1	5380001	to	5385000	5,381,291
1	27615001	to	27620000	27,615,080
2256				66,557,888

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouse(s) and minor children			
Mr. Arif Faruque	1	102,678	0.15
Mr. Aslam Faruque	1	409,105	0.61
Mr. Amer Faruque	1	43,041	0.06
Mr. Wasif Khalid	1	30,000	0.05
Mr. Hasan Reza Ur Rahim	1	4	0.00
Associated Companies, undertakings and related parties			
Faruque (Private) Limited	1	27,615,080	41.49
Cherat Cement Company Limited	1	3,594,435	5.40
Greaves Pakistan (Private) Limited	1	1,588,150	2.39
NIT and ICP	4	97,284	0.15
Banks, Development Financial Institutions, Non Banking Financial Institutions.	12	102,933	0.15
Insurance Companies	1	1,193,646	1.79
Modarabas and Mutual Funds	1	5,381,291	8.09
General Public			
A) Local	2,179	20,012,819	30.07
B) Foreign	15	351,903	0.53
Others	36	6,035,519	9.07
Total	2,256	66,557,888	100.00

Shareholders holding 10% or more	Shares Held	Percentage
FARUQUE (PRIVATE) LIMITED	27,615,080	41.49

میر پور خاص شوگر ملز لمیٹڈ

غلام فاروق گروپ کمپنی



پوسٹل بیٹ پیپر

پیر، 27 جنوری، 2025 کو صبح 11:00 بجے، کمپنی کے رجسٹرڈ آفس، فیکٹری احاطہ، جمرا، عمر کوٹ روڈ، میر پور خاص، سندھ، میں منعقد ہونے والے سالانہ جنرل اجلاس میں خصوصی بزنس کے لیے ڈاک کے ذریعے ووٹ ڈالنے کے لیے:

یو اے این: +92 21 111 354 111 ویب سائٹ: www.gfg.com.pk/msm/

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شیئر ہولڈر/ پراکسی ہولڈر کا نام	
رجسٹرڈ ایڈریس	
موجود شیئرز کی تعداد	
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر/ پاسپورٹ نمبر (غیر ملکی ہونے کی صورت میں) کا پی منسلک کریں	
اضافی معلومات اور انکلوژرز (کارپوریٹ ہاڈی، کارپوریشن، اور وفاقی حکومت کا نمائندہ ہونے کی صورت میں)	
مجاز دستخط کنندہ کا نام	
مجاز دستخط کنندہ کا کمپیوٹرائزڈ قومی شناختی کارڈ نمبر/ پاسپورٹ نمبر (غیر ملکی ہونے کی صورت میں) (کاپی منسلک کریں)	

لیجنڈا کے آئٹم نمبر 4 کے لیے قرارداد

- (a) قرار دیا جاتا ہے کہ 30 ستمبر 2024 کو ختم ہونے والے مالی سال کے دوران متعلقہ پارٹیز اور منسلک کمپنیز کے ساتھ معمول کے مطابق کیے گئے لین دین، جسے فائنل اسٹیٹمنٹس کے نوٹ 39 میں ظاہر کیا گیا ہے، کی توثیق کی جاتی ہے اور منظوری دی جاتی ہے
- (b) مزید قرار دیا جاتا ہے کہ کمپنی کے بورڈ آف ڈائریکٹرز 30 ستمبر 2025 کو ختم ہونے والے سال کے دوران متعلقہ پارٹیز اور منسلک کمپنیز کے ساتھ معمول کے مطابق کیے جانے والے تمام لین دین کی منظوری دینے کے مجاز ہیں۔

ہدایات برائے پول

- برائے مہربانی اپنے ووٹ کا اظہار متعلقہ باکس کے آگے تک (✓) کے نشان سے کریں
- اگر دونوں باکس کے آگے تک (✓) نشان مارک کیا جاتا ہے تو آپ کا ووٹ منسوخ تصور کیا جائے گا
- میں/ ہم مندرجہ بالا قرارداد کے حوالے سے اپنا ووٹ بیٹ کے ذریعے استعمال کرتے ہوئے قرارداد پر اپنی رضامندی یا اختلاف کا اظہار کرتے ہوئے نیچے مناسب باکس میں تک (✓) کا نشان لگاتے ہیں۔

قرارداد	میں/ ہم قرارداد سے متفق ہیں (حق میں ووٹ)	میں/ ہم قرارداد سے اتفاق نہیں کرتے (مخالفت میں ووٹ)
لیجنڈا کے آئٹم نمبر 4 کے لیے قرارداد		

- باقاعدہ طور پر پُر شدہ بیٹ پیپر چیئرمین کو سیکنڈ فلور، ماڈرن موٹرز ہاؤس، بومونٹ روڈ، کراچی پر جمعہ، 24 جنوری، 2025 تک کام کے اوقات کے دوران ارسال کیا جائے یا agmmsm@gfg.com.pk پر 26 جنوری، 2025 کو منعقدہ اے جی ایم کے انعقاد سے ایک دن پہلے شام 5:00 بجے تک ای میل کیا جائے
- شناختی کارڈ / پاسپورٹ کی کاپی (غیر ملکی کی صورت میں) پوسٹل بیٹ فارم کے ساتھ منسلک کی جائے
- بیٹ پیپر جمعہ، 24 جنوری، 2025 تک کاروباری اوقات میں چیئرمین تک پہنچنا چاہیے۔ اس تاریخ کے بعد موصول ہونے والے کسی بھی پوسٹل بیٹ پر ووٹنگ کے لئے غور نہیں کیا جائے گا۔
- بیٹ پیپر پر دستخط شناختی کارڈ / پاسپورٹ (غیر ملکی کی صورت میں) پر موجود دستخط کے مطابق ہونے چاہئیں
- ایسے پول پیپرز جو نامکمل، غیر دستخط شدہ، غلط، مسخ شدہ، پھٹے ہوئے، یا جن میں اوور رائٹنگ ہو انہیں مسترد کر دیا جائے گا۔
- کارپوریٹ ہاڈی، کارپوریشن یا وفاقی حکومت کے نمائندے کی صورت میں بیٹ پیپر فارم کے ساتھ کسی مجاز شخص کے شناختی کارڈ کی کاپی، بورڈ ریزولوشن کی تصدیق شدہ کاپی/ پاور آف اٹارنی/ اتھارٹی لیز وغیرہ منسلک ہونا ضروری ہے، جس کا اطلاق کمپنیز ایکٹ 2017ء کے سیکشن 138 یا 139 کے مطابق ہوتا ہے
- بیٹ پیپر فارم بھی کمپنی کی ویب سائٹ/ www.gfg.com.pk/msm پر دستیاب ہیں۔ ممبران ویب سائٹ سے بیٹ پیپر ڈاؤن لوڈ کر سکتے ہیں۔

تاریخ:

شیئر ہولڈر/ پالیسی ہولڈر کے دستخط/ مجاز دستخط کنندہ
(کارپوریٹ سٹیٹمنٹ کی صورت میں برائے مہربانی کمپنی کی مہر ثبت کریں)

اپنے بقیہ غیر کلیم شدہ ڈیوڈنڈ / شیئرز حاصل نہیں کر سکے ہیں، انہیں مشورہ دیا جاتا ہے کہ وہ اپنے غیر کلیم شدہ ڈیوڈنڈ یا شیئرز کے حصول / معلومات کے لیے کمپنی کے شیئر رجسٹرار سے رابطہ کریں

16. شیئر ہولڈرز کے پاس ای میل کے ذریعے سالانہ آڈٹ شدہ فائنانشل اسٹیٹمنٹس اور سالانہ اجلاس عام کا نوٹس حاصل کرنے کا اختیار ہے۔ کمپنی کے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ اگر وہ ای میل کے ذریعے سالانہ آڈٹ شدہ فائنانشل اسٹیٹمنٹس اور سالانہ اجلاس عام کا نوٹس حاصل کرنا چاہتے ہیں تو ریکارڈ کو اپ ڈیٹ کرنے کے لئے ہمارے شیئر رجسٹرار کو اپنی رضامندی ظاہر کریں۔ تاہم، اگر شیئر ہولڈرز، اس کے علاوہ، آڈٹ شدہ فائنانشل اسٹیٹمنٹس کی ہارڈ کاپی کی درخواست کرتے ہیں تو، انہیں تحریری درخواست کی وصولی کے سات (7) دنوں کے اندر مفت فراہم کر دی جائیں گی۔

17. زکوٰۃ کی لازمی کٹوتی سے استثنیٰ کلیم کرنے کے لیے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ زکوٰۃ ڈیکلریشن (فارم سی زیڈ-50) یا اس کی تصدیق شدہ فوٹو کاپی سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو جلد از جلد جمع کرائیں تاکہ مستقبل کے تمام ڈیوڈنڈز پر زکوٰۃ کی کٹوتی سے بچا جاسکے۔

کمپنیز ایکٹ 2017 کے سیکشن 134 کے تحت اسٹیٹمنٹ

متعلقہ پارٹی ٹرانزیکشنز

اسٹیٹمنٹ میں پیر، 27 جنوری، 2025 کو منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں ”خصوصی کاروبار“ سے متعلق مادی حقائق بیان کیے گئے ہیں۔ کمپنی کے ممبران سے درج ذیل کے حوالے سے منظوری حاصل کی جائے گی:

30 ستمبر، 2024 کو ختم ہونے والے مالی سال کے دوران کمپنی نے اپنی منسلک کمپنیز اور متعلقہ پارٹیز کے ساتھ اپنی پالیسیوں اور قابل اطلاق قوانین و ضوابط کے مطابق ٹرانزیکشنز انجام دیں۔ متعلقہ پارٹی ٹرانزیکشنز کو کمپنیز ایکٹ 2017 کی دفعہ 207 اور 208 کے تحت شیئر ہولڈرز کی منظوری درکار ہے۔ اس طرح کی ٹرانزیکشنز کو سالانہ جنرل میٹنگ میں منظوری کے لیے تجویز کردہ خصوصی قرارداد کے ذریعے شیئر ہولڈرز کی منظوری کے لیے ان کے سامنے رکھا جا رہا ہے۔

شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ 30 ستمبر، 2024 کو ختم ہونے والے مالی سال کی فائنانشل اسٹیٹمنٹس کے نوٹ نمبر 39 میں ظاہر کردہ ٹرانزیکشنز کی توثیق کریں اور بورڈ آف ڈائریکٹرز کو 30 ستمبر، 2025 کو ختم ہونے والے سال کے لئے متعلقہ پارٹیز اور منسلک کمپنیز کے ساتھ ٹرانزیکشنز کرنے کا اختیار دیں۔

30 ستمبر، 2024 کو ختم ہونے والے مالی سال کی فائنانشل اسٹیٹمنٹس کے نوٹ نمبر 39 میں ظاہر کردہ ٹرانزیکشنز کی پارٹیز کے لحاظ سے تفصیلات درج ذیل ہیں:

رقم (روپے)	ٹرانزیکشن کی نوعیت	متعلقہ پارٹی کا نام
(14,470,959)	خدمات کی ادائیگی	زین سوفٹ (پرائیویٹ) لمیٹڈ
(1,320,090)	خدمات کی ادائیگی	گریوز ائیر کنڈیشننگ (پرائیویٹ) لمیٹڈ
(10,756,652)	خدمات کی ادائیگی	گریوز پاکستان (پرائیویٹ) لمیٹڈ
(3,944,100)	کی گئی خریداری	گریوز ائیر کنڈیشننگ (پرائیویٹ) لمیٹڈ
(30,487,746)	کی گئی خریداری	گریوز پاکستان (پرائیویٹ) لمیٹڈ
(12,910,173)	کی گئی خریداری	چیراٹ پیکنگ لمیٹڈ
12,362,747	ڈیوڈنڈ کی آمدنی	چیراٹ سیمنٹ لمپنی لمیٹڈ
7,312,845	ڈیوڈنڈ کی آمدنی	چیراٹ پیکنگ لمیٹڈ
25,000,000	ڈیوڈنڈ کی آمدنی	یونی کول لمیٹڈ
1,067,406,726	کی گئی سیلز	یونی کول لمیٹڈ
(24,091,837)	اسٹاف کے پراویڈنٹ / گریجویٹ فنڈ کے چارجز	پی ایف / جی ایف
292,728,025	رائٹ شیئرز کی ادائیگی	دیگر متعلقہ پارٹیز

ڈائریکٹرز صرف اپنی شیئر ہولڈنگ اور / یا ایسی متعلقہ پارٹیوں میں مشترکہ ڈائریکٹر شپ میں ہی دلچسپی رکھتے ہیں۔

11. شیئر ہولڈرز کو یاد دہانی کرائی جاتی ہے کہ کمپنیز ایکٹ 2017 کی دفعہ 242 کے مطابق لسٹڈ کمپنی کے معاملے میں کمپنی کی جانب سے اعلان کردہ کسی بھی کیش ڈیویڈنڈ کو براہ راست شیئر ہولڈرز کے بینک اکاؤنٹس میں الیکٹرانک طور پر ادا کیا جانا چاہیے۔ اپنے بینک اکاؤنٹ میں براہ راست ڈیویڈنڈ وصول کرنے کے لئے، شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ یعنی www.gfg.com.pk/msm/ پر دستیاب ای-ڈیویڈنڈ مینڈیٹ فارم پر کریں اور فزیکل شیئرز کی صورت میں اسے شناختی کارڈ کی کاپی کے ہمراہ باقاعدہ دستخط شدہ، کمپنی کے رجسٹرار میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو ارسال کریں۔ اگر شیئر سی ڈی سی کے پاس ہیں، تو، ای ڈیویڈنڈ مینڈیٹ فارم براہ راست شیئر ہولڈر کے بروکر / شرکت کنندہ / سی ڈی سی انویسٹر اکاؤنٹ سروسز میں جمع کرانا ہوگا۔ آئی بی اے این جمع نہ کرانے کی صورت میں کمپنی (ڈیویڈنڈ کی تقسیم) ریگولیشنز، 2017 کے تحت ڈیویڈنڈ کی ادائیگی روک دے گی۔ مزید برآں مجموعی منافع، ٹیکس / زکوٰۃ کٹوتی اور منافع کی خالص رقم کے بارے میں معلومات سینٹرل کیش ڈیویڈنڈ رجسٹر (سی ڈی سی آر) کے ذریعے فراہم کی جائیں گی لہذا شیئر ہولڈرز کو اپنے آپ کو سی ڈی سی، ای سروسز پورٹل <http://eservices.cdcaccess.com> پر رجسٹر کرانا چاہیے۔

12. ممبرز کو مطلع کیا جاتا ہے کہ کمپنیز (پوسٹل بیٹ) ریگولیشنز، 2018 کے مطابق سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے تمام لسٹڈ کمپنیوں کو ہدایت کی ہے کہ وہ خصوصی کاروبار کے طور پر طے کردہ تمام کاروباروں پر اراکین کو الیکٹرانک ووٹنگ کی سہولت اور ڈاک کے ذریعے ووٹنگ کا حق فراہم کریں۔

اس کے مطابق کمپنی کے شیئر ہولڈرز کو، مندرجہ بالا ریگولیشنز میں بیان کردہ شرائط اور ضرورت کے مطابق، پیر، 27 جنوری، 2025 کو صبح 11 بجے منعقد ہونے والی اے جی ایم میں الیکٹرانک ووٹنگ کی سہولت یا ڈاک کے ذریعے ووٹنگ کا حق استعمال کرنے کی اجازت ہوگی۔

شیئر ہولڈرز کی سہولت کے لیے بیٹ پیپر اس نوٹس کے ساتھ منسلک کیا گیا ہے، جبکہ یہ ڈاون لوڈ کرنے کے لیے کمپنی کی ویب سائٹ www.gfg.com.pk/msm/ پر بھی دستیاب ہے۔

ای۔ووٹنگ کا طریقہ کار

13. ای ووٹنگ کی سہولت کی تفصیلات ان شیئر ہولڈرز سے بذریعہ ای میل شیئر کی جائیں گی جن کے مونیٹر کمیونٹرائزڈ قومی شناختی کارڈ نمبر، موبائل نمبر، اور ای میل ایڈریس کمپنی کے شیئر رجسٹرار کے پاس 20 جنوری، 2025 کو کاروباری وقت کے اختتام تک موجود ہوں۔

ویب ایڈریس، لاگ ان کی تفصیلات، ممبران کو ای میل کے ذریعے فراہم کر دی جائیں گی۔ ممبران کو سیکورٹی کوڈز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ (ای۔ووٹنگ سروس پرووائیڈر ہونے کے ناطے) کی ویب پورٹل سے ایس ایم ایس کے ذریعے فراہم کیے جائیں گے۔

ایسے شیئر ہولڈرز جو ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھتے ہیں، ان کی شناخت الیکٹرانک دستخط یا لاگ ان کی تصدیق کے ذریعے کی جائے گی۔

ای ووٹنگ لائنیز 22 جنوری 2025، صبح 9 بجے سے شروع ہوں گی اور 26 جنوری 2025 کو شام 5 بجے بند ہوں گی۔ شیئر ہولڈرز اس مدت کے دوران کسی بھی وقت اپنا ووٹ ڈال سکتے ہیں۔ ایک بار جب کسی قرارداد پر ووٹ ڈال دیا گیا تو اسے بعد میں تبدیل کرنے کی اجازت نہیں دی جائے گی۔

پوسٹل بیٹ کے ذریعے ووٹنگ کا طریقہ کار

14. شیئر ہولڈرز اس بات کو یقینی بنائیں گے کہ کمیونٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) کی کاپی کے ساتھ باقاعدہ طور پر پُر شدہ اور دستخط شدہ بیٹ پیپر مین کو ڈاک کے ذریعے کمپنی کے ایڈریس سینٹر فلور، ماڈرن موٹرز ہاؤس، بیومونٹ روڈ، کراچی پر 24 جنوری 2025 تک کام کے اوقات کے دوران، یا بذریعہ ای میل 26 جنوری 2025 کو منعقدہ سالانہ اجلاس عام سے ایک دن قبل شام 5:00 بجے تک موصول ہو جائے۔ بیٹ پیپر پر کیے گئے دستخط شناختی کارڈ پر موجود دستخط کے مطابق ہونے چاہئیں۔

15. کمپنیز ایکٹ 2017ء کے سیکشن 244 کی کپلائنس میں ایک بار جب کمپنی مقررہ رسمی کارروائیاں مکمل کر لے تو کوئی بھی غیر کلیم شدہ ڈیویڈنڈ اور/یا شیئرز جو واجب الادا ہونے یا اس سے زائد کی تاریخ سے تین سال کی مدت تک آؤٹ اسٹینڈنگ رہے ہوں گے انہیں وفاقی حکومت (ڈیویڈنڈ ہونے کی صورت میں) یا ایس ای سی پی (فزیکل شیئرز ہونے کی صورت میں) میں جمع کرایا جائے گا۔ وہ شیئر ہولڈرز جو کسی بھی وجہ سے

سی ہاؤس، 99-بی، بلاک 'بی'، ایس ایم سی ایچ ایس، مین شارع فیصل، کراچی-74400 میں پیر 20 جنوری 2025 کو کاروبار کے اختتام تک آرڈر میں موصول ہونے والے شیئرز کو بروقت تصور کیا جائے گا۔

2. کمپنی کا کوئی ممبر جو سالانہ اجلاس عام میں شرکت کرنے، اظہار خیال اور ووٹ دینے کا اہل ہے وہ کسی دوسرے رکن کو اپنی جگہ شرکت کرنے، اظہار خیال اور ووٹ دینے کے لئے اپنے پراکسی کے طور پر مقرر کر سکتا ہے۔ پراکسیز کے مؤثر ہونے کے لئے تحریری ہونا ضروری ہے اور مینٹگ سے 48 گھنٹے پہلے لازمی طور پر کمپنی کے ہیڈ آفس میں وصول کیا جانا چاہئے۔
3. اے جی ایم کی کارروائی زوم اپیلی کیشن (ویڈیو لنک کانفرنسنگ کی سہولت) کے ذریعے ویڈیو کے ذریعے بھی انجام دی جائے گی۔ اجلاس میں شرکت کے خواہشمند شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ مطلوبہ معلومات کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) کے دونوں اطراف کی موثر کاپی کے ساتھ cdcsr@cdcsrsl.com پر ای میل کریں جس کا عنوان ”رجسٹریشن فار میرپورخاص شوگر ملز لمیٹڈ اے جی ایم“ ہو۔ شیئر ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ اپنی تمام تر تفصیلات درج ذیل طریقے سے بیان کریں

شیئر ہولڈر/پراکسی کا مکمل نام	کمپنی	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	فولیو/سی ڈی سی اکاؤنٹ نمبر	ای میل ایڈریس	موبائل فون نمبر
	میرپور خاص شوگر ملز لمیٹڈ				

4. ویڈیو لنک کی تفصیلات اور لاگ ان کریڈنٹشلز ممبرز کو ان کے فراہم کردہ ای میل ایڈریسز پر ارسال کی جائیں گی تاکہ وہ مقررہ تاریخ اور وقت پر اجلاس میں شرکت کر سکیں۔
5. ممبران، شیئر ہولڈرز کی شناخت اور تصدیق کے لئے درکار تمام رسمی کارروائیوں کو مکمل کرنے کے بعد اپنی ڈیوائسز کے ذریعے لاگ ان کر سکیں گے اور اے جی ایم کی کارروائی میں حصہ لے سکیں گے۔ ویڈیو لنک اور لاگ ان کریڈنٹشلز صرف ان ممبرز کے ساتھ شیئر کی جائیں گی جن کی ای میلز، جن میں تمام مطلوبہ تفصیلات شامل ہیں، اے جی ایم کے وقت سے کم از کم 48 گھنٹے پہلے موصول ہو چکی ہوں۔
6. کمپنی کے ممبران جن کے شیئرز سینٹرل ڈپازٹری سسٹم (سی ڈی ایس) کے ساتھ ان کے اکاؤنٹ / ذیلی اکاؤنٹ میں رجسٹرڈ ہیں ان سے درخواست کی جاتی ہے کہ وہ تصدیق کے لئے سی ڈی ایس میں اپنے اکاؤنٹ نمبر اور شرکت کنندہ کے شناختی نمبر کے ساتھ اصل کمپیوٹرائزڈ قومی شناختی کارڈ ہمراہ لائیں۔
7. فزیکل شیئرز کے حامل ممبران سے درخواست کی جاتی ہے کہ وہ اپنے پتے میں کسی بھی تبدیلی کے حوالے سے کمپنی کے شیئر رجسٹرار کو مطلع کریں۔ جبکہ، سی ڈی سی اکاؤنٹس کے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے پتوں میں کسی بھی تبدیلی کے حوالے سے فوری طور پر اپنے متعلقہ سی ڈی سی شراکت دار / بروکر / سی ڈی سی انویسٹر اکاؤنٹ سروسز کو مطلع کریں۔
8. کمپنیز ایکٹ 2017 کے سیکشن 119 اور کمپنیز (جزل پروویژن اینڈ فارمز) ریگولیشنز 2024 کے ریگولیشن 47 کے مطابق تمام فزیکل شیئر ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ اپنی لازمی معلومات جیسے شناختی کارڈ نمبر، ایڈریس، ای میل ایڈریس، رابطہ موبائل / ٹیلی فون نمبر، پیشہ وغیرہ فوری طور پر سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو فراہم کریں تاکہ قانون کی عدم تعمیل یا مستقبل میں کسی قسم کی زحمت سے بچا جاسکے۔
9. فزیکل شیئرز کے حامل ممبران جنہوں نے ابھی تک اپنے موثر کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) کی فوٹو کاپی جمع نہیں کرائی ہے، ان سے درخواست کی جاتی ہے کہ وہ اسے کمپنی کے شیئر رجسٹرار کو ارسال کریں۔
10. کمپنیز ایکٹ 2017 کے سیکشن 72 کے مطابق ہر موجودہ لسٹڈ کمپنی کو اپنے فزیکل شیئرز بک انٹری فارم ایس ای سی پی کی طرف سے بیان کردہ طریقے اور نوٹیفائڈ تاریخ سے، تبدیل کرنا ہوں گے۔ اسی طرح فزیکل شیئر ہولڈنگ رکھنے والے شیئر ہولڈرز کو اس کے مطابق سی ڈی سی کی انویسٹر اکاؤنٹ سروسز کے ساتھ اپنا اکاؤنٹ کھولنے یا کسی بھی بروکر کے ساتھ ذیلی اکاؤنٹ کھولنے اور اپنے فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنا ہوگا۔ اس سے شیئر ہولڈر کو کئی طریقوں سے سہولت حاصل ہوگی، بشمول سیف کسٹڈی اور شیئرز کی فروخت، جس وقت وہ چاہیں، کیونکہ پاکستان اسٹاک ایکسچینج لمیٹڈ کے موجودہ ضوابط کے مطابق فزیکل شیئرز کی ٹریڈنگ کی اجازت نہیں ہے۔

نوٹس برائے سالانہ اجلاس عام

مطلع کیا جاتا ہے کہ میرپورخاص شوگر ملز لمیٹڈ کا 60 واں سالانہ اجلاس عام مورخہ 27 جنوری 2025، بروز پیر، صبح 11:00 بجے، کمپنی کے رجسٹرڈ آفس بمقام فیکٹری کی حدود، جمراہ، عمر کوٹ روڈ، میرپور خاص، سندھ اور اس کے ساتھ ساتھ وڈیو لنک کانفرنس کی سہولت کے ذریعے درج ذیل امور کی انجام دہی کے لیے منعقد کیا جائے گا

عمومی بزنس

1. 30 ستمبر 2024 کو ختم ہونے والے سال کے لئے کمپنی کے آڈٹ شدہ اکاؤنٹس کی وصولی اور ان پر ڈائریکٹرز اور آڈیٹرز رپورٹس کے ساتھ غور و خصوص
2. سال 25/2024 کے لئے آڈیٹرز کی تقرری اور ان کے مشاہرے کا تعین
3. چیئرمین کی اجازت سے دیگر کسی بھی بزنس پر کارروائی

خصوصی بزنس

4. درج ذیل قرارداد پر بطور خصوصی قرارداد غور و خصوص اور اس کی منظوری
 - (a) قرار دیا جاتا ہے کہ 30 ستمبر 2024 کو ختم ہونے والے مالی سال کے دوران متعلقہ پارٹیز اور منسلک کمپنیز کے ساتھ معمول کے مطابق کیے گئے لین دین، جسے فائنانشل اسٹیٹمنٹس کے نوٹ 39 میں ظاہر کیا گیا ہے، کی توثیق کی جاتی ہے اور منظوری دی جاتی ہے
 - (b) مزید قرار دیا جاتا ہے کہ کمپنی کے بورڈ آف ڈائریکٹرز 30 ستمبر 2025 کو ختم ہونے والے سال کے دوران متعلقہ پارٹیز اور منسلک کمپنیز کے ساتھ معمول کے مطابق کیے جانے والے تمام لین دین کی منظوری دینے کے مجاز ہیں۔
- ذکورہ اسپیشل بزنس سے متعلق کمپنیز ایکٹ 2017 کی دفعہ 134 کے تحت اسٹیٹمنٹ نوٹس کے ساتھ منسلک ہے۔

بحکم بورڈ آف ڈائریکٹرز

عاصم ایچ آخوند
کمپنی سیکرٹری

کراچی، 20 دسمبر، 2024

کمپنی کی آڈٹ شدہ فائنانشل اسٹیٹمنٹس، کمپنیز ایکٹ 2017 کے تحت درکار رپورٹ اور دستاویزات کے ساتھ کمپنی کی ویب سائٹ پر اپ لوڈ کر دی گئی ہیں جنہیں مندرجہ ذیل لنک اور / یا کیو آر اینبلڈ کوڈ سے ڈاؤن لوڈ کیا جاسکتا ہے

کیو آر کوڈ	ویب لنک
	http://gfg.com.pk/msm/financial-information/

نوٹس

1. کمپنی کے ممبران کا رجسٹر منگل، 21 جنوری 2025 سے پیر، 27 جنوری 2025 (بشمول دونوں دن) تک بند رہے گا اور اس دوران کوئی ٹرانسفر رجسٹر نہیں کیا جائے گا۔ کمپنی کے شیئر رجسٹرار کے دفتر سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ (سی ڈی سی ایس آر ایس ایل)، سی ڈی

رہ جانے والے ذخیرے کی وجہ سے مسلسل مندی کا شکار ہیں، اس کے باوجود چینی برآمد کی جارہی ہے، کیونکہ سیزن 2024/25 کا پہلے ہی آغاز ہو چکا ہے۔ وفاقی حکومت پاکستان کو باہر برآمدات کی اجازت دیتے رہنا چاہیے تاکہ متوازن رسد اور طلب کی بنیاد پر چینی کی قیمتوں میں بہتری آسکے

آخری بات یہ کہ ماضی میں چینی کی برآمد حکومت کی طرف سے پیش کی جانے والی برآمدی سبڈی کی بنیاد پر کی جاتی تھی۔ تاہم یہ سبڈیز ابھی تک سندھ کی شوگر ملوں کو ادا نہیں کی گئی ہیں اور اس لیے ہم صوبائی حکومت سے درخواست کرتے ہیں کہ وہ 199.06 ملین روپے کی زیر التوا سبڈی فوری طور پر جاری کرے کیونکہ یہ کمپنی کی لیکویڈیٹی اور کمپنی کی جانب سے کیے جانے والے فائنانشل چارجز کے لیے بے حد اہمیت کی حامل ہے

مستقبل کا منظر نامہ

کمپنی توقع رکھتی ہے کہ ہمارے ملک کے معاشی منظر نامے میں بہتری آئے گی اگر حکومت مالی نظم و ضبط، سیاسی استحکام اور غیر ملکی معاشی امداد کو برقرار رکھنے کی خاطر اصلاحات پر عمل درآمد کے سلسلے کو جاری رکھتی ہے، اور امید کی جاتی ہے کہ اس سے آنے والے سالوں میں معیشت کی ترقی کی رفتار میں بہتری آئے گی۔ تاہم، ملکی قرضوں کی ادائیگی کے بہت زیادہ اخراجات اور بیرونی ادائیگیاں ایک چیلنج کی حیثیت رکھتی ہیں۔ اس سے نمٹنے اور متعلقہ معاشی اشاریوں کو مستحکم کرنے کے لئے حکومت آئی ایم ایف کے ساتھ 7 ارب ڈالر کے 37 ماہ کے ایکسٹینڈڈ فنڈ فیسلٹی ریٹیمینٹ (ای ایف ایف) کے لئے اسٹاف لیول معاہدے تک پہنچنے میں کامیاب رہی ہے۔

چیلنجنگ آپریٹنگ ماحول کو دیکھتے ہوئے، کمپنی کی توجہ دیگر اقدامات کے ساتھ ساتھ منفی اثرات کو کم سے کم کرنے، جبکہ اپنے قرضوں کو دائرے کو مختلف بینکوں کے مابین وسیع کرتے ہوئے، انویسٹری کو کم کرنے اور تجارتی قرضوں کو مینج کر کے ہولڈر کی قدر کو زیادہ سے زیادہ کرنے پر مرکوز ہے۔ اب تک پالیسی ریٹ میں مجموعی طور پر 700 بیس پوائنٹس کی کٹوتی کے ساتھ، مالیاتی آسانی جاری رہنے کی توقع ہے، جو زیادہ بیس ایفیکٹ مستحکم اسٹیبلشمنٹ ریٹ اور غیر ملکی زرمبادلہ کی بہتر فراہمی کی وجہ سے ہے، مینجمنٹ توقع رکھتی ہے کہ یہ مستقبل قریب میں کمپنی کے لیے سازگار اثرات مرتب کرے گا۔


آڈیٹرز کی تقرری


موجودہ آڈیٹرز میسرز کرسٹن حیدر بھیم جی اینڈ کمپنی (چارٹرڈ اکاؤنٹنٹس) سبکدوش ہو چکے ہیں اور اہل ہونے کی بنا پر دوبارہ تقرری کے لیے خود کو پیش کر رہے ہیں۔

سائنس

ہم مسلسل سپورٹ اور تعاون فراہم کرنے پر اپنے تمام صارفین اور فائنانشل انسٹیٹیوشنز کا تہہ دل سے شکریہ ادا کرتے ہیں۔ اور ہم خاص طور پر اس مشکل وقت کے دوران اپنے عملے کی لگن، وفاداری اور سخت محنت پر انہیں دل کی گہرائیوں سے سراہتے ہیں

بحکم بورڈ آف ڈائریکٹرز


اسلم فاروق
چیف ایگزیکٹو


عارف فاروق
چیرمین

کراچی: 20 دسمبر، 2024

- اس سال کے دوران آڈٹ کمیٹی کے 4 اجلاس منعقد کیے گئے۔ ان اجلاسوں میں ڈائریکٹرز کی شرکت کی تعداد درج ذیل ہے

ڈائریکٹر کا نام	اجلاسوں میں شرکت کی تعداد
• جناب حسن رضا الرحیم	4
• جناب عارف فاروق	4
• جناب عامر فاروق*	4

*جناب عامر فاروق کو آڈٹ کمیٹی کے ممبر کے طور پر جناب محمد اظہار خان کی جگہ مقرر کیا گیا ہے

- اس سال کے دوران ہیومن ریسورس اینڈ ریویویشن کمیٹی کے 2 اجلاس منعقد ہوئے۔ ان اجلاسوں کے دوران ممبرز کی حاضری کی تعداد درج ذیل ہے

ڈائریکٹر کا نام	اجلاسوں میں شرکت کی تعداد
• جناب عبدالشکور شیخ*	2
• جناب اسلم فاروق	2
• محترمہ فرزانہ فاروق**	2

*جناب عبدالشکور کو جناب محمد اظہار خان کی جگہ ہیومن ریسورس اینڈ ریویویشن کمیٹی کا ممبر مقرر کیا گیا
**محترمہ فرزانہ فاروق کو جناب عامر فاروق کی جگہ ہیومن ریسورس اینڈ ریویویشن کمیٹی کا ممبر مقرر کیا گیا

- بیڑن آف شیئر ہولڈنگ اس رپورٹ کے ساتھ منسلک کیا گیا ہے
- مالی سال 2023-24 کے دوران فی شیئر خسارہ 39.17 روپے فی شیئر رہا جبکہ گزشتہ سال فی شیئر آمدنی 16.43 روپے تھی۔

ڈائریکٹرز کا مشاہرہ

کمپنی کے آرٹیکلز کے مطابق نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹرز کا مشاہرہ بورڈ آف ڈائریکٹرز کی جانب سے طے کیا جاتا ہے۔ اس سلسلے میں بورڈ آف ڈائریکٹرز نے کمپنی کے نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹرز کے لیے ریویویشن پالیسی تیار کی ہے۔ ڈائریکٹرز کے معاوضے کی تفصیلات 30 ستمبر 2024 کو ختم ہونے والے مالی سال کی فائنل اسٹیٹمنٹس کے نوٹ 37 میں ظاہر کی گئی ہیں۔

کارکردگی کا سالانہ جائزہ

کوڈ آف کارپوریٹ گورننس کے حصے کے طور پر، کمپنی کی طرف سے بورڈ آف ڈائریکٹرز، کمیٹیوں اور انفرادی ڈائریکٹرز کا سالانہ جائزہ لیا جاتا ہے۔ کمپنی نے اس عمل کی شفافیت کو یقینی بنانے کے لئے گرانٹ تھورنٹن ایچ ایم رحمن چارٹرڈ اکاؤنٹنٹس کی خدمات حاصل کی ہیں۔ رپورٹ کے مندرجات کا جائزہ لیا جاتا ہے اور ان شعبوں کی نشاندہی کی جاتی ہے جن میں بہتری کی ضرورت ہوتی ہے اور اس حوالے سے تبادلہ خیال کیا جاتا ہے۔

متعلقہ پارٹیز کی ٹرانزیکشنز

متعلقہ پارٹیز کے ٹرانزیکشنز غیر جانبداری کے ساتھ انجام دی گئی ہیں اور کمپنی کے فائنل اسٹیٹمنٹس میں انہیں باقاعدہ طور پر ظاہر کیا گیا ہے

کوڈ آف کارپوریٹ گورننس پر عمل درآمد کی اسٹیٹمنٹ

کمپنی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی شرائط پر پوری طرح عمل کیا ہے۔ رپورٹ کے متعلقہ سیکشن میں اسٹیٹمنٹ آف کمپلائنس فراہم کیا جا رہا ہے۔

انٹرنل فائنل کنٹرول کی مناسبت کے حوالے سے ڈائریکٹرز کی ذمہ داری

بورڈ آف ڈائریکٹرز کی طرف سے انٹرنل فائنل کنٹرول کا موثر فریم ورک قائم کیا گیا ہے تاکہ آپریشنز کے ہموار اور موثر نفاذ، کمپنی کے اثاثوں کے تحفظ، متعلقہ قوانین اور قواعد کی تعمیل اور قابل بھروسہ فائنل رپورٹنگ کی ضمانت دی جاسکے۔ انڈیپنڈنٹ انٹرنل آڈٹ فنکشن مستقل طور پر ان فائنل کنٹرول کے نفاذ کا جائزہ لیتا اور گفرائی کرتا ہے، جبکہ آڈٹ کمیٹی سہ ماہی بنیادوں پر انٹرنل کنٹرول کے اسٹریکچر کی کارکردگی اور فائنل اسٹیٹمنٹس کا جائزہ لیتی ہے

بورڈ آف ڈائریکٹرز کا اخلاقیات اور کمپلائنس کے لیے عزم

کمپنی کا بورڈ آف ڈائریکٹرز اخلاقیات اور کمپلائنس کے اعلیٰ ترین معیارات کو برقرار رکھنے کے لئے پرعزم ہے۔ یہ دیانت داری اور احتساب کے کلچر کو فروغ دیتا ہے، ہمارے ضابطہ اخلاق کو مقدم رکھتا ہے، اخلاقی بنیادوں پر فیصلہ سازی کی حمایت کرتا ہے، کمپلائنس کے مستحکم پروگرامز کو یقینی بناتا ہے، اور کسی بھی قسم کی خلاف ورزی کی صورت میں مناسب اور فوری ردعمل دیتا ہے

حکومت کی پالیسیوں کا کاروبار پر اثر

ہم اس مروجہ پر ایک بار پھر حکومت سے درخواست کرنا چاہتے ہیں کہ وہ اس بات کو یقینی بنانے کے لئے ضروری اقدامات کرے کہ چینی کی قیمت کا شیڈولوں کو ادا کی جانے والی گئے کی قیمت کی کے مطابق ہو۔ گئے کی قیمتیں مارکیٹ میں چینی کی موجودہ قیمتوں سے مطابقت نہیں رکھتیں جو گزشتہ سیزن سے چینی کے باقی

اسٹیٹمنٹ برائے کارپوریٹ اور فنانس رپورٹنگ فریم ورک

- انتظامیہ کی طرف سے تیار کردہ فنانس رپورٹنگ اسٹیٹمنٹس کمپنی کے معاملات کو منصفانہ طور پر پیش کرتے ہیں، جس میں اس کے آپریشنز، کیش فلو اور ایکویٹی میں تبدیلیوں کا نتیجہ بھی شامل ہے۔
- کمپنی کی باقاعدہ بکس آف اکاؤنٹس برقرار رکھی گئی ہیں
- فنانس رپورٹنگ اسٹیٹمنٹس کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے، اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ انتظامی فیصلے پر مبنی ہیں
- فنانس رپورٹنگ اسٹیٹمنٹس کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جو کہ پاکستان میں لاگو ہیں، پر عمل کیا گیا ہے، اور اس سے کسی بھی انحراف کو واضح انداز میں عیاں کیا گیا ہے اور اس کی وضاحت کی گئی ہے۔
- انٹرنل کنٹرول کا نظام اپنی ہیئت میں مستحکم ہے اور اسے مؤثر انداز میں نافذ کیا گیا ہے اور اس کی نگرانی کی جاتی ہے
- کمپنی کے ایک گورننگ کنسرن کے طور پر اپنے کام کو جاری رکھنے کی صلاحیت میں کسی قسم کا شک و شبہ نہیں ہے
- کارپوریٹ گورننس کے بہترین طرز عمل سے کسی قسم کا مادی انحراف نہیں کیا گیا ہے
- گذشتہ چھ سال کا اہم آپریشن اور فنانس رپورٹنگ ڈیٹا خلاصہ کی صورت میں ساتھ منسلک کیا گیا ہے
- ٹیکسز، ڈیوٹیز، لیویز اور چارجز ماسوائے ان چارجز کے جو کمپنی کے روزمرہ امور سے متعلق ہوں، کمپنی پر کچھ بھی واجب الادا نہیں ہے
- کمپنی اپنے اہل ملازمین کے لئے پروویڈنٹ اور گریجویٹ فنڈ اکاؤنٹس برقرار رکھتی ہے۔ ذیل میں 30 ستمبر، 2024 تک متعلقہ فنڈز کی سرمایہ کاری کی قدر بیان کی گئی ہے

840.927 ملین روپے
326.210 ملین روپے

- پروویڈنٹ فنڈ
- گریجویٹ فنڈ

بورڈ آف ڈائریکٹرز

کمپنی کے ڈائریکٹرز کی تعداد 7 ہے اور اس کی ساخت درج ذیل ہے

- مرد ڈائریکٹرز 6
- خاتون ڈائریکٹر 1

- a. خود مختار ڈائریکٹرز 2
 - i. جناب عبدالشکور شیخ
 - ii. جناب حسن رضا الرحیم

- خود مختار ڈائریکٹرز کی مطلوبہ تعداد 2.33 کے برابر ہے، جس کا حصہ 0.5 سے کم ہے اور لہذا، قابل اطلاق قواعد کے مطابق، تعداد کو 2 تک محدود کر دیا گیا ہے۔

- b. نان ایگزیکٹو ڈائریکٹرز 3
 - i. جناب عارف فاروق
 - ii. جناب عامر فاروق
 - iii. محترمہ فرزانہ فاروق

- c. ایگزیکٹو ڈائریکٹرز 2
 - i. جناب اسلم فاروق
 - ii. جناب واصف خالد

- d. خاتون ڈائریکٹر 1
 - i. محترمہ فرزانہ فاروق

- اس سال کے دوران بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد کیے گئے۔ ان اجلاسوں میں بورڈ کے ممبرز کی حاضری کی تعداد درج ذیل ہے

اجلاسوں میں شرکت کی تعداد

ڈائریکٹر کا نام	اجلاسوں میں شرکت کی تعداد
• جناب عارف فاروق	6
• جناب اسلم فاروق	6
• جناب عامر فاروق	6
• محترمہ فرزانہ فاروق	4
• جناب واصف خالد	6
• جناب حسن رضا الرحیم	5
• جناب عبدالشکور شیخ*	6

*جناب عبدالشکور شیخ کو جناب محمد ازگار خان، جو 27 نومبر 2023 کو بورڈ سے مستعفی ہو گئے تھے، کی جگہ مقرر کیا گیا ہے

وسائل وقف کیے ہیں جو ذمہ دارانہ کھپت اور پیداوار کے اصولوں کی عکاسی کرتے ہیں۔ قائم کردہ فریم ورکس کی بنیاد پر باعث تشویش جگہوں کی جانچ کرتے ہوئے موجودہ اور ممکنہ خدشات کا جائزہ لیا جاتا ہے۔

تنوع، مساوات اور شمولیت (ڈی ای اینڈ آئی)

کمپنی اپنی متنوع افرادی قوت اور کمیونٹی کے ساتھ تنوع، مساوات اور شمولیت (ڈی ای اینڈ آئی) کے اصولوں پر عمل پیرا رہتی ہے۔ ڈی ای اینڈ آئی کا فروغ اور کمپنی کی بنیادی ترجیح اور کمپنی کے پائیدار اور اخلاقی اصولوں کے مطابق کاروباری طرز عمل لازمی جزو ہے۔ ہر سطح پر پر صنعتی اور نسلی تنوع کو بہتر بنانے کے لئے کوششیں جاری ہیں، جس میں بھرتی کے حوالے سے انکوزو حکمت عملی جیسے متنوع جاب بورڈز کی تشکیل اور مختلف انداز کے انٹرویو پینلز ترتیب دینا شامل ہیں۔

کریڈٹ رسک

اگرچہ کمپنی کے تمام مالی اثاثوں، سوائے نقد رقم کے کریڈٹ رسک کے تابع ہیں، لیکن کمپنی اس بات پر یقین نہیں رکھتی کہ اسے کسی بڑے کریڈٹ رسک کا سامنا ہے۔ اس امر کا انتظام اپنے صارفین کو فراہم کی جانے والی کریڈٹ لمٹ کے اطلاق، پوسٹ ڈیٹ چیک حاصل کرنے کے ساتھ ساتھ سرمایہ کاری میں تنوع کے ذریعہ کیا جاتا ہے۔

لیکویڈٹی رسک

دانشندانہ لیکویڈٹی رسک مینجمنٹ، معاہدوں کی صورت میں کیے گئے وعدوں کو پورا کرنے کے لیے وافر فنڈز کی دستیابی کو یقینی بناتا ہے۔ کیش مینجمنٹ سے متعلق کمپنی کی حکمت عملی کا مقصد انٹرئل کیش جنریشن اور مالیاتی اداروں کے ساتھ مناسب کریڈٹ لائنز کے ذریعے لیکویڈٹی رسک کا انتظام کرنا ہے۔ کمپنی نے اس سال کے دوران رائٹ شیئرز بھی جاری کیے اور ورکنگ کیپٹل کی ضروریات کے لئے 500 ملین روپے حاصل کیے۔

فارن ایکسچینج رسک

فارن کرنسی رسک بنیادی طور پر وہاں پیدا ہوتا ہے جہاں غیر ملکی کرنسیوں میں لین دین کی وجہ سے وصولیاں اور واجبات موجود ہوتے ہیں۔ خام مال کی درآمد کے لئے کھولے گئے لیل سی کی حد تک کمپنی کو فارن کرنسی رسک کا سامنا رہتا ہے۔ کمپنی ایکسچینج ریٹس کی مناسب نگرانی کے ذریعے فارن کرنسی رسک کے حوالے سے انتظام کرتی ہے، خالص ایکسپوزر کو ایڈجسٹ کرتی ہے اور جہاں دستیاب اور مناسب ہو وہاں فارورڈ حاصل کرتی ہے۔

قرضوں کی ادائیگی

کمپنی نے اپنے تمام واجب الادا قرضوں کی ادائیگی وقت پر کی۔ اس سال کے دوران کمپنی نے 785.309 ملین روپے کی ادائیگی کی۔

لیکویڈٹی اور کیپٹل مینجمنٹ

کمپنی کا مقصد لیکویڈٹی کی مناسب سطح کو برقرار رکھنا ہے، تاکہ سرمایہ کاروں، قرض دہندگان اور مارکیٹ کے اعتماد اور مستقبل میں کاروبار کی ترقی کے سفر کو برقرار رکھا جاسکے۔ اس سال کے دوران لیکویڈٹی مینجمنٹ کے حوالے سے کمپنی کے نقطہ نظر میں کوئی تبدیلی نہیں آئی۔ کمپنی نے اس سال کے دوران 15 روپے فی حصص کے پریکیم پر رائٹ شیئرز جاری کیے اور ورکنگ کیپٹل کی ضروریات کو پورا کرنے کے لئے 500 ملین روپے حاصل کیے۔ کمپنی کا موجودہ گیسٹنگ تناسب 53.5 فیصد ہے۔ بورڈ آف ڈائریکٹرز اور انتظامیہ کو امید ہے کہ آنے والے سالوں میں کمپنی کے کیپٹل اسٹرکچر کو مزید مستحکم کیا جاسکتا ہے۔

منافع منقسمہ (ڈیویڈنڈ)

کمپنی نے ہمیشہ منافع کی مناسب تقسیم کی کوشش کی ہے۔ ڈیویڈنڈ کی ادائیگی کا فیصلہ اس کی مالی کارکردگی سمیت مختلف امور کو مد نظر رکھتے ہوئے کیا جاتا ہے۔ اس سال کے دوران نمایاں مالی نقصان کی وجہ سے بورڈ آف ڈائریکٹرز نے اس سال کے لیے ڈیویڈنڈ کا اعلان نہ کرنے کا فیصلہ کیا ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی معاشرے میں تمام اسٹیک ہولڈرز کے مفاد میں، بالخصوص اپنے ملازمین اور ان کمیونٹیز کے لئے جن میں یہ اپنی سرگرمیاں انجام دے رہی ہے اور اس کے ساتھ ساتھ ماحولیات کے حوالے سے اپنا کردار ادا کرنے کے لیے پرعزم ہے۔ اس کے علاوہ، کمپنی کی طرف سے مختلف معتبر خیراتی تنظیموں اور ضرورت مند افراد کو بھی معاونت فراہم کی گئی ہے، اور یہ سلسلہ اسی طرح جاری رہے گا۔ کمپنی کی سی ایس آر پالیسیوں کا مقصد ان علاقوں کی معاشی اور سماجی ترقی میں مدد کرنا ہے جہاں کمپنی اپنی کاروباری سرگرمیاں انجام دیتی ہے۔ کمپنی اپنی کارپوریٹ سماجی سرگرمیوں کے ذریعے ایک بہتر ماحول، ایک بہتر معیشت اور ایک بہتر پاکستان کی تعمیر کا تصور رکھتی ہے۔

حفاظت، صحت اور ماحولیات

کمپنی صحت اور حفاظت کے اعلیٰ معیار کو برقرار رکھنے پر پختہ یقین رکھتی ہے۔ کمپنی کی پیداواری سہولت قابل اطلاق ماحولیاتی اور حفاظتی معیارات سے مکمل طور پر مطابقت رکھتی ہے۔ کمپنی کے پاس ایچ ایس ای کی نگرانی کے لئے ایک باقاعدہ ایچ ایس ای ڈیپارٹمنٹ ہے، جس میں کام کے بہترین طریقہ کار اور عوامل، کمپلائنس کو یقینی بنانا اور عملے کی باقاعدگی سے فائر سے متعلق اور دیگر حفاظتی تربیت کرنا شامل ہے۔ ماحولیات کی معاونت کے لیے کمپنی نے اپنی فیکٹری سائٹ پر شجرکاری میں اضافہ کیا ہے جبکہ 2 میگاواٹ کا شمسی توانائی پلانٹ فوسل فیول پر انحصار کم کرنے اور اس طرح کاربن فٹ پرنٹ کم کرنے میں معاون ثابت ہوگا۔

نیشنل ایکس چیکر میں حصہ

مالی سال 2024 کے دوران کمپنی نے ٹیکسز، ڈیویڈنڈ اور لیویز کی مدد میں قومی خزانے میں تقریباً 1,590 ملین روپے کا حصہ ڈالا۔

- دیگر آمدنی 47 ملین روپے (2023:516 ملین) ریکارڈ کی گئی، جو زیادہ تر پی لیل ایس اکاؤنٹس پر منافع اور ڈویڈنڈز پر مشتمل ہے۔ بنیادی طور پر یہ گذشتہ سال فروخت کے لئے رکھے گئے نان کرنٹ ریئل اسٹیٹ اثاثوں کی فروخت سے حاصل ہونے والے نفع کی بدولت تھا۔
- کمپنی نے اپنے یونی کول لیٹڈ کے نقصان کا ایک تہائی حصہ 652 ملین روپے ادا کیا اور اسی رقم سے ایسوسی ایٹ میں اپنی سرمایہ کاری کو ایڈجسٹ کیا۔ یونی کول کا نقصان بنیادی طور پر ایٹھنول کی کم قیمتوں اور کرنسی کی ری ویلیویشن کی وجہ سے تھا، جس میں طویل مدتی اور قلیل مدتی قرضوں پر زیادہ فنانسنگ لاگت بھی شامل تھی۔
- اس سال کے دوران کمپنی نے 25 روپے فی شیئر کے حساب سے 20 ملین رائٹ شیئرز جاری کر کے 500 ملین روپے حاصل کیے۔ حاصل کیا جانے والا سرمایہ آئرنگ دستاویز کے مطابق استعمال کیا گیا۔

یونی کول لیٹڈ

یونی کول ڈسٹری بہتر انداز سے کام سرانجام دے رہا ہے۔ اس کے شوگر ڈویژن نے کمپنی کے زیر انتظام اپنے آپریشنز کے پہلے سال کے دوران 60,481 میٹرک ٹن پیداوار حاصل کی۔ تاہم، شوگر انڈسٹری کو درپیش چیلنجز کے ساتھ ساتھ قرضوں کی بلند شرح اور ہولڈنگ کی طویل مدت کے نتیجے میں شوگر ڈویژن کو نقصانات کا سامنا کرنا پڑا ہے۔ اس کے ساتھ ساتھ ڈالر کی قدر میں کمی، ایٹھنول کی قیمتوں میں کمی اور خام مال کی زیادہ قیمت کی وجہ سے ایٹھنول کا شعبہ بھی دباؤ کا شکار رہا۔ مزید یہ کہ لیکسپورٹ ری فنانس اسکیم کے تحت لیکسپورٹ کے لیے کم کیے گئے ریٹ پر فنانسنگ کے فوائد بھی آئی ایم ایف کے دباؤ پر مرحلہ وار ختم کر دیے گئے تاکہ برآمد کنندگان کو دی جانے والی سبسڈی ختم کی جاسکے۔ اس کے نتیجے میں مالی چارجز میں نمایاں اضافہ ہوا۔ اس کے باوجود، انتظامیہ کو یقین ہے کہ یونی کول طویل مدت میں کمپنی اور اس کے شیئر ہولڈرز کو مالی فوائد پہنچانے کے سلسلے کو جاری رکھے گی۔

یونی ازجی لیٹڈ

جوائنٹ وینچر ونڈ پاور پروجیکٹ یونی ازجی کو لیٹر آف انٹنٹ دیا گیا اور ضلع ٹھٹھہ کے مقام جمبھیر میں منصوبے کے قیام کے لیے باضابطہ طور پر زمین الاٹ کی گئی۔ بے وی شراکت داروں نے منصوبے کے لئے جاری مالی ضروریات کو پورا کرنے کی غرض سے مذکورہ کمپنی میں ابتدائی لیکویٹی کے طور پر سرمایہ کاری کی۔ اس سلسلے میں میرپور خاص شوگر ملز لیٹڈ کی طرف سے بھی شیئر ہولڈرز کی منظوری کے بعد 7.69 ملین روپے کی لیکویٹی سرمایہ کاری کی گئی۔ کمپنی نے ابھی تک ونڈ فارم لگانا شروع نہیں کیا ہے کیونکہ انتظامیہ حکومت کی قابل تجدید توانائی کی پالیسی کا جائزہ لے رہی ہے۔

خدشات اور مواقع

رسک مینجمنٹ

اپنی ذمہ داریوں کے طور پر، بورڈ آف ڈائریکٹرز کے ممبران سماجی و اقتصادی ماحول اور اس کے نتیجے میں پیدا ہونے والے اندرونی اور بیرونی خطرات پر گہری نظر رکھتے ہیں جو کمپنی کے آپریشنز اور کارکردگی کو متاثر کرنے کا باعث بن سکتے ہیں۔ ڈائریکٹرز سال بھر خطرات کی نشاندہی کرنے، انہیں کم کرنے، ممکنہ خدشات کی نشاندہی کرنے، کمپنی پر ان کے اثرات کا اندازہ لگانے اور کاروبار کے لئے متوقع خطرات کو معقول طور پر کم کرنے کے لئے حکمت عملی تیار کرنے میں انتہائی محتاط رہتے ہیں۔ کمپنی پر ان حکمت عملیوں کا اطلاق بنیادی طور پر آڈٹ کمیٹی کے ذریعے کیا جاتا ہے۔

رسک اسسٹنٹ (خدشات کا جائزہ)

کمپنی کا بورڈ آف ڈائریکٹرز اندرونی اور بیرونی دونوں طرح کے خطرات کا جائزہ لیتا ہے جو ممکنہ طور پر کمپنی کو درپیش ہو سکتے ہیں۔ اسی تناظر میں، بورڈ آف ڈائریکٹرز سائبر سیکیورٹی کی اہمیت کو تسلیم کرتے ہیں۔ اس خطرے کو کم کرنے کے لئے ایک کمیٹی میں ایک ان ہاؤس آئی ٹی ڈپارٹمنٹ فعال طور پر موجود ہے۔

ماحولیاتی اور سماجی گورننس کے حوالے سے اسٹریٹجک مقاصد

بورڈ ایک پائیدار اور اخلاقی کاروباری نقطہ نظر کو فروغ دینے کے لئے پرعزم ہے۔ ہماری اسٹریٹجک ترجیحات ماحولیات، سماجی ذمہ داری اور گورننس کے حوالے سے بہترین طریقہ کار کا احاطہ کرتی ہیں۔ ہم اپنے کاربن فٹ پرنٹ کو کم کرنے، وسائل کے تحفظ اور حیاتیاتی تنوع کے تحفظ کے لئے پرعزم ہیں۔ کلیدی توجہ کے حامل افعال میں، تنوع کو فروغ دینا، ملازمین کی فلاح و بہبود کو ترجیح دینا، اور کمیونٹی کے ساتھ فعال طور پر مشغول رہنا شامل ہیں۔ بورڈ صدق دل سے ان اقدامات کی توثیق کرتا ہے اور کمپنی کی طرف سے تمام اسٹیک ہولڈرز کے لئے طویل مدتی قدر پیدا کرنے کے عزم کا اعادہ کرتا ہے۔

پائیداری کے حوالے سے خدشات اور مواقع

کمپنی پائیداری کے حوالے سے اپنے عزم پر ہمہ وقت ثابت قدم ہے۔ بورڈ نے تنوع، مساوات اور کارپوریٹ اور ریگولیٹری معاملات میں شمولیت کے لئے پالیسیوں اور بہترین طریقوں کے ساتھ ساتھ پائیداری کے حوالے سے خطرات اور مواقع کو منظم کرنے اور ان کی نگرانی کرنے کے لئے ایک مضبوط میکانزم نافذ کیا ہے۔ اسٹریٹجک ترجیحات ماحولیاتی انتظام، سماجی ذمہ داری، اور بہترین گورننس پر توجہ مرکوز کرتی ہیں۔ مزید یہ کہ، تنوع کے فروغ، ملازمین کی فلاح و بہبود میں معاونت، اور کمیونٹی کے ساتھ شامل حال رہنے پر خاص توجہ دی جاتی ہے

پائیداری کے حوالے سے خدشات

پائیداری سے متعلق خدشات میں ماحولیاتی، سماجی اور گورننس (ای ایس جی) کے عوامل کا جائزہ لینا شامل ہے۔ جدید آپریشنل طریقوں، قابل تجدید توانائی کے اقدامات اور ماحول دوست منصوبوں کی معاونت کے ذریعے، کمپنی پائیدار مستقبل کے لئے پرعزم ہے۔ انتظامیہ نے ای ایس جی کے حوالے سے واضح مقاصد مقرر کیے ہیں جو کمپنی کے پائیدار لچک کو مضبوط بنانے اور مثبت سماجی اثرات پیدا کرنے کی حکمت عملی سے مطابقت رکھتے ہیں۔ کمپنی نے جدید، ماحول دوست ٹیکنالوجیز کے لئے اہم

شوگر ڈویژن

سیزن 2023-24 کے دوران سندھ میں چینی کی مجموعی پیداوار گزشتہ سال کے 1.745 ملین میٹرک ٹن کے مقابلے میں بڑھ کر 2.022 ملین میٹرک ٹن ہو گئی جو گزشتہ سال کے مقابلے میں 15.8 فیصد زیادہ ہے۔ کرشنگ سیزن 2023-24ء کے لئے چینی کی قومی پیداوار 6.67 ملین میٹرک ٹن (6.66:2022/23) ملین میٹرک ٹن) رہی۔ 30 ستمبر 2024 کو ختم ہونے والے مالی سال کے دوران حکومت کی منظور شدہ برآمدات کی 150,000 میٹرک ٹن کی پہلی قسط میں کمی واقع ہوئی۔ بعد ازاں 6 لاکھ 40 ہزار میٹرک ٹن چینی برآمد کرنے کی اضافی منظوری دی گئی جس کے بعد اب تک مجموعی طور پر 7 لاکھ 90 ہزار میٹرک ٹن چینی برآمد کی جا چکی ہے۔

پروڈکشن کی کارکردگی

کرشنگ سیزن 2023-24 کا آغاز 15 نومبر 2023 کو ہوا اور پلانٹ نے گزشتہ سال کے 87 دن کے مقابلے میں 97 دن کام کیا۔ پلانٹ کرشنگ سیزن کے دوران موثر طریقے سے کام کرتا رہا۔ اس سال کرشنگ سیزن پہلے شروع ہو گیا کیونکہ علاقے کی زیادہ تر ملوں کو بڑی فصل اور بہتر طور پر بحالی کی امید تھی۔ مالی سال کے اہم تقابلی اعداد و شمار اچھی مکمل ہوئے ہیں اور پچھلے سال کے اعداد و شمار کا خلاصہ اس طرح کیا جاسکتا ہے:

2022/23 2022، نومبر، 29	2023/24 2023، نومبر، 15
87	97
562,641	616,102
59,325	66,101
28,772	30,110

- سیزن کے آغاز کی تاریخ
- چلتے دن آپریشن جاری رہا
- کرش کیا گیا گنا (میٹرک ٹن)
- چینی کی پیداوار (میٹرک ٹن)
- مولیسس پروڈکشن (میٹرک ٹن)

پیپر اور بورڈ ڈویژن

پلانٹ نے گزشتہ سال کے 17,959 میٹرک ٹن کاغذ کے مقابلے میں 31,968 میٹرک ٹن کاغذ کی پیداوار فراہم کی، جو گزشتہ سال کے مقابلے میں 78 فیصد اضافہ ظاہر کرتی ہے، اور گزشتہ سال کے 13,688 ٹن کے مقابلے میں 31,707 ٹن فروخت کیا گیا۔ پیداوار اور فروخت کی مقدار میں بنیادی طور پر اضافہ دیکھنے میں آیا کیونکہ کمپنی نے پچھلے سال کے مقابلے میں پورے مالی سال کے دوران کام انجام دیا جبکہ گزشتہ سال 12 مئی، 2023 سے اپنے تجارتی آپریشنز کا آغاز کیا تھا۔ پلانٹ کی صلاحیت کا استعمال اس سال کے دوران تقریباً 47 فیصد رہا۔ پلانٹ موثر طریقے سے کام کر رہا ہے اور اپنے تمام آپریشنل تقاضوں کو پورا کر رہا ہے۔ تاجروں اور باکس میٹروپولیٹن پیکرز کی جانب سے کاغذ کی بلا روک ٹوک درآمد اور مقامی اور درآمد شدہ پرائیمری کارڈ کارٹن (اوس سی سی) دیگر خام مال کے ساتھ ساتھ ایندھن کی قیمتوں میں مسلسل اضافے کی وجہ سے یہ ڈویژن خسارے میں ہے۔ مزید برآں، اس نے بڑھتے ہوئے مالی اخراجات اور صارفین کو کریڈٹ میں توسیع دینے کی وجہ سے چکی سطح کو نمایاں طور پر متاثر کیا ہے۔ مارکیٹ کے انتہائی مسابقتی ماحول میں انتظامیہ آمدنی اور کسٹمر بیس کو بڑھانے کے لئے زیادہ سے زیادہ کوششیں جاری رکھے ہوئے ہے۔ چیلنجنگ معاشی حالات کی وجہ سے، صارفین کے اخراجات میں کمی کا رجحان برقرار ہے، جو براہ راست تمام ایف ایم سی جی کاروباروں پر اثر انداز ہو رہا ہے، اور پیکجنگ اور کوریٹیو پراڈکٹس کی طلب میں کمی کا باعث ہے۔ کمپنی، حجم میں اضافے، سیلز کمس کو بہتر بنانے اور لاگت پر کنٹرول کو بہتر بناتے ہوئے قرضوں کی شرح میں کمی کے ذریعے اپنے آپریشنل نتائج کو بہتر بنانے پر توجہ مرکوز کر رہی ہے۔

اہم فنانشل نکات

30 ستمبر 2024 کو ختم ہونے والے سال کے آپریشن اور مالی نتائج کے اہم نکات درج ذیل ہیں:

- حکومت سندھ نے رواں سال گنے کی کم از کم امدادی قیمت 302 روپے فی من سے بڑھا کر 425 روپے فی من کر دی ہے جو گزشتہ سال گنے کی قیمت کے مقابلے میں تقریباً 41 فیصد زیادہ ہے۔ اس کے نتیجے میں اس سال کے لئے پیداوار کی لاگت میں اضافہ ہوا۔ کمپنی نے گنے کی نوٹیفائیڈ قیمت کے علاوہ 764 ملین روپے کی رقم ادا کی۔
- زیر نظر سال کے دوران کمپنی نے 70,036 میٹرک ٹن چینی فروخت کی جس میں 1,250 میٹرک ٹن برآمدات بھی شامل ہیں جبکہ گزشتہ سال یہ تعداد 63,213 میٹرک ٹن تھی۔ سال کے آغاز میں غیر فروخت شدہ چینی کی فروخت کی وجہ سے کمپنی سیلز کا زیادہ حجم حاصل کرنے میں کامیاب رہی۔ چینی کی قیمتوں میں سال بھر مندی رہی۔ پیپر ڈویژن میں کمپنی نے 31 ہزار 707 میٹرک ٹن کاغذ فروخت کیا جبکہ گزشتہ سال 13 ہزار 688 میٹرک ٹن کاغذ فروخت کیا گیا تھا۔ غیر ریگولیٹ شدہ مارکیٹ سیگمنٹ اور مارکیٹ شیئر کے حصول کے لیے کوشاں دیگر پلیئرز کی وجہ سے مسابقتی قیمت اور کم طلب کی وجہ سے کاغذ کی قیمتیں کم رہیں۔
- گنے کی بڑھتی ہوئی لاگت، اوس سی سی (مقامی اور درآمدات) اور دیگر خام مال کی خریداری نے ایک ایسے وقت میں زیادہ قرضے کی طرف راہ ہموار کی جب ڈسکاؤنٹ کی شرح اب تک کی بلند ترین سطح پر تھی۔ چینی ایک موسمی صنعت ہے جہاں تمام ادائیگیاں مالی سال کے شروع میں ہی کرشنگ کے دوران کی جاتی ہیں، جبکہ چینی سال بھر فروخت کی جاتی ہے، جس کی وجہ سے کام کے امور کی انجام دہی کے لیے درکار سرمائے کی ضروریات زیادہ ہوتی ہیں اور اس وجہ سے مالی اخراجات میں بھی اضافہ ہوتا ہے۔ اس وجہ سے نقصانات میں نمایاں اضافہ ہوا، کیونکہ ملک میں چینی کی گرتی ہوئی قیمتوں اور چینی کے زیادہ اسٹاک کی وجہ سے چینی کی فروخت سے اس کی وصولی مشکل تھی، جو اکتوبر 2024 کے اختتام پر 1.45 ملین میٹرک ٹن رہی۔
- کمپنی کے مالیاتی چارجز 65 فیصد اضافے کے ساتھ 1.86 ارب روپے تک پہنچ گئے جو گزشتہ سال 1.12 ارب روپے تھے۔ ان میں طویل مدتی اور قلیل مدتی قرضے دونوں شامل ہیں۔

ڈائریکٹرز رپورٹ برائے ممبران، برائے سالِ مختتمہ 30 ستمبر، 2024

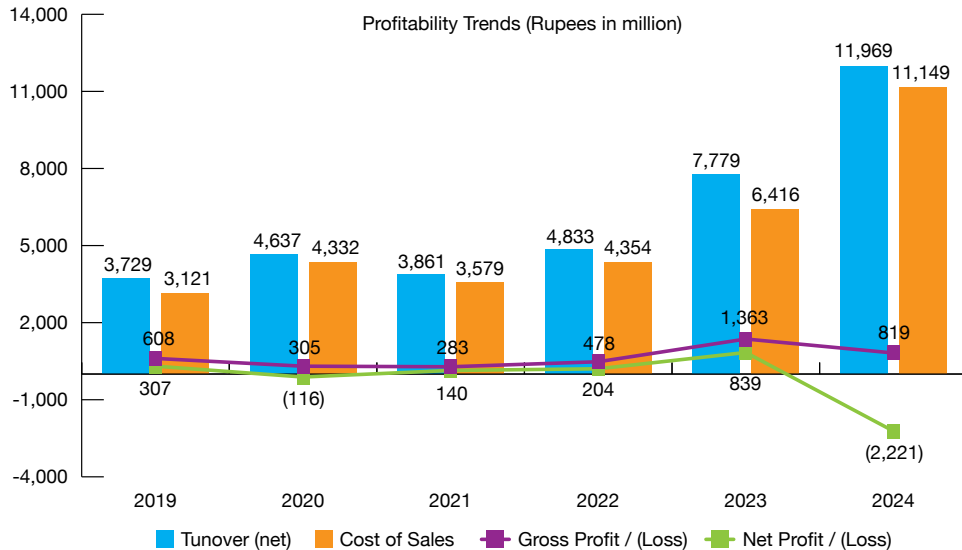
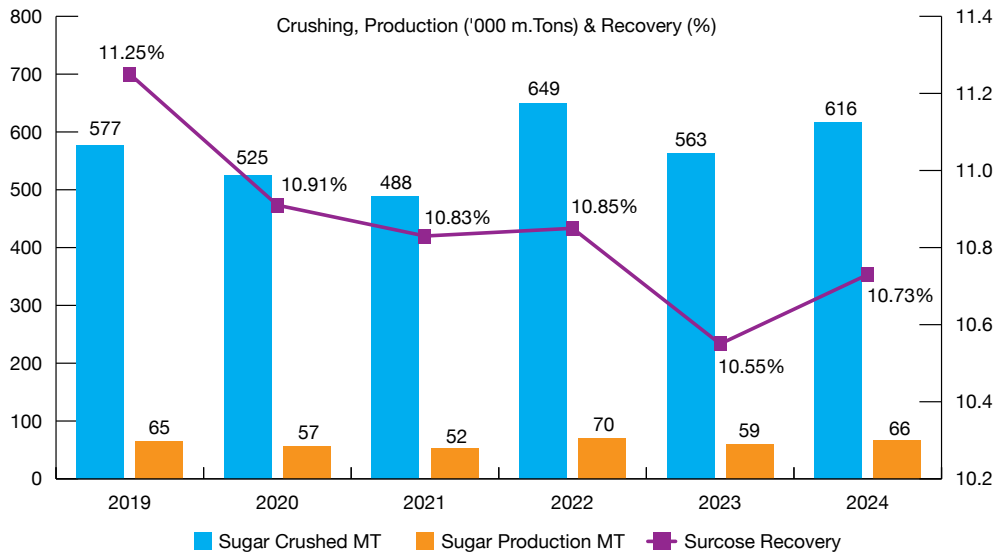
بورڈ آف ڈائریکٹرز کمپنی کی سالانہ رپورٹ بشمول آڈٹ شدہ فائنل اسٹیٹمنٹس برائے سالِ مختتمہ 30 ستمبر 2024 پیش کر رہے ہیں

فائنل اور آپریشنل کارکردگی

اہم تقابلی فائنل ڈیٹا درج ذیل ہے

2022/23 روپے ملین میں	2023/24 روپے ملین میں
7,779.469	11,969.725
(6,416.207)	(11,149.846)
1,363.262	819.879
515.883	47.140
911.711	(652.468)
(1,951.54)	(2,435.999)
839.316	(2,221.448)

کل سیلز
سیلز کی لاگت
مجموعی منافع
دیگر آمدن
ایسوسی ایٹس میں نفع/(نقصان)
دیگر اخراجات اور ٹیکسز
کل نفع/(نقصان)



E-Dividend Mandate Form

Mirpurkhas Sugar
Mills Limited
A Ghulam Faruque Group Company



To: _____

Date: _____

I hereby communicate to receive my future dividends directly in my bank account as detailed below:

Shareholder's Detail	
Name of Company	Mirpurkhas Sugar Mills Limited
Name of shareholder	
Folio No./CDC Participants ID A/c No.	
CNIC No	
Passport No. (in case of foreign shareholder)	
Cell Number & Land Line Number	
Email Address (Mandatory)	

Shareholder's Bank Detail	
Title of Bank Account (Mandatory)	

International Bank Account Number (IBAN) - Mandatory (24 Digits)

P	K																					
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Bank's Name

Branch Name and Address	
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It is stated that the above mentioned information is correct and in case of any change therein, I will immediately intimate Participant / Share Registrar accordingly.

Yours sincerely,

Signature of Shareholder

(Please affix company stamp in case of corporate entity)

Notes:

COMPANY WITHHOLD THE PAYMENT OF DIVIDEND OF A MEMBER WHERE THE MEMBER HAS NOT PROVIDED THE COMPLETE INFORMATION OR DOCUMENTS AS SPECIFIED.

The shareholders who hold shares in Central Depository Company are requested to submit the above- mentioned Dividend Mandate Form, duly filled-in, to the relevant Broker/Participants/Investor Account Services of the Central Depository Company of Pakistan Limited where Member's CDC account is being dealt. The shareholders who hold shares in physical form are requested to submit the above mentioned Dividend Mandate Form, duly filled-in, to the share Registrar of the Company, as mentioned below:

M/s CDC Share Registrar Services Limited
CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi-74400, Pakistan
Tel: 0800-23275, 111-111-500, Fax: 021-34326053



**GHULAM FARUQUE
GROUP**



Mirpurkhas Sugar Mills Limited

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/

