Innovating Agriculture

Annual Report 2024

mehransugar.com

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Innovating Agriculture

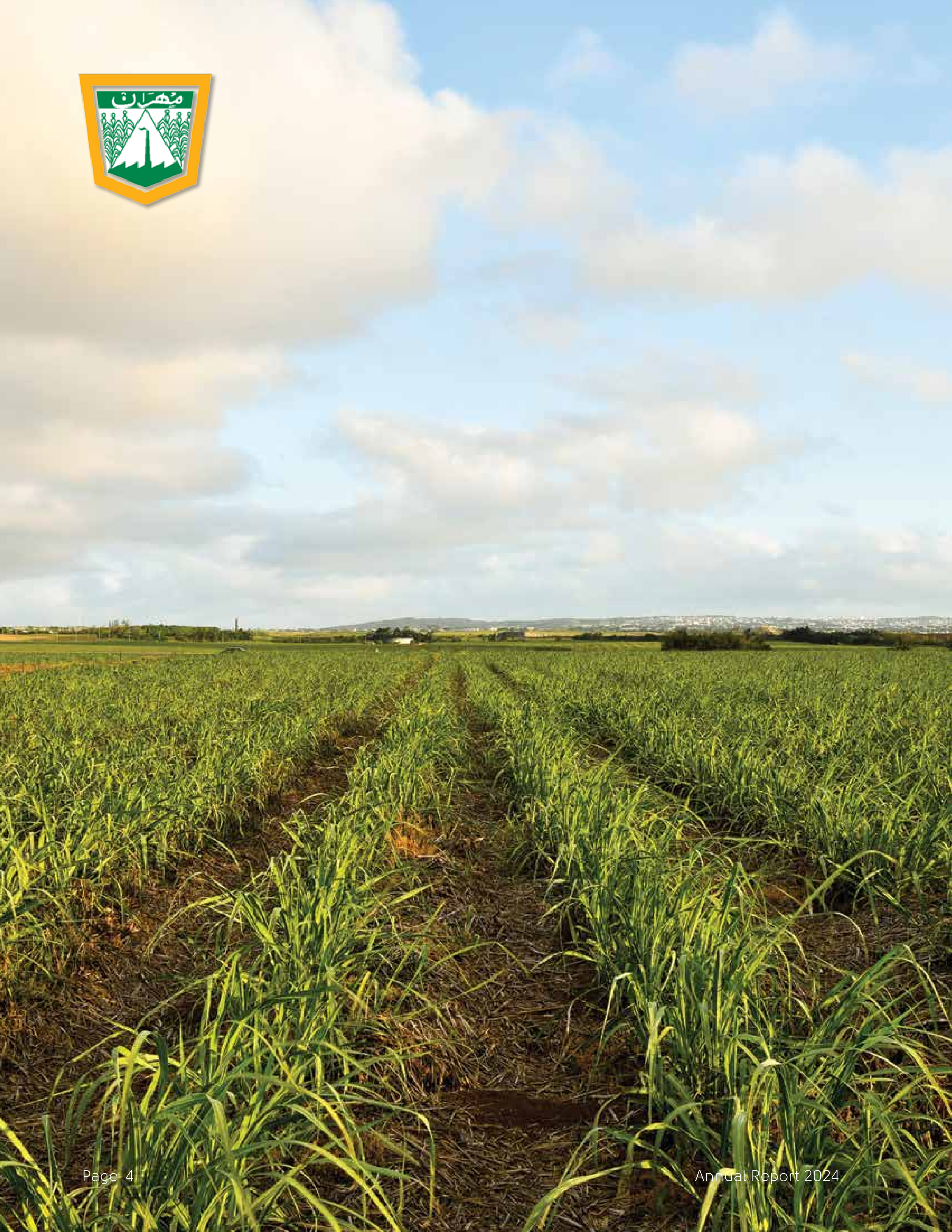
Field Data Maping

Drone based Pesticide sprays

Use of Artificial Intelligence

We are utilizing drones for spraying inputs. This allows precision based dosage of inputs and shorter time durations of application.

Ai based solid fertilzer spraying



Vision

We remain focused on being one of Pakistan's leading and largest sugar producers. A modern sugar mill must utilise its raw materials efficiently to produce sugar, ethanol and power at the most competitive pricing. Our vision remains to be the most economical and energy efficient producer of sugar and to ensure that we utilise all our by-products as effectively as possible.

Mission

Our Mission remains to ensure we can provide sustainable results and consistent growth to our shareholder. Our objective is to achieve this by utilising sugar and it's by products to add value and grow our business.

Basic Purpose: The basic purpose of our Enterprise is to perpetuate as a Public Limited Company engaged in manufacturing and marketing white refined cane sugar and brown sugar while utilising its sugar by products such as molasses and Baggasse to produce ethanol and power respectively. To ensure sustainability we also look to make long term investments in industries which we feel add value to our shareholder and to the country.

Key Figures

	2024	2023	
Sugarcane Crushing (Tons)	**902,931**	804,872	▲
Sugar Production (Tons)	**97,384**	85,796	▲
Sucrose Recovery (%)	**10.79**	10.66	▲
Revenue from Sugar (Rs. in million)	**11,085**	11,237	▼
Molasses Production (Tons)	**40,809**	37,867	▲
Revenue from molasses (Rs. in million)	**1,389**	1,123	▲
Revenue from bagasse (Rs. in million)	**365**	304	▲
Profit before Tax (Rs. in million)	**(675)**	2,281	▼
Taxes to exchequer (Rs. in million)	**2,067**	1,889	▲
Profit after tax (Rs. in million)	**(799)**	1,443	▼
Market Capitalization (Rs. in million)	**3,153**	3,229	▼

Company Information

Board of Directors

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

Management Team

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

Board Committees

Audit Committee

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

Human Resource & Remuneration Committee

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

Executive Committee

Mr. Ahmed Ebrahim Hasham	Chairman
Mr. Muhammad Hanif Aziz	
Mr. Ubaid-ur-Rehman	
Mr. Ali Hassan	

Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

Legal Advisor

Hafeez Pirzada Law Associates
KMS Law Associates

Share Registrar

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

Bankers

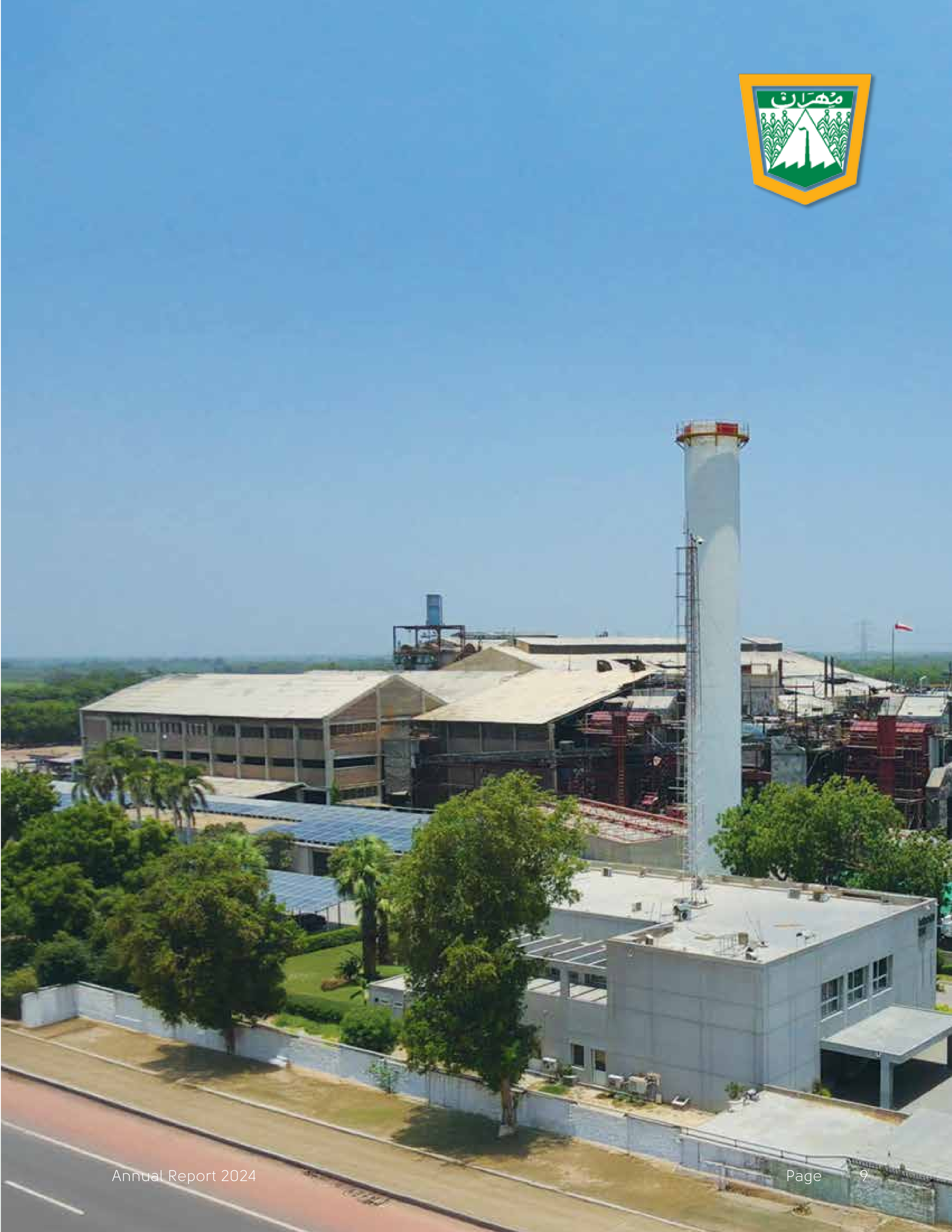
Bank Al Habib Limited
Meezan Bank Limited
MCB Bank Limited
Bank Islami Pakistan Limited
Bank Alfalah Limited
Habib Metropolitan Bank Ltd
Bank of Punjab Limited
Askari Bank Limited
Soneri Bank Limited
Faysal Bank Limited

Registered Office

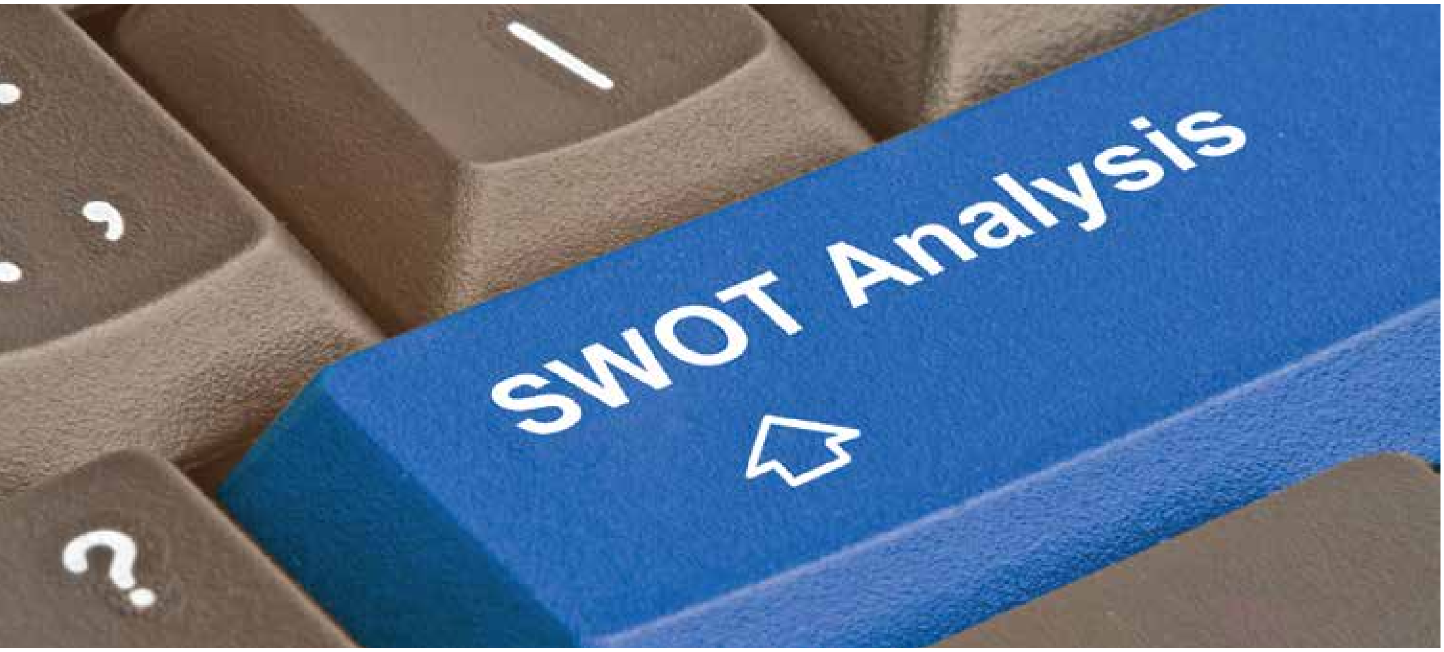
Executive Tower, Dolmen City,
14th Floor, Block-4, Marine Drive, Clifton,
Karachi-75600
Tel: (92 21) 35297814-17
Fax: (92 21) 35297818, 35297827
msm@mehransugar.com
www.mehransugar.com

Mills

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



Swot Analysis



STRENGTHS

- Over 95 percent of cane in Mehran's cane zone is early maturing and high yielding which allows the Company to achieve sucrose recoveries, which are approximately 10% higher than the national average. This gives the Company a comparative advantage as compared to most other sugar mills in Pakistan.
- Mehran's Investment in Unicol has diversified its income base and allowed it to add value to its byproduct molasses. Unicol has doubled its ethanol capacity to 200,000 LPD and has set up a 72 Tons per day CO2 plant. Acquisition of a sugar mill by Unicol will augment its molasses supply and ultimately stabilizes its ethanol production. The investment continues to pay regular dividends to Mehran.
- Mehran has diversified investments of approx. Rs. 1.00 Billion in the capital markets which also continue to contribute to the balance sheet in the form of dividends and capital gains.
- Mehran's investment in energy efficiency has meant that Bagasse savings continues to increase. This in the future shall become a source of energy for future growth into other industries.
- Mehran's strength lies in its policy to grow in a conservative yet sustainable manner. This has allowed it to establish a strong balance sheet, which is not heavily leveraged, hence allowing the Company to explore other business avenues to maximize Shareholder return

WEAKNESS

- The nature of the sugar industry remains a controlled one. The provincial government sets cane prices, which at times are not in line with sugar sales prices. This reliance on government intervention especially considering cane and sugar can be politically sensitive can have a negative impact on the overall business.
- Change in the size of the sugarcane crop can have an effect on the financial results of the Company. Sugarcane crop sizes vary depending on the weather, water availability and pricing of competitive crops. Sugarcane disease can have a detrimental effect on both farmer and factory yields, which could also affect profitability.
- Since sugar is a commodity, the Company does not have much pricing power or any relative advantage as compared to its competitors. The only advantage the Company has is in timing its sales keeping in mind market movements.
- Sugar prices have continued to remain extremely volatile, which doesn't allow one to forecast future revenue streams. While sugar production is a seasonal operation, sales continue throughout the year, thus holding inventory is a risk, especially in a high interest rate environment like Pakistan.
- Sugar cane prices are set by the government on the basis of cost of sugarcane production. Low farmer yields have meant that this price is set higher than the global average. The high sugar cane price makes sugar production at times unviable for sale in the global market.
- With changing global environment, innovation is the need of hour to remain competitive, profitable and sustainable. Sugarcane required continuous research for development of new varieties, which are disease resistant and have high farm and factory yields. Sadly public or private institutions have not been able to establish any quality research institutes in the country, which could eventually make sugarcane farming and sugar milling globally in competitive.
- Countries law and order situation has at times created hindrances to attract foreign quality manpower in areas of innovation for farm and factory.
- Farm yields have not increased as much in Sind as Punjab. This means while recoveries are high the quantum of cane available to crush in our region needs to increase. The lower cane quantum increases cane prices which makes our cost uncompetitive.

Swot Analysis

OPPORTUNITIES

- A modern sugar complex is a sugar, ethanol and power producer. While we at Mehran have tapped sugar production and ethanol production, the opportunity to produce power remains a huge one.
- Pakistan remains a power deficit nation and the opportunity to produce power remains huge. The sugar industry has the potential to produce power whereby individual mills can set up plants.
- The need of the time is to bring new varieties with high sucrose recovery to improve our overall sugar production. Therefore, research and development needs to be given preferred attention for continuous improvement. While Pakistan's national recovery remains between 9.50-10.50% there are varieties being developed which could fetch recoveries of 12.00% and higher. Such varieties would make Pakistan globally competitive thus enhancing both farmer and miller revenue. Mehran at its own has initiated a variety development project to study and suggest ways and means to increase farm yield.
- There also lies potential in increasing farm yields, which would reduce the cost of the farmer thus making sugar cane cheaper as a raw material.
- Pakistan has a large indigenous population of close to 250 Million. This population continues to grow at a healthy rate. The population growth along with income prosperity means that demand for sugar is expected to grow continually for the foreseeable future allowing for future growth in the industry. We foresee sugar demand growing at 4-5 percent annually while many developed countries are seeing stagnant growth.
- Growing awareness has paved the way for brand loyalty. Mehran has also ventured into retail segment by launching Branded Sugar through its two brands "Sugarie" and "Chashnik". These products are now showing their presence & potential in the niche market.
- A modern and energy efficient sugar mill should aim to save a minimum 10 percent of cane crushed in the form of Baggasse. We are presently at 8 percent and see this as a revenue opportunity.
- We are shifting our focus onto cane development where we feel the potential of cane yields increasing at farm level is tremendous. Once we work with our farmer, it will allow their sugarcane plantations revenue to compete with other crops. The larger cane crop will provide more feedstock for mills to crush.

THREATS

- Mehran has one of the most densely populated cane zones in Pakistan. The quantity of cane in the area allows the company to pay minimal transport costs for cane arrivals which gives it a comparative advantage, though frequent intervention by other sugar mills has somewhat diluted this advantage.
- Sugar mills are typically located in rural areas, which are more susceptible to Law and Order situation. The movement of our cane team as well as farming team in specific areas can also be difficult and restricted.
- Inflation affects the business due to cost increases. It also reduces the consumer buying power. Pakistan has been suffering from inflation since last few years. In order to curb inflation, State Bank of Pakistan regularly intervenes and revises interest rates, which affect the cost of doing business. A sudden surge in borrowing rates could adversely affect the Company's financials. With increasing inflation, Sugar Mills have to produce specific quantity, which allows them to get benefit of economies of scale. It requires huge investment for expanding the capacity as well as robust maintenance activity, which may not be possible for every mill due to variety of factors. Hence, their competitiveness is affected.
- Proper maintenance during the off-season enables the plant to run smoothly during the season. Since the season is for a limited duration, a major breakdown could affect financial results for the entire year.
- In the last two decades, the industry has consistently increased its sugarcane crushing capacities without objectively ensuring an increase in the size of crop. A major challenge going ahead is to ensure increased sugarcane cultivation to match crushing capacity. This requires not only availability of sufficient water but also motivation to growers towards sugarcane crop.
- Sugar cane requires abundant quantity of water for cultivation. Pakistan with its growing population can in the future face such water constrains which could mitigate the growth of sugarcane and the industry.

Code of Conduct & Ethical Values

The Company's reputation and its actions as a legal entity depend on the conduct of its employees. Each employee must commit to act according to the highest ethical standards and to know and abide by applicable laws. We each must assure that our personal conduct is beyond doubt and complies with the highest standards of conduct and business ethics.

These principles highlight our responsibility to:

• promote ethical business practices

• respect the environment and communities in which we operate

• assure equal employment opportunities

• value diversity in the workplace

• provide healthy and safe working environment

• respect human rights and trade ethically

CONFIDENTIALITY

Confidential business information must not be shared with others outside the company or used for the personal gain of oneself or others. Employees, their family and close acquaintances should not buy or sell company shares if they have material information that has not been made public and could affect our share price.

We expect employees to keep all information confidential. This might include plans to buy or sell business, product formulation, manufacturing processes, advertising, marketing plans, concepts, research and development, suppliers, customers, financial information, personnel and employment matters, and other information which is not generally known to the public. We will make sure that they are aware of their obligations and also expect them to take steps to prevent unintentional disclosure. These obligations apply to all Employees, including those who leave the company.

HEALTH AND SAFETY

We recognize the importance of health and safety within our business. We seek to provide a healthy, safe and clean working environment in line with local laws, regulations and industrial practice. We measure, appraise and report performance, as part of our commitment to the health and safety of our employees, contractors and everyone who works on or visits our sites.

THE ENVIRONMENT

We recognize our environmental responsibilities and our contribution to sustainable development. Our environment policy and its management processes deal not only with the environmental issues connected to our manufacturing processes and facilities, but also with Protecting the ecosystems from which we derive our raw materials, management of our supply chain, and distributing, selling and consumption of our products.

WORK ATMOSPHERE

MSML respects and highly values its diverse employee population. Accordingly, the company has an unwavering ethical commitment toward promoting a workplace that is respectful of personal differences and free of discrimination and harassment. This principle applies in our hiring and interviewing process as well as all aspects of our work environment.

Business Strategy and Goals

A forward-thinking and diverse sugar mill, Mehran Sugar Mills Limited seeks to expand without sacrificing the quality of its output through economies of scale, cost reduction, and maximum capacity utilization. To reach maximum productivity, we systematically invest in our plant. Maximizing the shareholders return is our ultimate goal.

Management Committees

Various committees have been formed to look after the operational and financial matters of the Company. A brief description of the composition and their related tasks are as follows:

EXECUTIVE COMMITTEE

The Committee meets to discuss and coordinate various operational activities of the Company. The Chief Executive Officer of the Company is the Chairman of the Committee while Chief Financial Officer, Resident Director, GM Cane / Development are the members of the Committee.

HUMAN RESOURCE & REMUNERATION COMMITTEE

The Human Resource Development Committee is responsible for necessary training and capacity building of staff at mill site as well as at Head office. It is also responsible for staff as well as executive Directors' annual appraisal and compensation. The Committee comprises of a Chairman, an independent Director, Chief Executive Officer and a non-executive Director.

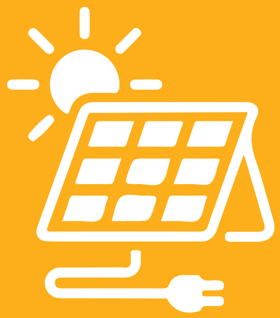
AUDIT COMMITTEE

It is a statutory Committee formed as per requirements of Code of Corporate Governance; it is responsible to ensure that all functions of the Company operations are regularly audited and their reports are reviewed regularly for ensuring the work as per Company policy. It consists of a Chairman, an independent Director and three other nonexecutive Directors.

Innovating Agriculture

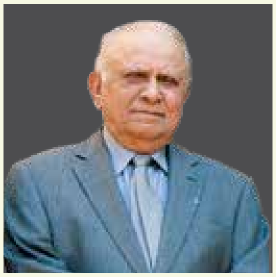
Sugarcane Planter

The sugarcane planter is a machine designed to plant cane setts (cut pieces of sugarcane stalks with buds) at precise intervals and depths. Ensures uniform spacing and depth for better germination and growth, which enhances farmers' yield thus making sugarcane plantation more profitable.




GREENSYSTEM

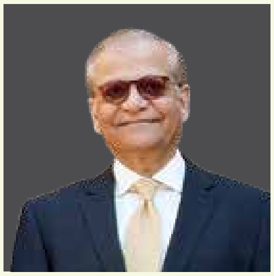
Board of Directors



Muhammad Kasim Hasham
Chairman

Bachelor's Degree

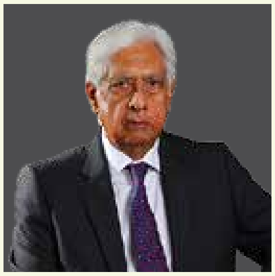
Karachi University



Muhammad Hussain Hasham
Director (Non-Executive)

B.A (Business)

Chapman University,
California, USA.



Iftikhar Soomro
Director (Independent)

Bachelor of Arts (Economics)

Karachi University

Hasan Aziz Bilgrami
Director (Independent)

FCMA (Pak), CPA (Aus),

FCSI (Canada)

Khurram Kasim
Director (Non-Executive)

Bachelor of Science
(Marketing)

Babson College,
Massachusetts, USA.

Ahmed Ebrahim Hasham
Chief Executive Officer

Bachelor of Arts
(Economics and IR)

Tufts University,
Medford MA, USA.

Anushey A. Hasham
(Female / Non-Executive
Director)

B.A (Management and
Marketing)

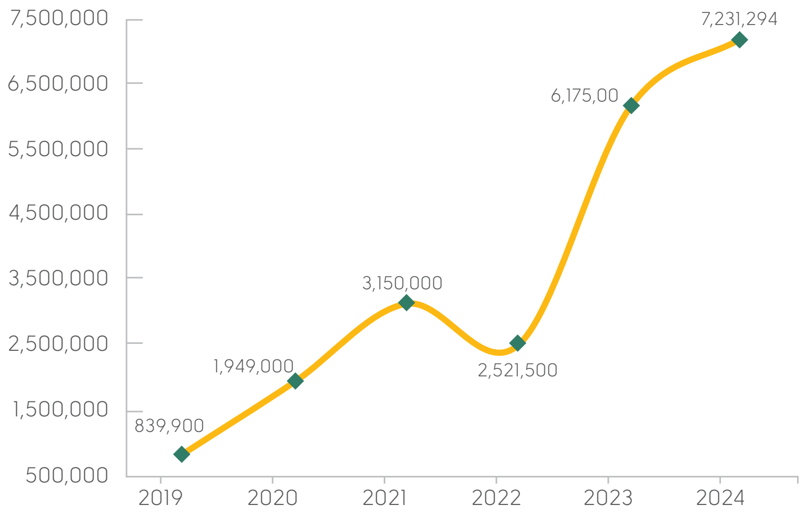
New York University (NYU)
New York, USA

Investor Relations

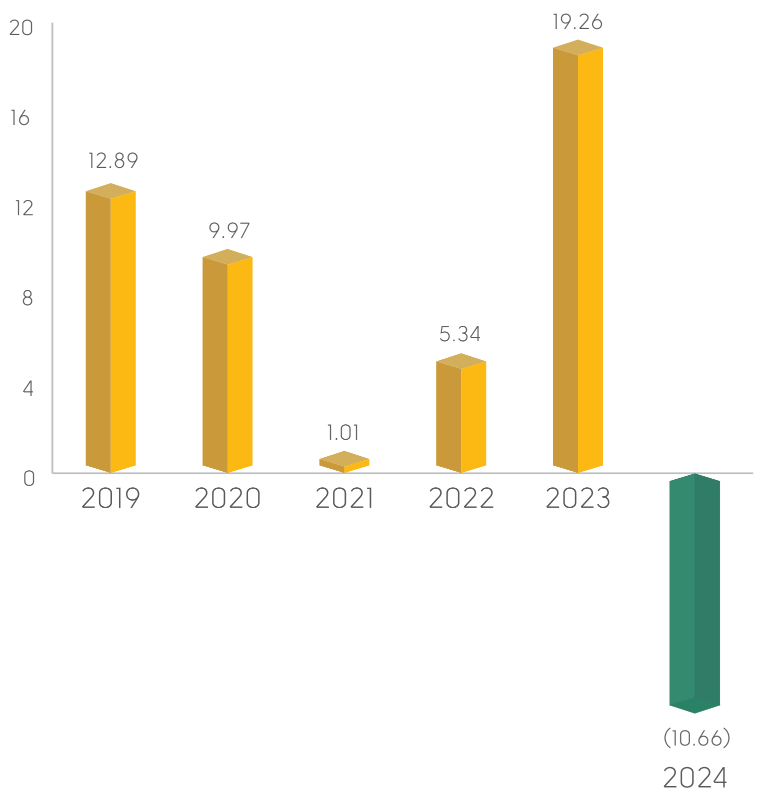
Share Registrar	CDC Share Registrar Services Limited CDC House, 99-B, Block B, S.M.C.H.S. Main Shahra-e-Faisal, Karachi – 74400 Ph: (92-21) 111-111-500
Date of Annual General meeting	28/01/2025

	2024	2023	2022	2021	2020	2019
Number of Shares (Issued / Paid-up)	**74,927,609**	74,927,609	60,547,564	48,927,325	46,597,452	40,519,524
(Loss) / Earning per share	**(10.66)**	19.26	5.34	1.01	9.97	12.89
Break-up value per share	**37.11**	51.78	45.41	51.01	55.96	59.60
Market Capitalization (Rs. in million)	**3,153**	3,229	2,177	2,251	3,455	2,330
Market value of share on 30th September	**42.08**	43.10	35.95	46.00	74.15	57.50
P/E Ratio	**(3.95)**	2.24	6.73	45.54	7.44	4.46
Cash Dividend %	**10.00**	75.00	7.50	15.00	12.50	32.50
Cash Dividend (Rs. in million)	**74.93**	551.74	40.37	73.39	58.25	127.08
Bonus Shares %	**0.00**	10.00	25.00	10.00	5.00	25.00
Number of shares Traded	**7,231,294**	6,175,000	2,521,500	3,150,000	1,949,000	839,900
Highest price during the year	**76.00**	50.44	50.80	73.00	91.44	122.80
Lowest price during the year	**41.00**	28.31	33.10	45.24	48.00	48.45

Mehran's Shares Turnover



Earnings per share



Management Team

Mr. Ahmed Ebrahim Hasham
Chief executive officer

Joined Mehran in 2000
Bachelor of Arts (Economics and IR) Tufts University, Medford MA, USA
Work Experience:
24 years of practical experience in various sectors

Mr. Muhammad Hanif Aziz
CFO

Joined Mehran in 2004
FCMA - Institute of Cost & Management Accountants of Pakistan
FCIS - Institute of Corporate Secretaries of Pakistan
Work Experience:
40 years of practical experience with multinational and national companies.

Mr. Ubaid-Ur-Rehman
Technical Director

Joined Mehran in 2012
B-Tech (Hons) in Mechanical Engineering from Mehran University of Engineering - Jamshoro

Work Experience:
42 years of practical experience in the sugar industry.

Mr. Ali Hassan
GM Finance / Company Secretary

Joined Mehran in 2022
ACA - Institute of Chartered Accountants of Pakistan
B.Sc (Hons) – Sindh Agriculture University Tando Jam

Work Experience:
16 years of practical experience with various manufacturing sectors

Innovating Agriculture

Stubbled Shaver

The stubbled shaver is used to shave the leftover parts of the harvested sugarcane. It allows better preparation for replanting and ratoon. It also removes the old stubble which reduced pest and disease risk in the crop. This would ensure higher productivity for the farmer and better sucrose recovery for the miller.

Horizontal & Vertical Analysis

STATEMENT OF PROFIT OR LOSS

Rupees in million

HORIZONTAL ANALYSIS	2024		2023	
	Rs.	%	Rs.	%
Turnover	10,988.87	0.05	10,983.53	59.23
Cost of sales	(10,093.84)	17.10	(8,619.57)	41.52
Gross Profit	895.03	(62.14)	2,363.96	192.78
Distribution costs	(133.27)	58.22	(84.23)	16.08
Administrative expenses	(354.56)	14.47	(309.74)	21.27
Other expenses	(10.23)	(89.56)	(98.01)	(12.41)
Other income	833.12	185.09	292.23	86.31
Share of Profit from associates	(652.28)	(171.54)	911.79	107.16
Provision for impairment on long-term investment	-	-	-	-
Allowance for expected credit loss on long-term receivables	-	(100.00)	(160.17)	260.04
Finance costs	(1,253.09)	97.24	(635.30)	20.71
Profit before taxation	(675.28)	(129.61)	2,280.53	479.20
Taxation	(123.75)	(85.23)	(837.59)	702.46
Net (Loss) / Profit for the year	(799.03)	(155.37)	1,442.95	398.67

VERTICAL ANALYSIS	2024		2023	
	Rs.	%	Rs.	%
Turnover	10,988.87	100.00	10,983.53	100.00
Cost of sales	(10,093.84)	(91.86)	(8,619.57)	(78.48)
Gross Profit	895.03	8.14	2,363.96	21.52
Distribution costs	(133.27)	(1.21)	(84.23)	(0.77)
Administrative expenses	(354.56)	(3.23)	(309.74)	(2.82)
Other expenses	(10.23)	(0.09)	(98.01)	(0.89)
Other income	833.12	7.58	292.23	2.66
Share of Profit from associates	(652.28)	(5.94)	911.79	8.30
Provision for impairment on long-term investment	-	-	-	-
Allowance for expected credit loss on long-term receivables	-	-	(160.17)	(1.46)
Finance costs	(1,253.09)	(11.40)	(635.30)	(5.78)
Profit before taxation	(675.28)	(6.15)	2,280.53	20.76
Taxation	(123.75)	(1.13)	(837.59)	(7.63)
Net (Loss) / Profit for the year	(799.03)	(7.27)	1,442.95	13.14

2022		2021		2020		2019	
Rs.	%	Rs.	%	Rs.	%	Rs.	%
6,898.03	13.76	6,063.54	(5.62)	6,424.68	20.95	5,311.77	10.87
(6,090.62)	12.23	(5,426.68)	(8.94)	(5,959.54)	32.69	(4,491.46)	6.91
807.41	26.78	636.86	36.92	465.14	(43.30)	820.31	39.11
(72.56)	60.51	(45.21)	(3.97)	(47.08)	(20.96)	(59.56)	(46.56)
(255.40)	(2.55)	(262.08)	19.71	(218.92)	(14.16)	(255.03)	(7.69)
(111.89)	(24.02)	(147.26)	2,311.60	(6.11)	(51.96)	(12.71)	(81.68)
156.85	(32.93)	233.87	(10.59)	261.56	231.00	79.02	(53.39)
440.14	614.53	61.60	(19.92)	76.92	(76.32)	324.89	(4.45)
-	(100.00)	(122.43)	100.00	-	-	-	-
(44.49)	(38.99)	(72.92)	174.73	(26.54)	100.00	-	-
(526.32)	98.95	(264.55)	(22.72)	(342.32)	(11.03)	(384.77)	81.15
393.74	2,101.22	17.89	(89.00)	162.65	(68.24)	512.15	19.18
(104.38)	150.28	(41.70)	(63.93)	(115.62)	6.75	(108.31)	543.77
289.36	1,314.99	(23.82)	(150.64)	47.03	(88.36)	403.83	(2.20)

2022		2021		2020		2019	
Rs.	%	Rs.	%	Rs.	%	Rs.	%
6,898.03	100.00	6,063.54	100.00	6,424.68	100.00	5,311.77	100.00
(6,090.62)	(88.30)	(5,426.68)	(89.50)	(5,959.54)	(92.76)	(4,491.46)	(84.56)
807.41	11.70	636.86	10.50	465.14	7.24	820.31	15.44
(72.56)	(1.05)	(45.21)	(0.75)	(47.08)	(0.73)	(59.56)	(1.12)
(255.40)	(3.70)	(262.08)	(4.32)	(218.92)	(3.41)	(255.03)	(4.80)
(111.89)	(1.62)	(147.26)	(2.43)	(6.11)	(0.10)	(12.71)	(0.24)
156.85	2.27	233.87	3.86	261.56	4.07	79.02	1.49
440.14	6.38	61.60	1.02	76.92	1.20	324.89	6.12
-	-	(122.43)	(2.02)	-	-	-	-
(44.49)	(0.64)	(72.92)	(1.20)	(26.54)	(0.41)	-	-
(526.32)	(7.63)	(264.55)	(4.36)	(342.32)	(5.33)	(384.77)	(7.24)
393.74	5.71	17.89	0.30	162.65	2.53	512.15	9.64
(104.38)	(1.51)	(41.70)	(0.69)	(115.62)	(1.80)	(108.31)	(2.04)
289.36	4.19	(23.82)	(0.39)	47.03	0.73	403.83	7.60

Horizontal Analysis

STATEMENT OF FINANCIAL POSITION

Rupees in million

	2024 Rs.	2024 %	2023 Rs.	2023 %
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	2,356.45	(1.73)	2,397.95	(2.03)
Right-of-Use-Assets	129.54	97.11	65.72	31.59
Long-term receivable	-	-	-	(100.00)
Long-term investment	1,126.42	(37.55)	1,803.70	54.57
Long-term deposits	3.44	-	3.44	-
	3,615.83	(15.34)	4,270.80	11.56
CURRENT ASSETS				
Biological assets	17.41	35.53	12.85	(47.68)
Stores and spare parts	179.01	18.09	151.58	5.04
Stock-in-trade	2,599.02	338.57	592.61	(61.85)
Trade debts	479.40	66.12	288.60	187.39
Loans and advances	134.31	3.89	129.28	104.35
Trade deposits and short-term prepayments	62.80	(19.44)	77.96	587.42
Other receivables	-	(100.00)	63.50	63,081.00
Short-term investments	627.22	(31.38)	913.98	24.79
Taxation – net	0.84	(98.49)	55.53	(4.95)
Cash and bank balances	88.41	88.92	46.80	40.67
	4,188.43	79.55	2,332.69	(14.28)
TOTAL ASSETS	7,804.26	18.18	6,603.49	0.12
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Share capital	749.28	-	749.28	23.75
Reserves	2,031.46	(35.10)	3,130.17	45.99
	2,780.74	(28.32)	3,879.45	41.09
NON-CURRENT LIABILITIES				
Long-term financing	289.78	(25.98)	391.50	(39.02)
Lease liabilities	76.47	57.34	48.60	44.86
Market committee fee payable	57.00	21.70	46.84	(5.29)
Deferred liabilities	3.52	7.33	3.28	(17.40)
Deferred income - government grant	75.70	(23.32)	98.72	(4.49)
Deferred taxation - net	542.69	(20.05)	678.77	1,341.50
Provision for quality premium	-	-	-	-
	1,045.16	(17.56)	1,267.72	44.15
CURRENT LIABILITIES				
Trade and other payables	508.27	(8.77)	557.15	21.95
Contract liabilities (advances from customers)	51.20	(87.47)	408.68	(19.22)
Unclaimed dividend	26.82	14.71	23.38	18.63
Accrued mark-up	266.14	867.07	27.52	(71.49)
Short-term borrowings	2,680.12	18,756.81	14.21	(98.87)
Provision for market committee fee	-	(100.00)	23.44	52.29
Current portion of non-current liabilities	188.71	32.23	142.71	(65.04)
Sales tax and federal excise duty payable	257.10	(0.82)	259.23	25.77
	3,978.36	173.18	1,456.32	(50.91)
TOTAL EQUITY AND LIABILITIES	7,804.26	18.18	6,603.49	0.12

2022		2021		2020		2019	
Rs.	%	Rs.	%	Rs.	%	Rs.	%
2,447.68	3.16	2,372.81	8.29	2,191.14	0.02	2,190.68	1.03
49.94	(3.17)	51.58	(35.94)	80.52	100.00	-	-
160.17	(21.74)	204.66	(26.27)	277.58	100.00	-	-
1,166.91	10.95	1,051.77	(14.88)	1,235.65	(9.30)	1,362.37	14.46
3.44	303.14	0.85	-	0.85	(1.16)	0.86	(1.15)
3,828.13	3.98	3,681.67	(2.75)	3,785.74	6.52	3,553.92	5.79
24.56	3.32	23.77	42.99	16.62	9.03	15.25	73.52
144.31	30.59	110.50	0.14	110.34	7.73	102.42	0.74
1,553.31	176.60	561.56	823.91	60.78	(94.27)	1,060.60	(9.13)
100.42	44.14	69.67	282.67	18.21	(76.99)	79.13	(39.40)
63.26	15.08	54.98	18.80	46.27	(60.34)	116.69	0.54
11.34	75.00	6.48	48.70	4.36	(52.93)	9.26	(28.12)
46.45	4588.08	0.99	21.45	0.82	(99.74)	317.56	(45.32)
732.42	(44.39)	1,317.09	18.86	1,108.08	11.32	995.38	(20.92)
58.42	5.80	55.22	40.29	39.36	(2.21)	40.25	(51.11)
33.27	206.63	10.85	6.98	10.14	(98.49)	672.98	4,118.22
2,721.41	23.08	2,211.11	56.26	1,414.98	(58.50)	3,409.53	(1.88)
6,595.89	11.93	5,892.78	13.31	5,200.72	(25.31)	6,963.45	1.89
605.48	23.75	489.27	5.00	465.97	15.00	405.20	26.50
2,144.18	6.86	2,006.55	(6.30)	2,141.53	6.56	2,009.70	(12.20)
2,749.65	10.17	2,495.83	(4.28)	2,607.51	7.98	2,414.90	(7.45)
642.02	(30.41)	922.59	(18.05)	1,125.82	53.00	735.83	(1.29)
33.55	9.63	30.60	4.60	29.26	42.08	20.59	13.10
49.45	(3.38)	51.18	78.48	28.68	22.64	23.38	(10.45)
3.97	(7.67)	4.30	(3.24)	4.45	(6.66)	4.76	(0.47)
103.37	46.08	70.76	1,857.80	3.61	100.00	-	-
47.09	(40.83)	79.58	(53.45)	170.97	(14.34)	199.58	(11.60)
-	(100.00)	119.29	-	119.29	-	119.29	-
879.45	(31.20)	1,278.31	(13.75)	1,482.07	34.31	1,103.44	(3.17)
456.87	(3.09)	471.46	3.77	454.31	(32.89)	676.96	50.93
505.94	1,362.58	34.59	(5.20)	36.49	(91.22)	415.59	46.99
19.71	1.94	19.33	3.66	18.65	5.41	17.69	(9.28)
96.52	90.43	50.68	149.20	20.34	(83.79)	125.50	154.80
1,258.05	18.25	1,063.92	257.04	297.98	(82.98)	1,750.71	(10.99)
15.39	125.61	6.82	(84.48)	43.97	17.48	37.42	23.10
408.20	3.36	394.93	199.21	131.99	(59.93)	329.36	44.53
206.11	168.03	76.90	(28.41)	107.41	16.90	91.88	52.36
2,966.79	40.03	2,118.64	90.67	1,111.14	(67.75)	3,445.11	11.66
6,595.89	11.93	5,892.78	13.31	5,200.72	(25.31)	6,963.45	1.89

Vertical Analysis

STATEMENT OF FINANCIAL POSITION

Rupees in million

	2024 Rs.	2024 %	2023 Rs.	2023 %
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	2,356.45	30.19	2,397.95	36.31
Right-of-Use-Assets	129.54	1.66	65.72	1.00
Long-term receivable	-	-	-	-
Long-term investment	1,126.42	14.43	1,803.70	27.31
Long-term deposits	3.44	0.04	3.44	0.05
	3,615.83	46.33	4,270.80	64.68
CURRENT ASSETS				
Biological assets	17.41	0.22	12.85	0.19
Stores and spare parts	179.01	2.29	151.58	2.30
Stock-in-trade	2,599.02	33.30	592.61	8.97
Trade debts	479.40	6.14	288.60	4.37
Loans and advances	134.31	1.72	129.28	1.96
Trade deposits and short-term prepayments	62.80	0.80	77.96	1.18
Other receivables	-	-	63.50	0.96
Short-term investments	627.22	8.04	913.98	13.84
Taxation – net	0.84	0.01	55.53	0.84
Cash and bank balances	88.41	1.13	46.80	0.71
	4,188.43	53.67	2,332.69	35.33
TOTAL ASSETS	7,804.26	100.00	6,603.49	100.00
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Share capital	749.28	9.60	749.28	11.35
Reserves	2,031.46	26.03	3,130.17	47.40
	2,780.74	35.63	3,879.45	58.75
NON-CURRENT LIABILITIES				
Long-term financing	289.78	3.71	391.50	5.93
Lease liabilities	76.47	0.98	48.60	0.74
Market committee fee payable	57.00	0.73	46.84	0.71
Deferred liabilities	3.52	0.05	3.28	0.05
Deferred income - government grant	75.70	0.97	98.72	1.50
Deferred taxation - net	542.69	6.95	678.77	10.28
Provision for quality premium	-	-	-	-
	1,045.16	13.39	1,267.72	19.20
CURRENT LIABILITIES				
Trade and other payables	508.27	6.51	557.15	8.44
Contract liabilities (advances from customers)	51.20	0.66	408.68	6.19
Unclaimed dividend	26.82	0.34	23.38	0.35
Accrued mark-up	266.14	3.41	27.52	0.42
Short-term borrowings	2,680.12	34.34	14.21	0.22
Provision for market committee fee	-	-	23.44	0.36
Current portion of non-current liabilities	188.71	2.42	142.71	2.16
Sales tax and federal excise duty payable	257.10	3.29	259.23	3.93
Income tax payable			-	-
	3,978.36	50.98	1,456.32	22.05
TOTAL EQUITY AND LIABILITIES	7,804.26	100.00	6,603.49	100.00

2022		2021		2020		2019	
Rs.	%	Rs.	%	Rs.	%	Rs.	%
2,447.68	37.11	2,372.81	40.27	2,191.14	42.13	2,190.68	31.46
49.94	0.76	51.58	0.88	80.52	1.55	-	-
160.17	2.43	204.66	3.47	277.58	5.34	-	-
1,166.91	17.69	1,051.77	17.85	1,235.65	23.76	1,362.37	19.56
3.44	0.05	0.85	0.01	0.85	0.02	0.86	0.01
3,828.13	58.04	3,681.67	62.48	3,785.74	72.79	3,553.92	51.04
24.56	0.37	23.77	0.40	16.62	0.32	15.25	0.22
144.31	2.19	110.50	1.88	110.34	2.12	102.42	1.47
1,553.31	23.55	561.56	9.53	60.78	1.17	1,060.60	15.23
100.42	1.52	69.67	1.18	18.21	0.35	79.13	1.14
63.26	0.96	54.98	0.93	46.27	0.89	116.69	1.68
11.34	0.17	6.48	0.11	4.36	0.08	9.26	0.13
46.45	0.70	0.99	0.02	0.82	0.02	317.56	4.56
732.42	11.10	1,317.09	22.35	1,108.08	21.31	995.38	14.29
58.42	0.89	55.22	0.94	39.36	0.76	40.25	0.58
33.27	0.50	10.85	0.18	10.14	0.20	672.98	9.66
2,721.41	41.26	2,211.11	37.52	1,414.98	27.21	3,409.53	48.96
6,595.89	100.00	5,892.78	100.00	5,200.72	100.00	6,963.45	100.00

605.48	9.18	489.27	8.30	465.97	8.96	405.20	5.82
2,144.18	32.51	2,006.55	34.05	2,141.53	41.18	2,009.70	28.86
2,749.65	41.69	2,495.83	42.35	2,607.51	50.14	2,414.90	34.68
642.02	9.73	922.59	15.66	1,125.82	21.65	735.83	10.57
33.55	0.51	30.60	0.52	29.26	0.56	20.59	0.30
49.45	0.75	51.18	0.87	28.68	0.55	23.38	0.34
3.97	0.06	4.30	0.07	4.45	0.09	4.76	0.07
103.37	1.57	70.76	1.20	3.61	0.07	-	-
47.09	0.71	79.58	1.35	170.97	3.29	199.58	2.87
-	-	119.29	2.02	119.29	2.29	119.29	1.71
879.45	13.33	1,278.31	21.69	1,482.07	28.50	1,103.44	15.85
456.87	6.93	471.46	8.00	454.31	8.74	676.96	9.72
505.94	7.67	34.59	0.59	36.49	0.70	415.59	5.97
19.71	0.30	19.33	0.33	18.65	0.36	17.69	0.25
96.52	1.46	50.68	0.86	20.34	0.39	125.50	1.80
1,258.05	19.07	1,063.92	18.05	297.98	5.73	1,750.71	25.14
15.39	0.23	6.82	0.12	43.97	0.85	37.42	0.54
408.20	6.19	394.93	6.70	131.99	2.54	329.36	4.73
206.11	3.12	76.90	1.30	107.41	2.07	91.88	1.32
-	-	-	-	-	-	-	-
2,966.79	44.98	2,118.64	35.95	1,111.14	21.37	3,445.11	49.47
6,595.89	100.00	5,892.78	100.00	5,200.72	100.00	6,963.45	100.00

Innovating Agriculture

Mulcher

The mulcher is used to chop and spread crop residues evenly across the fields. Its cuts sugarcane stalks and leaves into smaller pieces and spreads them as mulch.

This allows for weed control, better soil health as well as moisture retention of the land.

Factory Profile

Date of Incorporation
December 22, 1965

Date of Commencement of Business
March 19, 1966

Start of Commercial Production
January 1969

Installed Capacity
12,500 Tons Cane Crushing Per Day

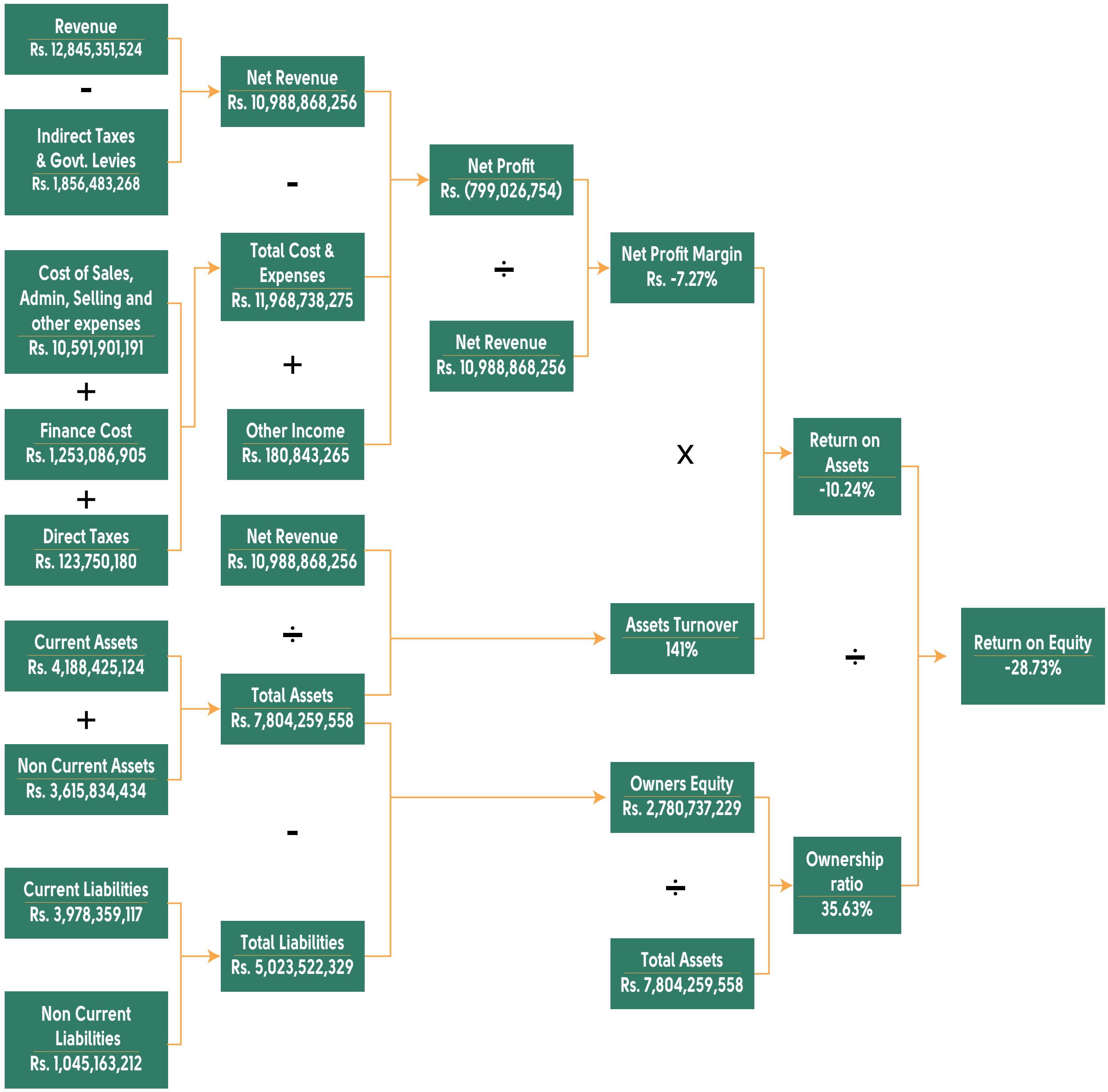
Total Land Area
127 Acres

Total Farming Area
140 Acres

Facilities at our Mills

- Two Mosques - Factory & Colony.
- Recreation Centre at officers mess equipped with Indoor Games, TV, Videos and other facilities.
- Cricket Ground, Tennis Court, Park, School/ College Bus facility.
- Private Electric Generator for Uninterrupted Power Supply and Solar Power for Renewable Cheap Energy.
- Clean Water Supply with UV Filters.
- Transport Facility for City & Adjoining Areas.
- Accommodation for Officers and Company Guests with all facilities.
- Hostel of 36,000 sq.ft for accommodation for seasonal workers and staff of various contractors engaged during

Dupont Analysis



Six Years' Review at a Glance

	2024	2023	2022	2021	2020	2019
Operational Trends						
Sugarcane crushed - M.Tons	**902,931**	804,872	856,944	682,253	654,339	702,259
Sugar produced - M.Tons	**97,384**	85,796	95,642	73,092	72,821	80,332
Sucrose recovery - %	**10.79**	10.66	11.16	10.72	11.13	11.44

Balance Sheet			Rupees in million			
Share capital	**749.28**	749.28	605.48	489.27	465.97	405.20
Reserves	**2,031.46**	3,130.17	2,144.17	2,006.55	2,141.53	2,009.70
Shareholders' equity	**2,780.74**	3,879.45	2,749.65	2,495.82	2,607.50	2,414.90
Non current liabilities	**1,045.16**	1,267.72	879.45	1,278.32	1,482.08	1,103.44
Current liabilities	**3,978.36**	1,456.32	2,966.79	2,118.64	1,111.14	3,445.11
Total Equity & Liabilities	**7,804.26**	6,603.49	6,595.89	5,892.78	5,200.72	6,963.45
Fixed Assets	**2,485.98**	2,463.67	2,497.62	2,424.39	2,271.66	2,190.68
Non current assets	**1,129.85**	1,807.13	1,330.51	1,257.28	1,514.08	1,363.24
Current assets	**4,188.43**	2,332.69	2,767.76	2,211.11	1,414.98	3,409.53
Total assets	**7,804.26**	6,603.49	6,595.89	5,892.78	5,200.72	6,963.45
Financial Trends			Rupees in million			
Turnover	**10,988.87**	10,983.53	6,898.03	6,063.54	6,424.68	5,311.77
Gross profit	**895.03**	2,363.96	807.41	636.86	465.14	820.31
Operating profit	**1,230.09**	2,164.22	524.40	416.19	454.59	572.03
EBITDA	**796.26**	3,107.49	1,108.41	488.51	682.79	1,067.79
EBIT	**577.81**	2,915.83	920.06	282.44	504.97	896.92
Pre-tax profit	**(675.28)**	2,280.53	393.74	17.89	162.65	512.15
After-tax profit / (loss)	**(799.03)**	1,442.95	289.36	(23.82)	47.03	403.83
Capital Expenditure	**164.04**	165.69	410.00	28.54	267.65	178.29
Cash Flows			Rupees in million			
Operating activities	**(3,028.85)**	1,912.26	(310.81)	(341.22)	440.52	1,149.39
Investing activities	**864.97**	211.37	430.11	(447.70)	276.15	(167.93)
Financing activities	**(460.42)**	(866.25)	(291.02)	23.69	73.21	(324.43)
Cash and Cash equivalents	**(2,591.71)**	32.58	(1,224.79)	(1,053.07)	(287.84)	672.98
Profitability Indicators			Percentage			
Grosss profit margin (%)	**8.14**	21.52	11.70	10.50	7.24	15.44
Operating Profit margin(%)	**11.19**	19.70	7.60	6.86	7.08	10.77
Net profit margin (%)	**(7.27)**	13.14	4.19	(0.39)	0.73	7.60
Return on shareholders' equity (%)	**(28.73)**	37.19	10.52	(0.95)	1.80	16.72
Return on capital employed (%)	**15.10**	56.65	25.35	7.48	12.35	25.49
Return on total assets (%)	**(10.24)**	21.85	4.39	(0.40)	0.90	5.80
EBITDA margin (%)	**7.25**	28.09	16.07	8.06	10.63	20.10

	2024	2023	2022	2021	2020	2019
Operating Performance						
Inventory turnover ratio	**6.33**	8.03	5.76	17.44	10.63	4.03
Inventory turnover in days	**58**	45	63	21	34	91
Debtors turnover ratio	**13.58**	22.06	33.17	52.37	42.58	15.72
Debtors turnover in days	**27**	17	11	7	9	23
Creditors turnover ratio	**92.50**	60.33	46.47	34.73	18.56	18.22
Creditors turnover in days	**4**	6	8	11	20	20
Operating cycle in days	**81**	56	66	17	23	94
Total assets turnover ratio	**1.53**	1.66	1.10	1.09	1.06	1.53
Fixed assets turnover ratio	**4.44**	4.43	2.80	2.58	2.88	4.85
Capital employed turnover ratio	**2.45**	2.50	1.86	1.54	1.69	1.46
Investment Valuation						
Earnings per share	**(10.66)**	19.26	3.86	(0.49)	1.01	9.97
Break-up value per share	**37.11**	51.78	45.41	51.01	55.96	59.60
Price earning ratio	**(3.95)**	2.24	9.31	(93.88)	73.42	5.77
Dividend yield (%)	**2.38**	17.40	2.09	1.96	1.69	5.65
Dividend payout (%)	**(9.38)**	38.95	19.43	(306.12)	123.76	32.60
Market value per share on 30th September	**42.08**	43.10	35.95	46.00	74.15	57.50
Cash Dividend (%)	**10.00**	75.00	7.50	15.00	12.50	32.50
Bonus Shares (%)	**-**	10.00	25.00	10.00	5.00	25.00
Financial gearing						
Debt Ratio	**0.64**	0.41	0.58	0.58	0.50	0.65
Debt : Equity Ratio	**1.81**	0.70	1.40	1.36	0.99	1.88
Interest cover ratio	**0.46**	4.59	1.75	1.07	1.48	2.33
Liquidity measurement						
Current ratio	**1.05**	1.60	0.93	1.04	1.27	0.99
Quick ratio/Acid test ratio	**0.99**	1.40	0.85	0.95	1.12	0.94
Value addition				Rupees in million		
Government as taxes	**1,985.88**	2,551.04	1,201.69	960.30	1,111.65	735.09
Employees as remuneration	**519.20**	508.97	402.53	356.24	340.22	371.98
Financial charges to providers of finance	**1,253.09**	635.30	526.32	264.55	342.32	384.77
Shareholders as dividend and bonus shares	**74.93**	619.86	183.32	122.32	81.55	187.86
Retained within the business	**(655.48)**	1,028.55	299.22	45.46	387.65	(28.76)

Innovating Agriculture

Drone Based Sprays

Eliminates human error, consistent and uniform application of inputs and minimal labour hazards, zero dependency on labour and accurate dosing of applications.

CEOs Message on ESG

At Mehran we believe in building a strong governance and transparency culture. We believe this lays the foundations for a strong and sustainable culture at our company. In the previous year we established our ESG frameworks and guidelines. We are fully dedicated to a culture of transparency, ethical practices, and accountability in all our actions.

We are committed to deliver a strong Environmental, Social & Governance (ESG) performance that fosters our goal towards a long-term shared value for all stakeholders by integrating ESG into the entire business entity value chain. We also acknowledge that, as a responsible business, our role extends beyond sustaining business operations to protecting the planet and our climate. Therefore, our ESG focus goes beyond applying mitigation measures, setting forth an ambitious mission in alignment with UN SDGs and seeking continuous improvement to contribute towards achieving Net Zero emissions while promoting Sustainable Development.

Over the years, MSML has strengthened its commitment towards sustainability. MSML is committed to act as an environmental steward, ensuring that appropriate systems and resources are in place for evaluating and managing environmental and social risks and opportunities. Our strategy is focused on the prevention of negative impacts on the ESG parameters through the implementation of the best suitable measures, procedures, and technologies.

Our commitment to ESG is reflected in our practices, which include establishment of a state of the art ETP plant for treating and more importantly reutilizing our water for internal usage. Asides from the Fars plant we have aggressively pursued forest plantation, renewable energy through solar generation and energy conservation through automation and the addition of efficient lighting technology.

The MSML Senior Leadership Team regularly review's its strategy, ensuring that it aligns with our ESG goals and that the business remains resilient and positioned for long-term success.

The progress on the company's strategic objectives on ESG is shared with stakeholders each year through an annual ESG report. The Company's performance, policies, initiatives and plans are documented including various aspects of sustainability and CSR as per best business practices.

Mehran Sugar Mills Limited (MSML) has been contributing towards Corporate Social Responsibility (CSR) since its inception which is annually published. During the year various CSR activities were carried out by the Company which have been outlined in this Report in the relevant section.

Despite navigating a challenging financial year our commitment to sustainable growth and responsible operations remains firm. Join us in shaping a brighter future as we share our progress in this year's Sustainability Report and explore how MSML is enriching lives today to build a better tomorrow.

Thank you for your time to review this report. We are pleased to share and welcome your feedback and engagement.

Ahmed Ebrahim

Ahmed Ebrahim Hasham

Chief Executive Officer

Sustainability and CSR Initiatives

1. Health, Safety and Environment (HSE)
2. Environmental, Social and Governance (ESG)
3. Corporate Social Responsibility (CSR)
4. Value Addition to Shareholders

1. HEALTH, SAFETY AND ENVIRONMENT (HSE).

As part of our commitment to Environmental, Social, and Governance (ESG) principles, MSML prioritizes workers' safety and health, environmental sustainability, and social responsibility. MSML is committed to excellence, maintaining the highest standards of quality, environmental responsibility, and occupational health and safety, as evidenced by our IMS certification and adherence to ISO 9001, EMS 14001, and OHS 45001 international standards. Additionally, we uphold the ethical practices and social responsibility benchmarks set by the SEDEX FOUR PILLAR CERTIFICATION, and we are proud to hold the HALAL CERTIFICATION, ensuring our products meet the highest standards of quality and ethical considerations. Our commitment to sustainability and environmental stewardship has been recognized through the Annual Environment Excellence Awards (AEEA) for 2023 and 2024, as well as the Annual Tree Plantation Award 2024 by the National Forum for Environment & Health (NFEH). In line with this commitment, our HSE department has undertaken several initiatives:

HSE Initiatives

i. HSE Inductions: Comprehensive inductions for employees and the contractors to ensure a safe working environment.

ii. Awareness Sessions and Training Workshops: Department-wise sessions to promote safety implementations and compliance with safety protocols.

iii. Fire Safety Drills: Regular firefighting, fire extinguishing, and mock drills to ensure preparedness.

iv. Walk-Downs and Inspections: Regular walk-downs and HSE inspections to identify and address potential hazards, minimizing reoccurrence.

v. Evaluation and Implementation: Continuous evaluation and implementation of HSE protocols to ensure a safe and healthy work environment.

vi. First Aid Training: HSE Department conducts First Aid training sessions to ensure that employees are well-prepared to handle emergency situations and promote a safe working environment.

vii. Addition of Firefighting Pipelines and Capacity: MSML has 29 water hydrant points, operating at a pressure of 8 bar

viii. Training of Teams for Bagasse Yard Safety: To ensure bagasse yard safety, an Emergency Task Force (ETF) team has been assigned to monitor the area. The team has been trained for emergency response and conducts regular walk-throughs and inspections of the bagasse yard to verify the functionality of hydrant points and firefighting equipment. This ensures the ETF team is prepared and can respond effectively in emergency situations.






2. Environmental, Social, And Governance (ESG) Initiatives

MSML has committed reduce energy and water consumption along with installed 850 KVA Solar system and treating effluent water via Effluent Treatment Plant (ETP).

On the directive of SEPA (Sindh Environment Protection Authority), waste water treatment plant has been constructed within the mill's premises which is treating 2000 cubic meter water per day and same is being used for agriculture and land scaping purpose. SEPA is carrying out the annual inspection of ETP during the crushing season through 3rd party which collects the water for sampling. Additionally, the company is actively pursuing dependence on renewables and alternative sources of energy while reducing emissions MSML has installed Fly Ash Removal System (FARS) and preserving biodiversity.

Over the last five years, Mehran Sugar Mill has actively participated in environmental sustainability efforts by planting trees within its premises and collaborating with SEPA and the Sindh Government Forest Department to extend plantation activities around the area. The mill has also developed urban forests on its premises to maintain a clean environment and protect biodiversity and ecosystems.

To ensure to provide clean drinking water, the mill has installed three So~Safe Drinking Water Filtration Plants, which not only provide clean drinking water to mill employees and residents but also benefit the adjacent village of Majidano Goth all the time.

Our commitment to ESG principles is an ongoing effort, and we strive to continuously improve our practices to create a sustainable future.

Fly Ash Recovery System

Urban Forest

Effluent Treatment Plant

Energy Conservation

Our company embarked on its first solar project back in 2016. Since then, we have completed four additional smaller projects, bringing the total cumulative generation capacity to 0.850MW during the financial year ended and further aiming to close project to 1.00 MW by the year ending 2025. This addition brings our total solar energy projects to meet over 90% of our electricity requirements during the off-season for maintenance at our mills, offices, and residential colony.

During the peak crushing season, our mills are powered by our own bagasse-based boilers, which generate an average of 10.5 to 11 megawatts. Our company has also obtained a generation license from the Electric Inspectorate of the Government. As a result of these initiatives, we no longer rely on electricity from the national grid. In fact, during the financial year, we were able to export approximately 456,520 kWh of surplus electricity to the national grid through net metering. This not only helps improve the reliability of the power system by absorbing fluctuations from the solar plant but also enhances overall generation efficiency.

Given the global environmental challenges, we believe it is crucial to invest in sustainable technologies, especially at the industrial level. As an industry leader, we are committed to protecting the environment and ensuring a sustainable future through such investments.

From an energy conservation perspective, the management is dedicated to continuous improvements. On a year-over-year basis, we have been adding Variable Frequency Drives (VFDs) to replace conventional motors. Currently, we have added 10.5 MW of VFDs across various project areas, with plans to add an additional 2.5 MW over the next 2-3 years. Additionally, we have converted conventional lighting to LED lighting in various parts of our mills, as well as in the streetlights of our residential areas and offices. Over the next couple of years, we will continue upgrading the lighting in other mill areas, such as the Mill House and Boiler House.

We also emphasize energy conservation through training and awareness. Extensive training programs, along with related materials, are provided to our associates to encourage energy-saving behaviors, such as turning off unnecessary electrical appliances during breaks. Signboards are placed throughout the factory premises to reinforce this message and promote energy-conscious practices.

Water Conservation

The Company acknowledges the fact that water is an increasingly scarce and critical global resource. In order to protect this scarce resource and to recycle and reuse it management is taking consistent measures since way back in 2015-16 and also continuously improving and enhancing it. Its background summarized details along with paybacks YOY basis and on cumulative basis over the period are described as under:

Background details

Sugar mill liquid effluents containing high levels of pollutants are a threat to our environment. In Pakistan, although there are stringent rules and regulations for control of effluents, very few mills are currently addressing these issues. Mehran Sugar Mills Limited (MSML) started a campaign of reducing the quantity of its liquid effluents and their pollutant parameters. A comprehensive plan over 3 years was prepared in 2013 to replace all canal water used in the factory with cane water. Several strategies of water conservation, such as elimination, re-use and recycle, were adopted. IPRO (Germany) were engaged to evaluate the plan. MSML is now using only cane water for its processing. The cost of effluent treatment was about USD 1.70 million.

During the year under review, management intended to maximize installed capacity utilization of ETP plant for treating and cleaning of water which is 2000 cubic meter per day. Further, management also set policies for proper usage of water and store the excess treated water in a DAM and use it subsequent to crushing season. In order to strengthen the motive, we decided to build and Treated water storage DAM having storage capacity of 35000 Ton. This will now allow us to use all our treated water 100 percent in house for farming and other uses.

Adherence to esg goals- social implications

At Mehran, we strive to take play an effective role at corporate level in various aspects like Corporate Social Responsibility, Donations to charitable institutions, development of communities and more particularly educations in rural areas, where our mills is located. We believe in imparting quality education is above all. We firmly believe that organizations have a pivotal role to play in creating positive change for our society. By embracing ESG principles, we are committing ourselves to a more sustainable and responsible path.

3. Corporate Social Responsibility (CSR)

Imparting quality education above all foundation:

We have established three school under administration of The City Foundation TCFs in various villages Huri and piyarolund which is nearby to our mills and also have a school with name of DAWOOD MEMORIAL SCHOOL – DMS in our factory colony area as well. Summarized details are as under:

- **Dawood Memorial School:** The school, which is situated on the mill grounds, primarily serves our staff as well as the young people in the nearby villages. The Company has offered the school complete operational, financial, and logistical support from its founding in 1998–1999 The School now has more than 400 students enrolled and 19 staff members are responsible for delivering a high-quality education through thegrace of God and the persistent efforts of the administration and teachers. We have ensured that educational standards are upheld with this number of students. Both student performance and teacher training programs are used to gauge this.
- **Collaboration with TCF:** We constructed and provided funding for three schools in rural Sindh in partnership with The Citizens Foundation (TCF), a well-known NGO. At this school, all of the instructors are local residents. Local women who want to support their studies have employment thanks to these schools. In addition to providing operational support, MSM had provided Rs. 36.96 million to the construction of similar institutions. More than 950 students are now enrolled on these sites, together with more than 40 teaching members. 13 kilometers away from our operations, our first sponsored school has been open since 2011. The other two supported schools opened in 2016 and 2018 and are situated 12 to 18 kilometers from our factory.
- **Vocational Training:** A Vocational Instruction Center has been built inside the MSML Staff Colony to empower women in the neighborhood. This facility offers fundamental sewing, embroidery, culinary, and stitching instruction to women in the colony and the neighborhood. The entire complex has undergone updates throughout the years to give it a more modern look.

Health Services

Usman Memorial Hospital

Some of the key initiatives under our Corporate Social Responsibility (CSR) program include the Usman Memorial Hospital (UMH), Community Welfare Activities, and the Usman Institute of Technology. Our commitment to philanthropy is demonstrated through our involvement in running and operating a non-profit organization— a registered trust dedicated to the welfare of society.

Established in 1982 by Haji Hasham Haji Ahmed in memory of his son, Muhammad Usman, Usman Memorial Hospital was acquired by the Usman Memorial Hospital Foundation in May 2016. The hospital underwent major renovations, expansion, and upgrades from 2016 to 2018. During this period, all hospital equipment was replaced with brand new state-of-the-art facilities, including radiology equipment, operating theatres, CSSD (Central Sterile Services Department), laboratory, and blood bank.

Today, UMH is recognized as one of the leading secondary care hospitals in Karachi, offering high-quality healthcare services at affordable rates in a comfortable, air-conditioned environment. Our dedicated and trained staff ensures that patients receive the best possible care. Additionally, our Patient Welfare Program further underscores our commitment to making quality healthcare accessible to all.

Welfare Contributions:

Usman Memorial Hospital relies on the trust and support of its patrons and donors to meet the growing needs of underprivileged patients. UMH actively seeks support for its Patient Welfare Fund and for the development of additional healthcare facilities.

Mehran Sugar is committed to supporting this cause, with a portion of the profits from our sugar division designated for donations to the hospital. In addition to the contributions from other valued donors, this support plays a vital role in sustaining the hospital's welfare initiatives.

Mr. Muhammad Hussain Hasham, our Board of Directors member, serves as the Chairman of the Trustee Board of UMH. He is extensively involved in community welfare projects and continues to make significant contributions to social welfare on a broader scale.

At Mehran, sustainability is not merely a destination, but a perpetual journey of transformation. We are resolute in our commitment to fostering a harmonious balance between the well-being of our people and the planet. Our ultimate aspiration is to catalyze a paradigm shift in society, culminating in a thriving, sustainable, and prosperous nation.

Our Corporate Social Responsibility (CSR) initiatives are meticulously designed to empower marginalized communities by enhancing their socio-economic standing, promoting inclusive and sustainable development, and cultivating an environment that ensures business continuity for the benefit of all stakeholders.

Through continuous engagement with our growers, we introduce cutting-edge cultivation and sowing techniques, leverage innovative technologies, reduce labor costs, and augment crop yields. During the financial year under review, we convened a series of seminars and workshops to promote best practices and knowledge sharing.

Sr.	SECTOR	TOPIC	Attendance
FARMERS MEETINGS			
1	Gate-1	Nutrient management	33
2	Shahpur	September sowing and variety development	37
3	Huri-1	Sugarcane production technology	29
4	Huri-2	September sowing and variety development	45
5	Gate-2	September sowing and variety development	19
6	Kamaro sharif	Nutrient management	17
7	Khesano mori	Pest and disease management	25
8	Tando adam	Sugarcane production technology	28
9	Quba stop	Pest and disease management	31
10	Fazil stop	September sowing and variety development	30
11	Beerani	Sustainable Agriculture	28
12	Dalore mori	Sugarcane production technology	35
13	Qaiser senhero	Pest and disease management	33

Sr.	SECTOR	TOPIC	Attendance
STAFF TRAININGS			
1	Sugarcane Crop Production	Mudassir Mansoor - Sr Manager R&D	11
2	Land preparation and sowing	Muslim Deen - CPDO	13
3	Variety Identification	Rehan Afzal - DCM	17
4	BONSUCRO Version 5.2	Mudassir Mansoor Sr Manager - R&D	18

In addition to above Seminars and workshops following Agri improved and advanced technologies and practices are being introduced in our vicinity valued growers.

Innovating Agriculture Practices

In consonance with our pedagogical initiatives, Mehran has been spearheading the introduction of cutting-edge agricultural technologies and methodologies to our esteemed growers. These paradigmatic innovations encompass the mechanization of agronomic practices, including precision sowing, spraying, and spreading of inputs, as well as inter-culturing and crop residue management.

Over the past couple of years, Mehran has been at the vanguard of supporting its valued growers by introducing advanced agricultural technologies and equipment. These technological interventions have significantly enhanced sugarcane cultivation, input supply, and inter-culturing of crop residues, thereby augmenting productivity and sustainability. Our repertoire of introduced technologies includes:

1. Sugarcane Planter: A specialized, precision-engineered machine designed to plant cane setts at precise intervals and depths, ensuring uniform spacing and depth for optimal germination and growth

2. Mulcher: A device that efficiently manages crop residues, reducing waste and promoting sustainable agricultural practices consonant with environmental stewardship. “As part of our sustainable agriculture initiatives, we collaborated with 20 growers to adopt trash mulching technique, covering an area of 39.6 hectares.”

3. Stubble Shaver: A machine that effectively manages stubble, mitigating environmental concerns and promoting soil health through the minimization of residue burning. “We successfully engaged 51 in our ratoon stubble shaving programme. Achieving a total treated area of 210.12 hectares.

4. Drones: Unmanned aerial vehicles (UAVs) equipped with precision spraying and spreading systems, enabling the optimized application of liquid and granulated fertilizers.

During the post-rain period, our company endeavored to alleviate stress on sugarcane plants by orchestrating the spraying of Catalyst Potash, a proprietary product of FMC, via drone spraying services provided by Sapphire Group's subsidiary, Sapphire Farms Private. This innovative approach enabled the treatment of 814 acres of land, benefiting 72 farmers within our locale.

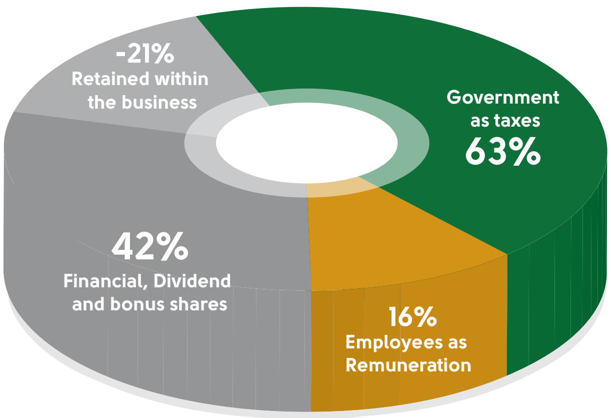
The deployment of drones for spraying purposes not only facilitates the maintenance of optimal plant health but also minimizes stress on sugarcane crops, particularly during the critical post-rainfall period. By leveraging drones for spraying, our company can ensure more accurate, timely, and cost-effective treatments, ultimately contributing to enhanced crop yields and optimized resource management.

These technological innovations have revolutionized sugarcane cultivation, empowering our growers to adopt more efficient, productive, and sustainable agricultural practices, thereby ensuring a paradigmatic shift towards a more sustainable and environmentally conscious agricultural paradigm.

Economic Value Addition and Distribution

	2024 Rupees	%	2023 Rupees	%
WEALTH GENERATED				
Gross revenue	12,845,351,524		12,664,172,003	
Other Income	833,124,473		292,230,718	
Share of profit from associates	(652,281,208)		911,791,339	
	13,026,194,789		13,868,194,060	
Expenses	(9,848,585,654)		(8,524,470,858)	
Wealth generated	3,177,609,135	100	5,343,723,202	100
WEALTH DISTRIBUTED				
To Government				
Sales Tax, Income Tax, Road Cess, WWF	1,985,876,829	63	2,551,037,554	48
To Employees				
Salaries, WPPF, Benefits and Other related cost	519,200,882	16	508,971,761	10
To Providers of capital				
Mark-up on borrowed funds	1,253,086,905	40	635,304,325	12
Shareholders as Dividend/Bonus shares	74,927,609	2	619,856,100	11
	1,328,014,514	42	1,255,160,425	23
Retained with the business				
Depreciation	218,446,916	7	191,653,178	3
Retained profit	(873,930,006)	-28	836,900,284	16
	(655,483,090)	-21	1,028,553,462	19
	3,177,609,135	100	5,343,723,202	100

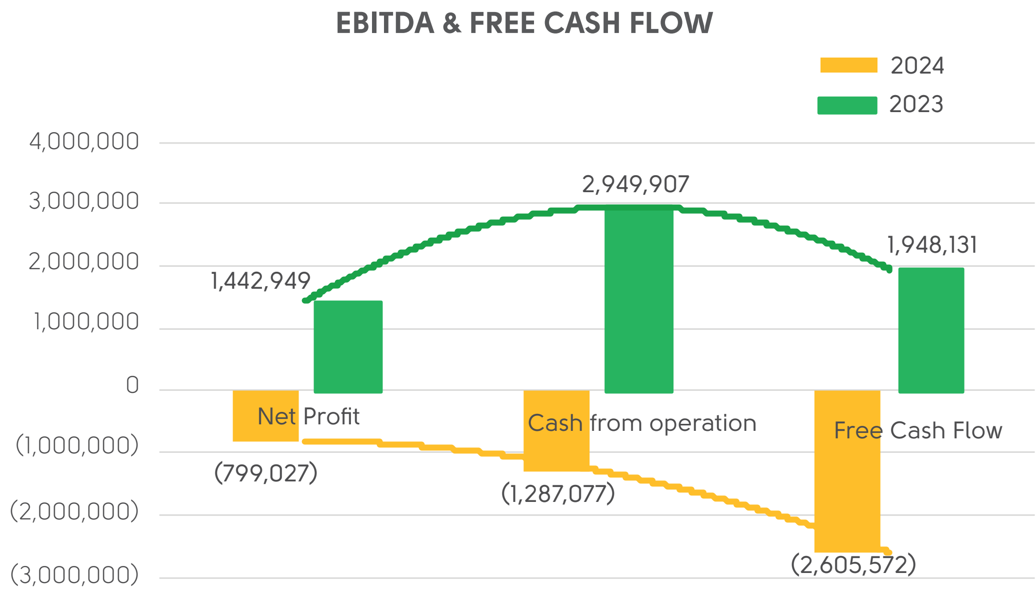
Value addition and distribution during the year 2024 Rs.3,177.61 million



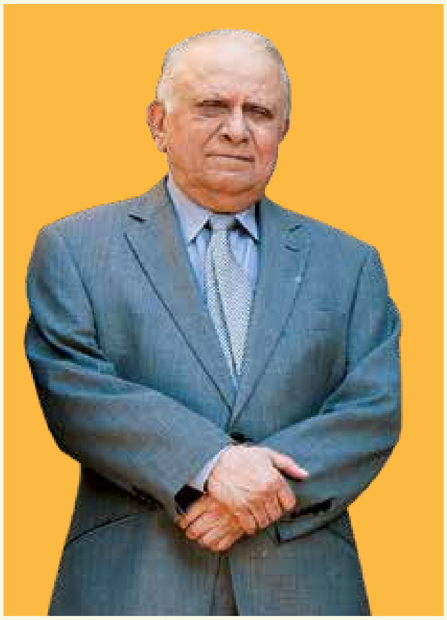
Statement of Free Cash Flow

Rupees in thousand

	2024 Rupees	2023 Rupees
Net (Loss) / profit	**(799,027)**	1,442,949
Adjustment for non-cash items	**480,737**	(794,640)
Finance Cost	**1,253,087**	635,304
Taxation	**123,750**	837,585
Depreciation	**218,447**	191,653
Working capital	**(2,564,071)**	637,056
Cash from operation	**(1,287,077)**	2,949,907
Less:		
Income Tax paid	**205,152**	203,286
Finance cost paid	**985,760**	676,502
Capex	**127,583**	121,988
	1,318,495	1,001,776
Free Cash Flow	**(2,605,572)**	1,948,131



Chairman's Message



Mehran Sugar Mills Limited's (MSML) performance for the fiscal year ended September 30, 2024 has been disappointing due to the prevailing situation in the country as well as in the sugar sector. The silver lining being that this was a one off year marked by unprecedented events.

High interest rates, reluctance on the GoP for timely exports while prices were at record highs internationally and Pakistan had a million tons surplus as well as a first ever loss at our associated company, Unicol Limited due to the abnormal crash of the ethanol market (due to expensive freight rates to Europe as a consequence of the ME war) as well as our new acquisition of a sugar factory in Punjab.

I am optimistic that the company's strategic focus on farmer collaboration, operational efficiency, technological innovation, and investment diversification will enable it to come back stronger and continue to enrich its shareholders.

MSML's strategic location, strong farmer partnerships, and adoption of advanced technologies have enabled it to improve its operations and enhance productivity. The company's commitment to the environment and sustainability has been recognized through various industry awards.

The global economic outlook is cautiously optimistic, with stable growth and low commodity prices. Domestic economic conditions remain challenging, with high interest rates and currency fluctuations impacting businesses. The government's fiscal and monetary policies will play a crucial role in shaping the overall economic environment and we are confident those have started to show positive results too.

The global sugar industry is undergoing significant transformation, driven by factors such as changing consumption patterns, increased production, and evolving trade dynamics. The Pakistani sugar industry benefits from its competitive cost structure and favorable market conditions. However, challenges such as declining cultivation areas due to the pressures of competing crops continue to remain.

MSML remains optimistic about its future prospects, driven by its strong operational foundation, strategic initiatives, and commitment to sustainable growth.

We acknowledge the efforts of our operational teams, management and other stakeholders who have been striving to take the company forward.

Muhammad Kasim Hasham

Chairman

Directors' Report

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

ABOUT MEHRAN SUGAR MILLS LIMITED

Mehran Sugar Mills Limited (MSML), a public limited company incorporated in December 1965, is a prominent player in Pakistan's sugar industry. The company's core business is the production of refined sugar primarily through its own manufacturing facilities and through associated investments in sugar and ethanol processing.

OPERATIONAL HIGHLIGHTS

Strategic Location and Cultivation: MSML's sugar plant, situated near Tando Allahyar, Sindh, benefits from a strategic location and strong partnerships with local farmers. The company has successfully developed a significant cane area, characterized by high-yielding and early-maturing varieties, which provides a competitive edge in terms of cane proximity and mill sucrose recovery.

Technological Innovation: MSML is committed to embracing cutting-edge technology to enhance operational efficiency and sustainability. The company is actively investing in state-of-the-art solutions to transform its facility into one of Pakistan's most energy-efficient and environmentally friendly sugar manufacturing enterprises. The company also continues to work towards farmer collaboration with latest technologies for farm crop assessment and drone based input application

Industry Recognition: MSML's commitment to excellence has been recognized by the industry. The company has been honored with the prestigious Top 25 PSX awards three times . In addition, we have secured several certifications for sugar quality and more importantly environmental sustainability

Diversification and Growth: In 2004, MSML established Unicol Limited, a joint venture . Unicol Initially focused on ethanol production, however the company has now expanded its operations to become a leading exporter of ethanol as well as CO_2 from Pakistan, earning the coveted top 100 exporters award. In 2023, Unicol further solidified its position with the acquisition of a sugar mill near Sargodha, which is expected to significantly enhance the company's financial performance, driving revenue at Unicol to nearly USD 100 million.

ECONOMY OUTLOOK

Improved Economic Conditions

Recent economic indicators show positive signs for FY25. The IMF's approval of the Extended Fund Facility (EFF) program is expected to boost investor confidence and lead to increased foreign investment. Global commodity prices are relatively low, and global economic growth is stable.

Monetary Policy: The central bank has started to lower interest rates due to decreasing inflation. Lower interest rates and improved economic conditions are expected to stimulate growth in industries and services. This is very important for the sugar industry which pays the farmers within 15 days and in a 100 day crushing cycle but has to distribute sugar all year round

Economic Growth: Economic growth is projected to be between 2.5% and 3.5% in FY25.

Inflation: Inflation is expected to remain below the previous forecast of 11.5% to 13.5%.

Fiscal Outlook: The government aims to reduce the fiscal deficit to between 5.5% and 6.5% of GDP in FY25.

CAD: The current account deficit is projected to remain low, between 0% and 1% of GDP.

Overall, after coming through a turbulent previous the economic outlook for FY25 is cautiously optimistic. While challenges remain, the combination of improved global conditions, domestic policy reforms, and external financing is expected to support moderate economic growth and price stability.

GLOBAL SUGAR INDUSTRY OUTLOOK

Global Sugar consumption interestingly continues to grow with the growth skewed towards Asia and Africa. The industry however continues to evolve whereby large producing countries such as India and Brazil utilize an ever larger quantum of the cane crop directly for ethanol production India's booming economy and oil deficit structure makes ethanol from cane a viable solution for their fuel market This policy in turn allows less sugar to be made and thus a lower volume of sugar exports. This has been one of the primary factors for sugar export prices to remain lucrative to the extent where Pakistan domestic prices today trade at a 30 percent discount to the international prices

The favorable global market conditions, coupled with the Pakistani sugar industry's competitive cost structure, have provided a margin of safety. The industry's production costs remain below prevailing world sugar prices thus giving the industry a competitive edge and allowing it to compete globally for its exports.

INDUSTRY REVIEW

The sugar sector experienced mixed trends in FY24. While sugarcane production witnessed a marginal decline of 0.4%, sugar production registered a slight increase of 1.3%.

Key Factors Influencing the Sector:

Decline in Cultivation Area: A significant 10.5% decrease in the area under sugarcane cultivation was observed. This decline can be attributed to the shift of farmers towards more profitable crops like cotton, rice and banana, despite an increase in the support price for sugarcane.

Improved Yield: Yield per hectare increased by a substantial 11.3%. This improvement can be attributed to favorable climatic conditions and better agricultural practices.

Higher Sucrose Recovery Rate: The higher-than-average sucrose recovery rate during the crushing season contributed to the increase in sugar production.

Outlook for FY25

Increased Sugar Production: A slight increase in sugarcane area and production is projected for FY25. Sugar production is forecast to reach 6.8 million tons, a 3% increase compared to FY24. However like the previous year a close watch will have to be kept on both farm and factory yields as those are nature dependant and can surprise at times It must be also mentioned that we are coming from a high base year of recoveries and yields

Steady Demand Growth: Domestic sugar consumption is expected to continue its moderate growth trajectory, driven by population growth and increasing demand from the food processing sector.

Government Intervention and Export Restrictions: The government's focus on domestic price and supply controls is likely to persist. As a result, sugar exports are anticipated to remain conservative in FY25.

Overall, the sugar sector in Pakistan is expected to maintain a stable outlook in the near term, with domestic consumption driving demand and government policies shaping the market dynamics.

Sugarcane Production

Pakistan›s sugarcane production for the 2024/25 season is projected to reach 83.5 million metric tons, marking a 3% increase over the previous year. This growth is primarily attributed to expansion in sugarcane cultivation.

- **Government Incentives and Regional Production:** The government's strategic decision to increase the sugarcane support price by over 40 percent over the past two years has played a pivotal role in motivating farmers to prioritize sugarcane cultivation. Punjab and Sindh provinces remain the dominant producers, contributing approximately 93% of the total output.
- **Yield and Cultivation Patterns:** Punjab boasts a higher average yield of 74 metric tons per hectare compared to other regions. However, the large-scale nature of sugarcane farming in the country, coupled with the preference of smallholders for diverse cropping patterns, limits the potential for significant area expansion. Additionally, the higher profitability of alternative crops like rice and cotton serves as a disincentive for farmers to allocate more land to sugarcane. The total area of land on which sugarcane is cultivated in Pakistan is 1.0 Million hectares which is around 5 percent of the total agriculture land.
- **Quality and Market Dynamics:** A critical challenge in the sugarcane sector is the lack of a quality-based pricing mechanism. As millers purchase sugarcane based on weight rather than sugar content, farmers have minimal incentive to invest in improved cultivation practices or invest in high-yielding varieties. This leads to suboptimal sugar recovery rates and lower overall productivity. We continue to strive to educate the farmer to plant varieties which are a win win both for the farmers as well as the millers.

While the projected increase in sugarcane production is a positive development, addressing the underlying issues of quality, yield, and market dynamics is crucial for the long-term sustainability of the sector. Implementing policies that incentivize quality production, promote research and development, and foster a more competitive market environment can help optimize sugarcane production and contribute to the country's agricultural growth. It would also create exportable surplus which can get premiums in the international market or than be processed directly for the production of ethanol

Production Policy

The recent escalation in support prices over the past two years underscored the government's unwavering commitment to expanding sugarcane cultivation and production. Provincial and federal authorities played a pivotal role in shaping the sector's trajectory through the implementation of minimum support prices (MSPs), sugar price controls, and factory oversight.

In the 2023-24 season, the Punjab government set a significant MSP of 400 rupees/40 kg representing a substantial 33% increase from the previous year. Sindh, announced an even higher MSP of 425 rupees

A long-awaited development on the horizon is the potential deregulation of the sugar sector, a longstanding industry demand. Discussions have commenced in Punjab, and Sindh's alignment is crucial for comprehensive reform. However, it is imperative to balance the interests of both millers and growers to ensure a positive trajectory for policy changes. The eventual objective would be to deregulate both sugarcane and sugar prices and allow farmers to fetch international prices.

OPERATIONAL AND FINANCIAL REVIEW

Operational Highlights	2024	2023
Crushing - M. Tons	**902,931**	804,872
Sucrose Recovery	**10.79%**	10.66%
Sugar Production - M. Tons	**384 ,97**	85,796
Molasses production - M. Tons	**40,809**	37,867
Molasses Recovery	**4.46%**	4.70%

Sugar Production

- **Projected Production Growth:** Sugar production is anticipated to reach 6.8 million tons in 2024/25, a 3% increase from the previous year.
- **Government Intervention:** The deregulation is expected to bring a change in industry dynamics aligning producers' incentives with increased output and more market oriented pricing.
- **Improved Sucrose Recovery and Timely Crushing:** The upward revision of the 2023/24 output estimate is attributed to higher sucrose recovery rates and better farm yields.

The combination of favorable government policies, improved agricultural practices, and timely industry decisions will likely contribute to a robust sugar production outlook for 2024/25. However, maintaining this momentum will require continued attention to factors influencing farmer choices and market dynamics.

Consumption

Sugar consumption is projected to increase modestly to 6.6 million tons in 2024/25, driven by population growth and rising demand from food processors. While at-home consumption remains dominant, the bakery and confectionery sectors are expanding. Beverage manufacturing accounts for approximately 7% of domestic production. To support low-income consumers, the government provides targeted sugar subsidies which is a good initiative.

Trade

Despite anticipated ample domestic supply, 2024/25 exports are forecast to remain conservative due to government restrictions aimed at stabilizing domestic prices. Pakistan exported close to 1.0 Million Tons of sugar in season 2024 while sugar prices continued to fall domestically

Policy

The Federal Board of Revenue's (FBR) new tax system, implemented on April 1, 2024, mandates registration for all traders, wholesalers, and retailers, with taxes assessed based on shop rental values. This policy change may elevate retail confectionery prices, potentially dampening future demand. Additionally, the Federal Budget for 2024-25 imposed an excise duty of Rs.15/kg on manufacturers and increased taxes on unregistered retailers/wholesalers, further squeezing industry margins.

Financial Highlights	2024	2023
(Rupees in Thousands except EPS)		
Turnover	**12,845,352**	12,664,172
Sales tax	**1,856,483**	1,680,639
Gross Profit	**895,029**	2,363,963
Gross Profit margin	**8%**	22%
Loss) / Profit before tax)	**(675,277)**	2,280,535
Profit before tax margin	**(6%)**	21%
Net Profit after tax	**799,027**	1,442,949
Net Profit margin	**(7%)**	13%
Earnings per share	**(10.66)**	19.26

Factors responsible for the above are enumerated below;

- Gross Margin reduced due to higher sugarcane cost which rose by almost 40% and the s ubsequent elevated cost could not be passed through sugarcane prices.
- Finance cost rose to Rs.1.25 billion from Rs.628 Million in the previous year which was due to the historically high cost of borrowing.
- Income from Equity investment/dividend income and mutual funds was the saviour to the bottom line. Our increments portfolio did well this year thus shielding the balance sheet.
- Average selling price of molasses and bagasse rose by 15% and 20% respectively but were again much lower than the huge increase in cane prices.

UNICOL LIMITED

Unicol Limited, a prominent player in Pakistan's ethanol and sugar industry, has faced significant challenges during the fiscal year 2024. Despite achieving operating profits of approximately PKR 1.4 billion, the company's financial performance has been hindered by elevated borrowing costs, currency exchange rate fluctuations, and unfavorable ethanol and molasses market dynamics.

Key Challenges

Soaring Borrowing Costs

The company's recent debt obligations due to its acquisition coupled with the elevated KIBOR rate of 22%, have resulted in a substantial increase of nearly 4x in finance costs. The estimated finance cost for the current fiscal year stands at PKR 2.3 billion, a significant escalation from the previous year's PKR 574 million. The withdrawal of the State Bank of Pakistan's Export Refinance Facility (ERF) at a subsidised rate of 5% has further exacerbated the financial burden. We however these this reducing substantially during the next financial year.

Currency Exchange Rate Fluctuations

The Pakistani Rupee remained initially fluctuated tremendously and then remained stable against the US Dollar, contrary to historical trends. The volatility in currency caused losses to the company and we are optimistic this has also normalized.

Future Outlook

Market Dynamics

Bulk ENA ethanol pricing is projected to stabilize around pre-COVID levels of $700-$725 per MT FOB Karachi. Molasses prices are anticipated to decline to approximately PKR 24,000 per ton due to an expected bumper sugar crop. Unicol has secured 25 % of its ethanol sales for the upcoming year while securing a similar qty of molasses at favorable margins.

Regulatory Changes

The removal of exporters from the Final Tax Regime (FTR) and their inclusion in the Normal Tax Regime (NTR) has increased the tax rate from 1% to 2%. This shift will result in higher tax liabilities for Unicol, particularly as the company achieves profitability. However, the availability of unutilized tax depreciation may partially mitigate the impact of increased taxation.

Following are the key data related to Unicol Ltd:

Financial Highlights	Units	2024	2023
Sales	Rs. in '000	19,217,260	15,064,436
Gross profit	Rs. in '000	1,411,627	4,971,482
% Gross profit	%	7.35%	33.00%
Profit before tax	Rs. in '000	(2,005,817)	2,903,732
Profit after tax	Rs. in '000	(1,957,633)	2,734,950
% Net profit	%	(10.19%)	18.16%
Loss) / Earnings per share)	Rs.	(13.05)	18.23

Unicol Limited's financial performance in fiscal year 2024 has been difficult to say the least However we are optimistic that things shall be back to normal for the next year Ethanol margins are looking more promising and the sugar unit has now been streamlined in terms of quality HR and process flows. This along with lower cost of borrowing should be fabeneficial for the company goingahead.

ACKNOWLEDGEMENT

We extend our sincere gratitude to the dedicated team of executives, employees, and staff whose unwavering commitment and hard work have been instrumental in driving our company's success. Their collective efforts have significantly contributed to enhancing shareholder value.

This report provides a comprehensive overview of the company's adherence to corporate governance principles, its commitment to Corporate Social Responsibility (CSR), and its Environmental, Social, and Governance (ESG) initiatives. Additionally, it presents a detailed analysis of the shareholding pattern as of September 30, 2024.

For and on behalf of the Board of Directors

Ahmed Ebrahim

Ahmed Ebrahim Hasham

Chief Executive Officer

January 06, 2025

M. Hussain

Mohammad Hussain Hasham

Director

Pattern of Shareholding

Number of Shareholders	Shareholdings From		To	Total Number of Shares held
759	1	-	100	13,482
129	101	-	200	19,012
190	201	-	500	67,933
139	501	-	1,000	107,847
70	1,001	-	1,500	88,599
56	1,501	-	2,000	97,281
49	2,001	-	3,000	120,274
69	3,001	-	5,000	271,184
62	5,001	-	10,000	452,751
34	10,001	-	15,000	414,545
27	15,001	-	20,000	471,778
13	20,001	-	25,000	295,691
12	25,001	-	35,000	347,274
9	35,001	-	50,000	360,607
22	50,001	-	100,000	1,460,131
9	100,001	-	150,000	1,055,986
6	150,001	-	200,000	1,056,760
8	200,001	-	300,000	1,869,726
5	300,001	-	500,000	1,971,752
6	500,001	-	800,000	4,070,436
1	800,001	-	1,000,000	813,634
3	1,000,001	-	1,500,000	3,776,881
1	1,500,001	-	3,500,000	3,207,042
2	3,500,001	-	4,500,000	8,394,946
1	4,500,001	-	8,000,000	7,908,932
1	8,000,001	-	9,000,000	8,854,473
1	9,000,001	-	12,000,000	11,786,135
1	12,000,001	-	16,000,000	15,572,517
1,685		**Total**		**74,927,609**

Additional Information

	Categories	Number of Folios	Shares held
a)	**NIT & ICP**		
	Investment Corporation of Pakistan	1	2,527
		1	**2,527**
b)	**Directors, Chief Executive Officer and their spouse(s) and minor children**		
	Mr. Mohammed Kasim Hasham	1	11,786,135
	Mr. Mohammed Hussain Hasham	1	8,854,473
	Mr. Khurram Kasim	1	7,908,932
	Mr. Ahmed Ebrahim Hasham	1	15,572,517
	Iftikhar Soomro	1	3,826
	Hasan Aziz Bilgrami	1	3,826
	Mrs. Anushey A. Hasham	1	625,878
	Mrs. Kulsoom Kasim	1	1,444,202
	Mrs. Khursheed Ebrahim	1	4,158,425
	Mrs. Mary Hussain	1	3,207,042
		10	**53,565,256**
c)	**Executives**		
	Muhammad Hanif Aziz (Chief Financial Officer)	1	95,601
d)	**Public Sectors Companies and Corporations**		
	State Life Insurance Corp. of Pakistan	1	755,460
e)	**Bank, DFIs, NBFIs, Insurance Companies, Mudarbas & Mutual Funds**		
	EFU General Insurance Ltd.	1	79
	Habib Bank Limited	1	168
	Investment Corp. of Pakistan	1	2,527
	State Life Insurance Corp. of Pakistan	1	755,460
	Insurance Companies	**4**	**758,234**
f)	**General Public**		
	Physical	794	1,461,728
	CDC	891	73,465,881
		1685	**74,927,609**
g)	**Shareholders holding 5% or more voting interest**		
	Mr. Mohammed Kasim Hasham	1	11,786,135
	Mr. Mohammed Hussain Hasham	1	8,854,473
	Mr. Khurram Kasim	1	7,908,932
	Mr. Ahmed Ebrahim Hasham	1	15,572,517
	Mrs. Khursheed Ebrahim	1	4,158,425
	Mrs. Iqraa Hassan Mansha	1	4,236,521
		6	**52,517,003**

Shareholders's Category	Number of Shareholders	Number of Shares held	Percentage
Individuals	1,647	70,467,312	94.05%
Joint Stock Companies	23	3,472,315	4.63%
Insurance Companies	2	755,539	1.01%
Financial Institutions	2	2,695	0.00%
Gratuity/Pension/other retiremnt funds	4	107,523	0.14%
Charitable Trusts	6	121,094	0.16%
Others	1	1,131	0.00%
	1,685	**74,927,609**	

مستقبل کا منظر نامہ

مالی سال 2024 میں یونیکول لمیٹڈ کی مالی کارکردگی کے بارے میں کہنا مشکل تھا تاہم ہم پر امید ہیں کہ اگلے سال کے لیے چیزیں معمول پر آجائیں گی، ایتھنول مارجن زیادہ امید افزا نظر آرہے ہیں اور چینی یونٹ کو بہتر طریقے سے چلانے کے لئے تیار کیا گیا ہے۔

اظہار تشکر

ہم اپنی پوری کوشش اور توجہ اس بات کی جانب مبذول کئے ہوئے ہیں کہ اسٹیک ہولڈر کو ایک ایسا بہتر، محفوظ اور طویل المدتی مستقبل فراہم کر سکیں کہ جس پر وہ اطمینان محسوس کریں۔ اس مقصد کے حصول میں، ہم کارکنوں، عملے اور ایگزیکٹیوز کی انتھک کوششوں کو سراہتے ہیں اور مستقبل میں بھی ان سے امید رکھتے ہیں کہ وہ مزید زیادہ جوش و جذبے کے ساتھ کمپنی کی بہتر پیداوار اور فلاح و بہبود کے لئے اپنا فعال کردار ادا کرتے رہیں گے۔

اس سالانہ رپورٹ میں کمپنی کی سماجی ذمہ داریوں اور کارپوریٹ گورننس اسٹینڈرڈ کے حوالے سے رپورٹ اور حصص یافتگان سے متعلق ایک رپورٹ جاری کی گئی ہے، اس کے ساتھ ساتھ 30 ستمبر 2024 تک شیئر ہولڈنگ پیٹرن بھی شامل ہے۔

حسب الحکم بورڈ آف ڈائریکٹرز

6 جنوری 2025

احمد ابراہیم ہاشم

چیف ایگزیکٹیو آفیسر

محمد حُسین ہاشم

ڈائریکٹر

مستقبل کا منظر نامہ

مارکیٹ اتار چڑھاو

بلک ENA ایتھنول کی قیمتوں کا تخمینہ 700-725$ فی MT FOB کراچی کی سطح کے آس پاس مستحکم ہونے کا امکان ہے۔ متوقع بمپر چینی کی فصل کی وجہ سے مولاسس کی قیمتوں میں تقریباً PKR 24,000 فی ٹن تک کمی متوقع ہے۔ یونیکول نے آنے والے سال کے لیے اپنی ایتھنول کی فروخت کا 25٪ حاصل کر لیا ہے جبکہ اتنی ہی مقدار میں مولاسس کو بہتر مارجن پر حاصل کیا ہے

ریگولیٹری تبدیلیاں

فائنل ٹیکس رجیم (FTR) سے برآمد کنندگان کو ہٹانے اور نارمل ٹیکس رجیم (NTR) میں ان کی شمولیت نے ٹیکس کی شرح کو 1٪ سے بڑھا کر 2٪ کر دیا ہے۔ اس تبدیلی کے نتیجے میں یونیکول کے لیے زیادہ ٹیکس واجبات ہوں گے، خاص طور پر جب کمپنی منافع حاصل کرتی ہے۔ تاہم، غیر استعمال شدہ ٹیکس فرسودگی کی دستیابی ٹیکس میں اضافے کے اثرات کو جزوی طور پر کم کر سکتی ہے۔

یونیکول سے متعلق اہم مالیاتی جھلکیاں درج ذیل ہیں۔

مالیاتی معلومات (فنانشل ہائی لائٹس)		ستمبر 2024	ستمبر 2023
مجموعی فروخت (ٹرن اوور)	روپے ہزاروں میں	19,217,260	15,064,436
بنیادی منافع	روپے ہزاروں میں	1,411,627	4,971,482
بنیادی منافع کی شرح	(٪)	7.35٪	33.00٪
قبل از ٹیکس منافع	روپے ہزاروں میں	(2,005,817)	2,903,732
بعد از ٹیکس منافع	روپے ہزاروں میں	(1,957,633)	2,734,950
بعد از ٹیکس منافع کی شرح	(٪)	(10.19٪)	18.16٪
فی حصص آمدنی	روپے	(13.05)	18.23

- مولاسس اور بگاس کی اوسط فروخت کی قیمت میں بالترتیب 15 فیصد سے 20 فیصد تک اضافہ ہوا لیکن گنے کی قیمتوں میں ہونے والے زبردست اضافے سے یہ ایک بار پھر بہت کم تھا

یونی کول لمیٹڈ

یونیکول لمیٹڈ، پاکستان کی ایتھنول اور شوگر کی صنعت میں ایک مقام رکھتا ہے، مالی سال 2024 کے دوران اہم چیلنجوں کا سامنا کرنا پڑا۔ تقریباً 1.4 بلین روپے کے آپریٹنگ منافع کے حصول کے باوجود، کمپنی کی مالی کارکردگی میں نمایاں اضافہ نہیں ہوا جس کی وجہ، قرض لینے کی لاگت میں اضافہ، کرنسی کی شرح تبادلہ، اتار چڑھاؤ ہے اور منڈی میں ایتھنول اور مولاسس مارکیٹ میں اتار چڑھاو بھی رہا۔

کلیدی چیلنجز

قرضوں پر سود کے بڑھتے ہوئے اخراجات

شرح سود میں 22 فیصد اضافے نے قرض کی لاگت کو بے حد بڑھا دیا ہے رواں مالی سال میں مالیاتی اخراجات میں 4 ملین سے ایک بلین تک کا اضافہ ہے
رواں مالی سال کے لیے تخمینہ مالیاتی لاگت PKR 2.3 بلین ہے، جو پچھلے سال کے PKR 574 ملین سے ایک نمایاں اضافہ ہے۔ اسٹیٹ بینک آف پاکستان کی ایکسپورٹ ری فنانس فیسیلٹی (ERF) کو 5٪ کی رعایتی شرح پر نکالنے سے مالیاتی بوجھ مزید بڑھ گیا ہے۔ تاہم ہم اگلے مالی سال کے دوران اس میں کافی حد تک کمی کا امکان ہے

کرنسی کی شرح تبادلہ میں اتار چڑھاؤ

پاکستانی روپیہ ابتدا میں زبردست اتار چڑھاؤ کا شکار رہا اور پھر تاریخی رجحانات کے برعکس امریکی ڈالر کے مقابلے میں مستحکم رہا۔ کرنسی میں اتار چڑھاؤ نے کمپنی کو نقصان پہنچایا اب ہم پر امید ہیں کہ یہ بھی معمول پر آجائے گا۔

مالی سال میں فیڈرل بورڈ آف ریونیو کی طرف سے کئے گئے مختلف اقدامات جن میں جائداد پر ٹیکس میں اضافہ اور چینی پر ایکسائز ڈیوٹی کا نفاذ شامل ہے جن کی وجہ سے چینی کے کاروبار کے منافع پر بڑا اثر پڑے گا۔

مالیاتی معلومات	ستمبر 2024	ستمبر 2023
روپے ہزاروں میں ماسوائے فی حصص آمدنی		
مجموعی فروخت	12،845،352	12,664,172
سیلز ٹیکس	1,856,483	1,680,639
بنیادی منافع	895,029	2,363,963
بنیادی منافع کی شرح	8٪	22٪
قبل از ٹیکس منافع	(675,277)	2,280,535
قبل از ٹیکس منافع کی شرح	(6٪)	20.76٪
بعد از ٹیکس منافع	799,027	1,442,949
بعد از ٹیکس منافع کی شرح	(7٪)	13.14٪
فی حصص آمدنی	10.66	19.26

مندرجہ بالا اعداد و شمار کے لئے درج زیل عوامل ذمہ دار ہیں۔

- گنے کی زیادہ لاگت کی وجہ سے مجموعی مارجن کم ہوا لاگت میں تقریباً 40 فیصد اضافہ ہوا اور اس کے نتیجے میں چینی کی قیمت گنے کی قیمتوں کا بوجھ نہیں اٹھا سکی۔
- مالیاتی لاگت گزشتہ سال 628 ملین روپے سے بڑھ کر 1.25 بلین روپے ہو گئی جس کی وجہ قرض کی مدت میں طوالت کے ساتھ ساتھ شرح سود میں اضافہ تھا
- ایکویٹی انویسٹمنٹ / ڈیویڈنڈ کی آمدنی اور میوچل فنڈز سے حاصل ہونے والی آمدنی نے اچھا سہارا دیا۔ ہمارے حصص پورٹ فولیو نے اس سال اچھی کارکردگی کا مظاہرہ کیا اس طرح بیلنس شیٹ کو محفوظ بنایا

ڈی ریگولیشن سے تبدیلی آنے کی توقع ہے جس سے پروڈیوسروں کی ترغیبات ، بڑھتی ہوئی پیداوار کو مارکیٹ میں بہتر قیمت پر توازن کے ساتھ ہم آہنگی حاصل ہوگی۔

- **بہتر سکروز ریکوری اور بروقت کرشنگ:**

2023-24 کے پیداواری تخمینہ میں بُنیادی طور پر بہتری کی وجہ سکروز کی بہتر ریکوری اور فصل کی فارم کی طرز پر بہتر پیداوار ہے۔

سازگار حکومتی پالیسیاں، بہتر زرعی طریقے اور صنعت کے بروقت فیصلوں کے امتزاج سے ممکنہ طور پر 2024-25 کے لیے چینی کی بہتر پیداوار میں معاون ثابت ہونگے۔ تاہم، اس رفتار کو برقرار رکھنے کے لیے کسانوں کے انتخاب اور مارکیٹ کی جزیات کو متاثر کرنے والے عوامل پر مسلسل توجہ دینے کی ضرورت ہوگی۔

کھپت

2024-25 میں چینی کی کھپت میں معمولی اضافہ ہو کر 6.6 ملین ٹن ہونے کا امکان ہے، جس کی وجہ آبادی میں اضافہ اور فوڈ پروسیسرز کی بڑھتی ہوئی مانگ ہے۔ اگرچہ گھریلو کھپت غالب ہے مگر بیکری اور کنفکشنری کی صنعت بھی پھیل رہی ہے۔ مشروبات مینوفیکچرنگ ملکی پیداوار کا تقریباً 7 فیصد ہے۔ کم آمدنی والے صارفین کو سہارا دینے کے لیے حکومت چینی پر سبسڈی فراہم کرتی ہے جو کہ ایک اچھا اقدام ہے۔

تجارت

پاکستان نے سیزن 2024 میں تقریباً 1.0 ملین ٹن چینی برآمد کی جبکہ چینی کی قیمتیں مقامی سطح پر گرتی رہیں جس کی بُنیادی وجہ طلب اور رسد کا توازن اور حکومت کی وقتاً فوقتاً مداخلت تھی۔

پالیسی

2023-24 کے سیزن میں، پنجاب حکومت نے 400روپے /40 کلوگرام کی نمایاں کم از کم امدادی قیمت مقرر کی جو کہ پچھلے سال کے مقابلے میں 33 فیصد زیادہ ہے۔ سندھ نے اس سے بھی زیادہ 425روپے کی کم از کم امدادی قیمت کا اعلان کیا۔

چینی کے شعبے کی ممکنہ ڈی ریگولیشن کا ایک طویل عرصے سے انتظار ہے جو کہ صنعت کے استحکام کے لئے از حد ضروری ہے اس سلسلے میں پنجاب میں بات چیت شروع ہو چکی ہے اور جامع اصلاحات کے لیے سندھ کی طرف سے تعاون بہت ضروری ہے۔ تاہم، یہ ضروری ہے کہ ملرز اور کاشتکاروں دونوں کے مفادات میں توازن قائم کیا جائے تاکہ پالیسی کی تبدیلیوں کے لیے مثبت رفتار کو یقینی بنایا جا سکے۔ اس کا حتمی مقصد گنے اور چینی کی قیمتوں کو قابو کرنا اور کسانوں کو بین الاقوامی قیمتیں حاصل کرنے کی اجازت دینا ہے۔

آپریشنل اور مالیاتی جائزہ

آپریشنل معلومات	ستمبر 2024	ستمبر 2023
کرشنگ (میٹرک ٹن)	902,931	804,872
سکروز کی ریکوری	10.79٪	10.66٪
چینی کی پیداوار (میٹرک ٹن)	97,384	85,796
مولیسس کی پیداوار (میٹرک ٹن)	40,809	37,867
مولیسس کی ریکوری	4.46٪	4.70٪

چینی کی پیداوار

- پیداوار میں متوقع اضافہ:

چینی کی پیداوار 2024-25 میں 6.8 ملین ٹن تک پہنچنے کی توقع ہے، جو پچھلے سال سے 3 فیصد زیادہ ہے۔

- حکومتی مداخلت:

- معیار اور مارکیٹ کا رُجحان

گنے کے شعبے میں ایک اہم چیلنج معیار پر مبنی قیمتوں کے تعین کے طریقہ کار کی کمی ہے۔ چونکہ ملز مالکان گنے کو چینی کی ریکوری کے بجائے وزن کی بنیاد پر خریدتے ہیں، اس لیے کسانوں کو بہتر کاشت کے طریقوں میں سرمایہ کاری کرنے یا زیادہ پیداوار دینے والی اقسام میں سرمایہ کاری کرنے کی کم سے کم ترغیب ملتی ہے۔ یہ سب سے زیادہ شوگر کی ریکوری کی شرح اور مجموعی پیداواری صلاحیت کو کم کرنے کا باعث بنتا ہے۔ ہم کسانوں کو گنے کی ایسی اقسام لگانے کی ترغیب دینے کی کوشش کر رہے ہین جو ملز اور کاشتکار دونون کے لئے یکساں مفید ہو

اگرچہ گنے کی پیداوار میں متوقع اضافہ ایک مثبت پیشرفت ہے، لیکن اس شعبے کی طویل مدتی پائیداری کے لیے معیار، پیداوار اور مارکیٹ کی حرکیات کے بنیادی مسائل کو حل کرنا بہت ضروری ہے۔ ایسی پالیسیوں کو نافذ کرنا جو معیاری پیداوار کی ترغیب دیتی ہیں، تحقیق اور ترقی کو فروغ دیتی ہیں، اور زیادہ مسابقتی منڈی کے ماحول کو فروغ دیتی ہیں، گنے کی پیداوار کو بہتر بنانے اور ملک کی زرعی ترقی میں اپنا حصہ ڈال سکتی ہیں۔ اس سے قابل بر آمد اضافی بھی پیدا ہوگا جو بین الاقوامی مارکیٹ میں پریمیم حاصل کر سکتا ہے یا ایتھنول کی تیاری کے لیے براہ راست پروسیس کیا جا سکتا ہے۔

پیداواری پالیسی

پچھلے دو سالوں کے دوران امدادی قیمتوں میں حالیہ اضافے نے گنے کی کاشت اور پیداوار کو بڑھانے کے لیے حکومت کے عزم کو اجاگر کیا۔ صوبائی اور وفاقی حکام نے کم از کم امدادی قیمتوں کے نفاذ، چینی کی قیمتوں پر کنٹرول، اور فیکٹری کی نگرانی کے ذریعے اس شعبے کی رفتار کو تشکیل دینے میں اہم کردار ادا کیا۔

حکومت کی توجہ مقامی قیمت اور سپلائی کنٹرول پر برقرار رہنے کا امکان ہے۔ نتیجتاً مالی سال 2025 میں چینی کی برآمدات کے بہتر رہنے کی توقع ہے۔

مجموعی طور پر، توقع ہے کہ پاکستان میں چینی کی صنعت کا مستقبل قریب میں ایک مستحکم نقطہ نظر برقرار رہے گا، جس میں گھریلو کھپت کی بڑھتی ہوئی طلب اور حکومتی پالیسیاں مارکیٹ کی جزیات کو تشکیل دیں گی۔

گنے کی پیداوار

پاکستان میں 2024/25 کے سیزن کے لیے گنے کی پیداوار 83.5 ملین میٹرک ٹن تک پہنچنے کا امکان ہے، جو کہ پچھلے سال کے مقابلے میں 3 فیصد اضافہ ہے۔ یہ اضافہ بنیادی طور پر گنے کی کاشت میں اضافہ سے منسوب ہے۔

- **حکومتی مراعات اور علاقائی پیداوار:**

حکومت کے گزشتہ دو سالوں کے دوران گنے کی امدادی قیمت میں 40 فیصد سے زائد اضافے کے اسٹریٹجک فیصلے نے کسانوں کو گنے کی کاشت کو ترجیح دینے کی ترغیب دینے میں اہم کردار ادا کیا ہے۔ پنجاب اور سندھ کی سب سے زیادہ پیداوار ہے، جو کل پیداوار کا تقریباً 93 فیصد حصہ ہے۔

- **پیداوار اور کاشت کے طریقے:**

پنجاب دیگر علاقوں کے مقابلے میں 74 میٹرک ٹن فی ہیکٹر زیادہ اوسط پیداوار کا حامل ہے۔ تاہم، ملک میں گنے کی کاشت کاری کی بڑے پیمانے پر نوعیت، متنوع فصلوں کے نمونوں کے لیے چھوٹے ہولڈرز کی ترجیح کے ساتھ، نمایاں رقبے کی توسیع کے امکانات کو محدود کرتی ہے۔ مزید برآں، چاول اور کپاس جیسی متبادل فصلوں کا زیادہ منافع بخش ہونا کسانوں کو گنے کی کاشت کے لئے حوصلہ شکنی کا کام کرتا ہے۔ پاکستان میں گنے کی کاشت کا کل رقبہ 1.0 ملین ہیکٹر ہے جو کل زرعی زمین کا تقریباً 5 فیصد ہے۔

گنے کے زیر کاشت رقبہ میں 10.5 فیصد کی نمایاں کمی دیکھی گئی۔ اس کمی کی وجہ گنے کی قیمت میں اضافے کے باوجود کپاس، چاول اور کیلے جیسی زیادہ منافع بخش فصلوں کی طرف کسانوں کا رُجحان قرار دیا جا سکتا ہے۔

پیداوار میں بہتری:

فی ہیکٹر پیداوار میں 11.3 فیصد کا نمایاں اضافہ ہوا۔ اس بہتری کی وجہ سازگار موسمی حالات اور بہتر زرعی طریقوں کو قرار دیا جا سکتا ہے۔

ریکوری میں اضافہ

کرشنگ سیزن کے دوران اوسط سے زیادہ سکروز کی ریکوری کی شرح نے چینی کی پیداوار میں اضافے میں اہم کردار ادا کیا۔

مالی سال 2025 کا جائزہ

چینی کی پیداوار میں اضافہ

مالی سال 2025 میں گنے کی کاشت اور پیداوار میں معمولی اضافہ متوقع ہے۔ چینی کی پیداوار 6.8 ملین ٹن تک پہنچنے کی پیش گوئی کی گئی ہے، جو کہ مالی سال 2024 کے مقابلے میں 3 فیصد اضافہ ہے۔ تاہم پچھلے سال کی طرح فارم اور فیکٹری دونوں کی پیداوار پر کڑی نظر رکھی جائے گی کیونکہ یہ فطرت پر منحصر ہیں اور بہتر نتائج دے سکتے ہیں۔ تاہم یہ بات بھی مد نظر رکھی جائے کہ ہم بہتر ریکوری اور پیداوار کے سال سے آرہے ہیں۔

مانگ میں مسلسل اضافہ

توقع کی جاتی ہے کہ چینی کی گھریلو کھپت اپنے اضافہ کی رفتار کو جاری رکھے گی، جو کہ آبادی میں اضافے اور فوڈ پروسیسنگ کے شعبے کی بڑھتی ہوئی طلب سے چلتی ہے۔

حکومتی مداخلت اور برآمدی پابندیاں

عالمی شوگر انڈسٹری کا جائزہ

چینی کی عالمی کھپت، ایشیا اور افریقہ میں ہونے والی نمو کے ساتھ بڑھ رہی ہے جس کی وجہ چینی کی صنعت مسلسل ترقی کر رہی ہے جس کے تحت بھارت اور برازیل جیسے بڑے چینی پیدا کرنے والے ممالک گنے کی فصل کی ایک بڑی مقدار کو براہ راست ایتھنول کی پیداوار کے لیے استعمال کرتے ہیں بھارت کی ترقی پذیر معیشت اور تیل کے خسارے کا ڈھانچہ گنے سے ایتھنول کو ان کی ایندھن کی منڈی کے لیے ایک قابل عمل حل بناتا ہے۔ اس پالیسی سے کم چینی بنائی جا رہی ہے اور اس طرح چینی کی برآمدات کا حجم کم ہوتا ہے۔ اس طرح چینی کی برآمدی قیمتوں میں اس حد تک منافع بخش رہنے کا ایک بنیادی عنصر رہا ہے جہاں آج پاکستان کی مقامی قیمتیں بین الاقوامی قیمتوں کے مقابلے میں 30 فیصد تجارت کرتی ہیں۔

پاکستانی شوگر انڈسٹری کے مسابقتی لاگت کے ڈھانچے کے ساتھ مل کر عالمی منڈی کے سازگار حالات نے حفاظت کا مارجن فراہم کیا ہے۔ صنعت کی پیداواری لاگت چینی کی عالمی قیمتوں سے کم رہتی ہے اس طرح صنعت کو مسابقتی برتری حاصل ہوتی ہے اور اسے اپنی برآمدات کے لیے عالمی سطح پر مقابلہ کرنے کی ترجیح ملتی ہے

صنعت کا جائزہ

شوگر سیکٹر نے مالی سال 2024 میں ملے جلے رجحانات کا تجربہ کیا۔ جبکہ گنے کی پیداوار میں 0.4 فیصد کی معمولی کمی دیکھی گئی اور چینی کی پیداوار میں 1.3 فیصد کا معمولی اضافہ ریکارڈ کیا گیا۔

شوگر انڈسٹری کو متاثر کرنے والے اہم عوامل:

کاشت کے رقبہ میں کمی:

غیر ملکی سرمایہ کاری میں بھی اضافہ کی توقع ہے۔ عالمی منڈی میں اجناس کی قیمتیں نسبتاً کم ہیں اور عالمی اقتصادی ترقی مستحکم ہے۔

مانیٹری پالیسی

مرکزی بینک نے مہنگائی میں کمی کے باعث شرح سود کو کم کرنا شروع کر دیا ہے۔ سود کی کم شرح اور بہتر معاشی حالات کی وجہ سے صنعتوں میں ترقی کی توقع ہے۔ شوگر انڈسٹری گنے کی قیمت 15 دن کے اندر کسان کو ادا کرتی ہے اسی طرح سیزن کے اختتام پر، جو کہ عموماً 100 دن کا ہی ہوتا ہے، کسان کو گنے کی قیمت کی مکمل ادائیگی کر دیتی ہے جبکہ اس گنے سے تیار شدہ چینی کی فروخت سارا سال جاری رہتی ہے

اقتصادی نمو

مالی سال 25 میں معاشی نمو 2.5 فیصد اور 3.5 فیصد کے درمیان رہنے کا امکان ہے

مہنگائی

مہنگائی کی پیشن گوئی 11.5 فیصد سے 13.5 فیصد تک کی تھی لیکن مہنگائی کی شرح اس سے بھی کم رہنے کی توقع ہے۔

مالی جائزہ

حکومت کا مقصد مالیاتی خسارے کو مالی سال 25 میں جی ڈی پی کے 5.5 سے 6.5 فیصد تک کم کرنا ہے۔

کرنٹ اکاونٹ خسارہ

کرنٹ اکاؤنٹ خسارہ جی ڈی پی کے 1 فیصد تک رہنے کا امکان ہے۔ مجموعی طور پر، ایک ہنگامہ خیز ماضی سے گزرنے کے بعد مالی سال 25 کے لیے اقتصادی نقطہ نظر محتاط طور پر پرامید ہے۔ اگرچہ چیلنجز باقی ہیں، تاہم، بہتر عالمی حالات، ملکی پالیسی میں اصلاحات، اور بیرونی فنانسنگ کے امتزاج سے اقتصادی ترقی اور قیمتوں میں استحکام کی توقع ہے۔

بیماری سے بچاؤ اور انکے علاج کے لئے دوائیاں اور کھاد کو بذریعہ ڈرون اسپرے کرنے جیسی جدید سہولت کے ساتھ ساتھ کسانوں سے مسلسل رابطے میں رہتی ہے۔

صنعت کی پہچان

مہران شوگر ملز کی ان کامیابیوں کو انڈسٹری نے تسلیم کرتے ہوئے 3 مرتبہ کراچی اسٹاک ایکسچینج کی طرف سے بہترین کارکردگی کامظاہرہ کرنے والی 25 بہترین کمپنیوں کے اعزاز سے نوازا گیا ہے، اس کے علاوہ چینی کے بہترین معیار کے حصول کے ساتھ ساتھ ماحولیاتی آلودگی کے خاتمے کے لئے اُٹھائے گئے پائیدار اقدامات کو سراہتے ہوئے کئی سرٹیفیکیٹس بھی حاصل کئے ہیں۔

تنوع اور نمو

کمپنی نے 2004 میں دوشراکت داروں کے ساتھ، ایک نئی کمپنی "یونی کول" تشکیل دی تھی۔ یونی کول میں ایتھنول کی پیداواری گنجائش 200,000 لاکھ لیٹر روزانہ اور CO_2 کی پیداواری صلاحیت 72 ٹن روزانہ ہے۔ آج یونی کول پاکستان میں ایتھنول کی برآمدات میں مرکزی حیثیت رکھتا ہے اور اسے برآمدات میں ٹاپ 100 ایکسپورٹرز میں شامل کرتے ہوئے ایکسپورٹ ٹرافی سے نوازا گیا ہے۔

2023 میں یونیکول نے سرگودھا میں ایک شوگر مل خریدی ہے جس سے بیلنس شیٹ میں مزید بہتری کی توقع ہے، کوشش ہوگی کہ مجموعی آمدنی کو 100 ملین ڈالر تک لے جایا جائے۔

معیشت کا جائزہ

(بہتر معاشی حالات)

مالی سال 2025 کے لئے اشارے مثبت نظر آرہے ہیں توقع ہے کہ آئی ایم ایف کی جانب سے توسیعی فنڈ سہولت (EFF) کی منظوری سے سرمایہ کاروں کے اعتماد میں اضافہ ہوگا نیز

ڈائریکٹرز رپورٹ

30 ستمبر 2024 کو ختم ہونے والے مالی سال کے نتائج اور ان پر تبصرہ پیش خدمت ہے۔

کمپنی کا تعارف

مہران شوگر ملز لمیٹڈ کو دسمبر 1965 میں پبلک لمیٹڈ کمپنی کے طور پر رجسٹر کیا گیا، مہران شوگر ملز لمیٹڈ، پاکستان کی شوگر انڈسٹری میں اپنا ایک نمایاں مقام رکھتی ہے کمپنی کا بُنیادی کاروبار چینی کی تیاری ہے اس کے ساتھ ساتھ ایتھنول پروسسنگ میں بھی سرمایہ کاری کی گئی ہے۔

مالیاتی شہ سرخیاں

مہران شوگر ملز لمیٹڈ، ٹنڈو الہیار سندھ میں واقع ہے یہ علاقہ گنے کی بہتر ریکوری اور جلد تیار ہونے والی اقسام کی کاشتکاری کے لئے شہرت رکھتا ہے، گنے کی ان بہتر اقسام کو مہران شوگر ملز نے اپنے علاقے میں نہ صرف متعارف کرایا بلکہ کسانوں کو اس ضمن میں بغیر سود کے بیج اور کھاد بھی مہیا کیا تاکہ وہ ان اقسام کو کاشت کر سکیں۔ ان اقسام کی بدولت ہم بہتر ریکوری حاصل کرپاتے ہیں۔ مہران شوگر ملز، علاقہ میں اپنی بہتر ساکھ اور فلاح و بہبود کے کاموں کی وجہ سے کسانوں میں بہت اچھی شہرت رکھتی ہے، جس کی وجہ سے مقامی کسان اور مہران شوگر ملز کے مابین بہت اچھے تعلقات ہیں۔

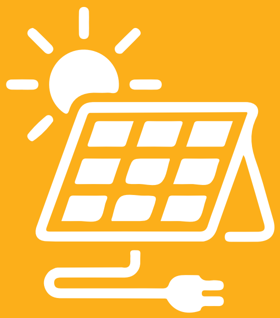
تکنیکی جدت

مہران شوگر ملز لمیٹڈ، اپنی کارکردگی کو مستحکم رکھنے کے لئے جدید ٹیکنالوجی کے حصول کے لئے پُرعزم ہے، اور اس میں مسلسل سرمایہ کاری کررہی ہے ہماری کوشش ہے کہ مستقبل قریب میں ہماری کمپنی ملک بھر میں اپنی صنف میں سب سے زیادہ توانائی کی بچت اور ماحول دوست طریقوں کو اپناتے ہوئے بہترین چینی تیار کرنے والی مل کہلائے۔ کمپنی گنے کی فصل میں

Solar Energy

Renewable Energy

Our seasonal plant operational requirements of electricity are met by our own Baggasse based boilers, whereas for our off-season electricity we aimed to go totally off grid. Thus, we have installed Solar power in tranches starting from 2016 to 2023. This initiative has allowed us to sell our excess solar requirements into the grid. We have obtained generation license for NEPRA for supply of surplus power through net metering.



Corporate Governance Framework

Board of Directors

The Board of Directors of the Company consists of seven members (including one female member), comprising two independent, three non-executive (including the Chairman) and two executive Directors. The Board is responsible for independently and transparently monitoring the performance of the Company and taking strategic decisions to achieve sustainable growth in the Company operations. Written notices of the Board meetings were sent to the members seven days before the meetings.

During the year under review, four meetings of the Board convened and the attendance of the members was as follows:

S. No.	Name of Directors	Meetings attended
1	Mr. Mohammed Kasim Hasham – Chairman	2
2	Mr. Mohammed Hussain Hasham – Director (Non-Executive)	3
3	Mr. Khurram Kasim – Director (Non-Executive)	4
4	Mr. Ahmed Ebrahim Hasham – Chief Executive Officer	4
5	Mr. Hasan Aziz Bilgrami (Independent)	4
6	Mr. Iftikhar Soomro (Independent)	3
7	Mrs. Anushey A. Hasham – Director (Female / Non-Executive)	3

The leave of absence granted to the directors who could not attend some of the meetings due to being out of country or ill health.

Directors' Remuneration

Company have a "Remuneration Policy for Directors" approved by the Board of Directors; the salient features of which are:

- The Company will not pay any remuneration to its non-executive directors except as meeting fee for attending the Board and its Committee meetings.
- The remuneration of a director for attending meetings of the Board of Directors or its Committees shall from time to time be determined and approved by the Board of Directors.
- A director shall be provided or reimbursed for all travelling, boarding, lodging and other expenses incurred by them for attending meetings of the Board, its Committees and / or General Meetings of the Company.

Statement of Ethics & Business Practices

The Board has adopted the statement of Ethics & business practices. All employees are informed of this statement and are required to observe these rules of conduct in relation to customers, suppliers and regulations.

Audit Committee

The Audit Committee of the Company comprises of three non-executive and one independent (the Chairman) Directors. Five meetings of the audit committee were held during the year. Attendance of the members was as follows:

S. No.	Name of Directors	Meetings attended
1	Mr. Hasan Aziz bilgrami (Chairman)	5
2	Mr. Khurram Kasim	5
3	Mrs. Anushey A. Hasham	4

The leave of absence granted to the members who could not attend some of the meetings due to being out of country or ill health.

Human Resource and remuneration committee

The committee comprises of three members, the Chairman of the committee is an independent Director. During the year, two meetings of the committee were held. Attendance of the members was as follows:

S. No.	Name of Directors	Meetings attended
1	Mr. Iftikhar Soomro (Chairman)	2
2	Mr. Ahmed Ebrahim Hasham	2
3	Ms. Khurram Kasim	2

External Audit

The Company wishes to place on record its appreciation for the services rendered by the Company's auditors M/s. Grant Thornton Anjum Rahman; Chartered Accountants, who have completed the audit of financial statements of the Company for the year ended September 30, 2024. M/s Grant Thornton Anjum Rahman; Chartered Accountants, being eligible, have offered themselves for re-appointment for the year ending September 30, 2025, Audit Committee has also recommended for re-appointment, however shareholders approval for the said appointment will be sought in AGM.

Corporate & Financial Reporting Framework

As required by the Code of Corporate Governance, your Directors are pleased to report that:

- The financial statements, prepared by the management of the Company, fairly present its state of affairs, the result of its operations, cash flows and changes in equity;
- The Company has maintained proper books of accounts as required under the law;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;

- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has been adequately disclosed and explained;
- There are no significant doubts upon the Company's ability to continue as a going concern;
- The summary of key operating and financial data for last six years is annexed;
- The Company has contributed towards the national exchequer in the form of Federal, Provincial and local taxes and levies; as disclosed in annexed Financial Statements.
- The Company is operating a Provident Fund Scheme for its permanent employees. The value of the fund as at September 30, 2022 was Rs. approx 143 million (un-audited);
- There is also an un-funded gratuity scheme. On the basis of actuarial valuation conducted during 2024, a net liability of Rs. 3.52 million as at September 30, 2024 has been provided;
- The Pattern of Shareholding as at 30th September, 2024 is annexed;
- Following transactions in the shares of the company executed by the directors / associates during the period under review:

Mr. Ahmed Ebrahim Hasham (Chief Executive Officer) bought 500,000 shares

Mr. Mohammed Hussain Hasham (Non-Executive Director) transferred 1,000,000 shares to his spouse.

M/s Mogul Tobacco Co. (Pvt) Ltd. (an associated company by common directorship) bought 272,066 shares.

Adequacy of Internal Financial Controls

The system of internal control is sound in design and effectively implemented and monitored, we confirm compliance of Corporate Governance with highest standard.

Certificate of Related Parties Transactions

It is confirm that the audit committee and the Board have verified the transactions entered with related parties, and provides the information about the amount due from related parties at the balance sheet date, and the proportion of receivables from related parties provided as doubtful debts, if any.

Material Changes

There have been no material changes since September 30, 2024 and the Company has not entered into any commitment, which would affect its financial position at the date.

For and on behalf of the Board of Directors

Ahmed Ebrahim

Ahmed Ebrahim Hasham
Chief Executive Officer

M. Hussain

Mohammad Hussain Hasham
Director

Karachi: January 06, 2024

STATEMENT OF COMPLIANCE with Listed Companies(Code of Corporate Governance) Regulations, 2019

For the year ended September 30, 2023

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (here-in-after referred as 'Regulations') in the following manner:

1. The total number of directors are 7 as per the following:

- Male: (6) Six
- Female: (1) One

2. The composition of the Board is as follows:

Category	Name
Independent Directors	Mr. Hasan Aziz Bilgrami Mr. Iftikhar Soomro
Non-Executive Directors	Mr. Mohammed Kasim Hasham-Chairman Mr. Khurram Kasim Mrs. Anushey A. Hasham
Executive Directors	Mr. Ahmed Ebrahim Hasham – CEO Mr. Mohammed Hussain Hasham

3. 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 called "Business Conduct Guidelines" 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 Board 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 Act, and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board
8. The Board of Directors 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.
10. The Board has approved the appointment of Chief Financial Officer, Company Secretary and Internal Audit function, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed following Committees comprising of members given below.

a. Audit Committee

i. Mr. Hasan Aziz Bilgrami- Chairman

ii. Mr. Khurram Kasim

iii. Mrs.Anushey A. Hasham

b. HR and Remuneration Committee

i. Mr. Iftikhar Soomro- Chairman

ii. Mr. Ahmed Ebrahim Hasham

iii. Mr. Khurram Kasim

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance.

14. The frequency of meetings of the Committees were as per following:
    a. Audit Committee: (Four) meetings during FY 2024 ended 30 September 2024
    b. Human Resource and Remuneration Committee: (Two) Half yearly meetings during FY 2024 ended 30 September 2024.

15. The Board has outsourced its internal audit function to “BPO resources at work” who are considered suitably qualified and experienced for the purpose 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, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that Company intends to formulate committees for recommendatory regulation 29 and 30 to have a Nomination Committee and Risk Management Committees in near future.

19. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 have been complied with; and

20. With regard to Regulation 6(1), the two elected independent directors have the requisite competencies, skills, knowledge, and experience to discharge and execute their duties competently, as per applicable laws and regulations. The Company believes that it has sufficient impartiality and is able to exercise independence in decision-making within the Board and hence, does not require to round up the fraction to three independent directors.

Mohammad Kasim Hasham	**Ahmed Ebrahim Hasham**
CHAIRMAN	CHIEF EXECUTIVE OFFICER

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Independent Auditors' Review Report

TO THE MEMBERS OF MEHRAN 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 Mehran Sugar Mills Limited (the Company) for the year ended 30 September 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. 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.

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 30 September 2024.

Chartered Accountants

Place: Karachi

Date: xxxxxxxx

UDIN:

UNCONSOLIDATED FINANCIAL STATEMENTS

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Independent Auditors' Report

TO THE MEMBERS OF MEHRAN SUGAR MILLS LIMITED

Report on the Audit of the Unconsolidated financial statements

Opinion

We have audited the annexed unconsolidated financial statements of Mehran Sugar Mills Limited (the Company), which comprise the statement of financial position as at 30 September 2024, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policies 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 explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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 30 September 2024 and of the loss / total 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 Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current year. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key audit matter

Key audit matter	How the matter was addressed in our audit
Stock-in-trade	
As disclosed in note 11 to the unconsolidated financial statements, stock-in-trade amounts to Rs. 2,599 million which constitutes 33% of total assets of the Company. The stock is measured at lower of weighted average cost and net realizable value. There is an element of judgement involved in determining an appropriate costing basis and assessing its valuation. Given the significance of stock-in-trade to the Company's total assets and the level of judgements and estimates involved, we have identified valuation of stock-in-trade as a key audit matter.	Our key procedures amongst others included the following: - obtained an understanding of controls over purchases and valuation of stock-in-trade and tested, on a sample basis, their design, implementation and operating effectiveness. - performed observation of inventory count held at the mill of the Company. - performed net realizable value test to assess whether cost of stock-in-trade exceeded its net realizable value by detailed review of subsequent sale invoices. - assessed the adequacy and appropriateness of disclosures for compliance with the requirements of applicable financial reporting framework.

Information Other than the Unconsolidated 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 unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated 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 the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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 Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated 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 of the Company are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated 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 unconsolidated 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 unconsolidated 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 unconsolidated financial statements, including the disclosures, and whether the unconsolidated 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 to 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 unconsolidated financial statements of the current year 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:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Khurram Jameel.

Chartered Accountants

Place: Karachi

Date:

UDIN:

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2024

ASSETS	Note	2024 Rupees	2023 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,356,445,597	2,397,952,211
Right-of-use assets	7	129,536,144	65,718,360
Long-term receivables	8	-	-
Long-term investments	9	1,126,416,293	1,803,697,500
Long-term deposits		3,436,400	3,436,400
		3,615,834,434	4,270,804,471
CURRENT ASSETS			
Biological assets		17,414,250	12,848,750
Stores and spare parts	10	179,009,795	151,581,936
Stock-in-trade	11	2,599,018,609	592,614,705
Trade debts	12	479,404,658	288,597,782
Loans and advances		134,311,102	129,276,926
Trade deposits and short-term prepayments		62,803,496	77,961,056
Other receivables		-	63,496,884
Short-term investments	13	627,215,350	913,979,145
Taxation – net		840,978	55,532,497
Cash and bank balances	14	88,406,886	46,795,976
		4,188,425,124	2,332,685,657
TOTAL ASSETS		7,804,259,558	6,603,490,128
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
150,000,000 ordinary shares of Rs.10/- each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital	15	749,276,090	749,276,090
Reserves		2,031,461,139	3,130,173,972
		2,780,737,229	3,879,450,062
NON-CURRENT LIABILITIES			
Long-term financing	16	289,780,120	391,504,062
Lease liabilities	17	76,471,242	48,601,679
Market committee fee payable	18	57,000,808	46,835,731
Deferred liabilities	19	3,520,561	3,280,132
Deferred income - government grant	20	75,704,286	98,724,221
Deferred taxation	21	542,686,195	678,769,650
		1,045,163,212	1,267,715,475
CURRENT LIABILITIES			
Trade and other payables	22	508,269,044	557,146,014
Contract liabilities	23	51,204,552	408,681,857
Unclaimed dividend		26,816,767	23,378,823
Accrued mark-up		266,142,380	27,520,528
Short-term borrowings	24	2,680,118,028	14,213,010
Provision for market committee fee		-	23,440,691
Current portion of non-current liabilities	25	188,707,371	142,709,752
Sales tax and federal excise duty payable		257,100,975	259,233,916
		3,978,359,117	1,456,324,591
CONTINGENCIES AND COMMITMENTS	26		
TOTAL EQUITY AND LIABILITIES		7,804,259,558	6,603,490,128

The annexed notes from 1 to 44 form an integral part of these unconsolidated financial statements.

Ahmed Ebrahim		M. Hussain
CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	DIRECTOR

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended September 30, 2024

	Note	2024 Rupees	2023 Rupees
Turnover - gross	27	12,845,351,524	12,664,172,003
Sales tax / FED		(1,856,483,268)	(1,680,639,294)
Turnover - net		10,988,868,256	10,983,532,709
Cost of sales	28	(10,093,839,447)	(8,619,569,874)
Gross profit		**895,028,809**	2,363,962,835
Distribution costs	29	(133,265,196)	(84,227,705)
Administrative expenses	30	(354,564,709)	(309,735,486)
Other expenses		(10,231,839)	(98,009,043)
Other income	31	833,124,473	292,230,718
		335,062,729	(199,741,516)
Operating profit		**1,230,091,538**	2,164,221,319
Share of (loss) / profit from associates – net	9.1 & 9.2	(652,281,208)	911,791,339
Allowance for ECL on long-term receivables		-	(160,173,441)
Finance costs	32	(1,253,086,905)	(635,304,325)
(Loss) / profit before income tax and levies		**(675,276,574)**	2,280,534,892
Final taxes		(39,740,926)	(196,139,621)
Minimum taxes		(134,859,713)	-
(Loss) / profit before income tax		**(849,877,213)**	2,084,395,271
Taxation	33	50,850,459	(641,445,807)
Net (loss) / profit for the year		**(799,026,754)**	1,442,949,464
Basic and diluted (loss) / earning per share	34	**(10.66)**	19.26

The annexed notes from 1 to 44 form an integral part of these unconsolidated financial statements.

Ahmed Ebrahim
CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

M. Hussain
DIRECTOR

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended September 30, 2024

	2024 Rupees	2023 Rupees
Net (loss) / profit for the year	**(799,026,754)**	1,442,949,464
Other comprehensive income		
Items that will not be reclassified to profit or loss in subsequent periods		
Actuarial gain on defined benefit plan - net of tax	**24,357**	555,650
Gain on disposal of investments at FVOCI	**-**	13,251,269
	24,357	13,806,919
Total comprehensive (loss) / income for the year	**(799,002,397)**	1,456,756,383

The annexed notes from 1 to 44 form an integral part of these unconsolidated financial statements.

Ahmed Ebrahim
CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

M. Hussain
DIRECTOR

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended September 30, 2024

	Issued, Subscribed and Paid-up Capital	Reserves: Capital	Reserves: Revenue		Reserves: Other Components of Equity		Sub-total	Total Equity
		Share Premium	General Reserve	Unappropriated Profit	FV reserve of financial assets at FVOCI	Acturial gain on defined benefit plan		
	Rupees							
Balance as at 30 September 2022	605,475,641	63,281,250	85,000,000	1,992,080,223	329,100	3,484,739	2,144,175,312	2,749,650,953
Bonus shares issued for the year ended 30 September 2022 in the ratio of 12.5 Ordinary shares for every 100 shares held	75,684,450	-	-	(75,684,450)	-		(75,684,450)	-
Bonus shares Issued for the year ended 30 September 2023 in the ratio of 10 Ordinary shares for every 100 shares held	68,115,999	-	-	(68,115,999)	-		(68,115,999)	-
1st Interim dividend for the year ended 30 September 2023 @ Rs. 1.5 per share	-	-		(102,174,447)	-		(102,174,447)	(102,174,447)
2nd Interim dividend for the year ended 30 September 2023 @ Re. 3 per share	-	-		(224,782,827)	-		(224,782,827)	(224,782,827)
Net profit for the year	-	-	-	1,442,949,464	-	-	1,442,949,464	1,442,949,464
Other comprehensive income for the year	-	-	-	-	13,251,269	555,650	13,806,919	13,806,919
Total comprehensive income for the year	-	-	-	1,442,949,464	13,251,269	555,650	1,456,756,383	1,456,756,383
Transfer of fair value reserve on disposal of investments at FVOCI	-	-	-	13,580,369	(13,580,369)	-	-	-
Balance as at 30 September 2023	749,276,090	63,281,250	85,000,000	2,977,852,333	-	4,040,389	3,130,173,972	3,879,450,062
Final dividend for the year ended 30 September 2023 @ Rs.3 per share	-	-	-	(224,782,827)	-	-	(224,782,827)	(224,782,827)
Interim dividend for the year ended 30 September 2024 @ Rs.1 per share	-	-	-	(74,927,609)	-	-	(74,927,609)	(74,927,609)
Net loss for the year	-	-	-	(799,026,754)	-	-	(799,026,754)	(799,026,754)
Other comprehensive income for the year	-	-	-	-	-	24,357	24,357	24,357
Total comprehensive loss for the year	-	-	-	(799,026,754)	-	24,357	(799,002,397)	(799,002,397)
Balance as at 30 September 2024	749,276,090	63,281,250	85,000,000	1,879,115,144	-	4,064,746	2,031,461,139	2,780,737,229

The annexed notes from 1 to 44 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended September 30, 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIITIES			
(Loss) / profit before taxation		(675,276,574)	2,280,534,892
Adjustments for non-cash charges and other items:			
Depreciation			
- Operating fixed assets		169,089,737	169,902,182
- Right of use assets	7	49,357,179	21,750,996
Ammortization of deferred income - government grant	31	(24,415,578)	(24,017,604)
Share of loss from associates	9	652,281,208	(911,791,339)
Gain on disposal of property, plant and equipment / right-of-use assets	31	(10,622,051)	(2,292,835)
Finance costs	32	1,253,086,905	635,304,325
Provision for gratuity	19.3	973,741	968,674
Provision for market committee fee	28	9,029,320	8,048,716
Gain on disposal of non-current assets held for sale		-	(92,056,444)
Allowance for ECL		-	160,173,441
Gain on disposal of investments at FVPL	31	(553,976,485)	(67,804,613)
Unrealised gain on remeasurement of investments at FVPL	31	(115,484,260)	(16,711,371)
Impact of discounting market committee		(21,022,743)	-
Working Capital Changes	35	(2,564,071,087)	637,055,703
		(1,155,774,114)	518,529,831
Gratuity paid	19.1	(699,007)	(830,420)
Income tax paid		(205,152,065)	(203,286,385)
Finance costs paid		(985,760,489)	(676,501,955)
Market committee fee paid		(6,189,153)	(6,189,153)
Net cash (used in) / generated from operating activities		(3,028,851,402)	1,912,256,810
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to property plant and equipment / right-of-use assets		(127,583,123)	(121,987,992)
Proceeds from disposal of property, plant and equipment / right-of-use assets		11,331,252	3,740,000
Investments redeemed / made during the year		956,224,535	(83,789,151)
Proceeds from disposal of non-current assets held for sale		-	138,405,484
Dividends received		24,999,999	274,999,984
Net cash generated from investing activities		864,972,663	211,368,325
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing repaid		(115,007,389)	(523,091,993)
Lease rentals paid		(49,135,488)	(19,877,287)
Dividends paid		(296,272,492)	(323,285,453)
Net cash used in financing activities		(460,415,369)	(866,254,733)
Net (decrease) / increase in cash and cash equivalents		(2,624,294,108)	1,257,370,401
Cash and cash equivalents at the beginning of the year		32,582,966	(1,224,787,436)
Cash and cash equivalents at the end of the year		(2,591,711,142)	32,582,966
Cash and cash equivalents			
Cash and bank balances	14	88,406,886	46,795,976
Short-term borrowings	24	(2,680,118,028)	(14,213,010)
		(2,591,711,142)	32,582,966

The annexed notes from 1 to 44 form an integral part of these unconsolidated financial statements.

Ahmed Ebrahim

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

M. Hussain

DIRECTOR

1 THE COMPANY AND ITS OPERATIONS

1.1 Mehran Sugar Mills Limited (the Company) was incorporated in Pakistan as a public limited company in December 1965 under the repealed Companies Act, 1913. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Company is principally engaged in the manufacturing and sale of sugar and its by-products.

1.2 These are the separate financial statements of the Company in which investment in subsidiary is accounted for on the basis of cost less impairment, if any and investments in associates are accounted under equity method less impairment, if any.

1.3 Geographical location and addresses of all the business units are as under:

Location	Business unit
Karachi	
14th Floor, Dolmen Executive Tower, Marine Drive, Clifton	Registered office
Tando Allahyar, Sindh	
Tando Adam Road	Mill and Farm
Deh Rechal, P.O. Khokhar	Farm

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Accounting convention

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

2.3 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupees which is the Company's functional and presentation currency. All financial information presented in Pakistani Rupees has been rounded off to the nearest rupee unless otherwise stated.

3 NEW ACCOUNTING STANDARDS

3.1 Accounting standards effective for the year

There are certain new standards and amendments that are mandatory for the Company's accounting period beginning on 01 October 2023, but are considered either to be not relevant or to not have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

3.2 Accounting standards not yet effective

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's accounting periods beginning on / after 01 October 2024. However, the Company expects that these standards will not have any material impact on the future financial statements of the Company.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company’s unconsolidated financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these judgments and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The management continually evaluates estimates and judgments which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances. Revisions to accounting estimates are recognised prospectively.

In the process of applying the Company’s accounting policies, management has made the following estimates and judgments which are significant to the unconsolidated financial statements:

4.1 Property, plant and equipment

The Company reviews appropriateness of the rate of depreciation and useful life used in the calculation of depreciation. 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 the 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, with corresponding effects on the depreciation charge and impairment.

4.2 Inventories

The Company reviews the net realisable value (NRV) of stock-in-trade and stores and spare parts to assess any diminution in the respective carrying values. NRV is estimated with reference to the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

4.3 Taxation

In making the estimate for income tax payable by the Company, the Company takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past.

Deferred tax assets are recognised for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which such losses and credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4.4 Employees' benefits

Certain actuarial assumptions have been adopted as disclosed in note 23 to the unconsolidated financial statement for valuation of present value of defined benefit obligation. 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.

5 MATERIAL ACCOUNTING POLICIES

5.1 Property, plant and equipment

Operating fixed assets

These are stated at cost less accumulated depreciation and accumulated impairment if any except for freehold land, which is stated at cost.

Depreciation is charged to the unconsolidated statement of profit or loss using the reducing balance method. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month the asset is in use.

The carrying values of the Company's operating fixed assets are reviewed at each financial year end for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Repairs and maintenance cost is written off to the unconsolidated statement of profit or loss in the year in which it is incurred. Major renewals and improvements are capitalised when it is probable that respective future economic benefits will flow to the Company.

An item of operating fixed assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on disposal of operating fixed assets is recognised in the period of disposal.

Capital work-in-progress

These are stated at cost less accumulated impairment, if any, and represent expenditure on fixed assets in the course of construction and installation. Transfers are made to relevant property, plant and equipment category as and when assets are available for their intended use.

5.2 Right-of-use assets

"The Company recognizes 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. Unless, the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated using straight line method. Right-of-use assets are subject to impairment.

5.3 Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments represent fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees wherever applicable. Wherever applicable, the lease payments may also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the commencement date of the lease if the interest rate implicit in the lease is not readily determinable. 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 in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

5.4 Investments

Subsidiary

This is stated at cost. Provision is made for permanent impairment in the value of investment, if any.

Associates

These are accounted for using equity method of accounting. Investments over which the Company has "significant influence" are accounted for under this method i.e., investments to be carried at the reporting date at cost plus post-acquisition changes in the share of net assets of associates, less any impairment in value, if material. The unconsolidated statement of profit or loss reflects the Company's share of the results of operations of associates after the date of acquisition.

As the financial statements of all the associates may not necessarily be available at the year end, the Company uses the financial statements of the associates with a lag of three months for applying the equity method of accounting. Further, the Company considers the investment in associates as strategic investment.

5.5 Biological assets

These are measured at fair value less costs to sell on initial recognition and at each reporting date. Gain or loss arising on initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset at the reporting date is included in the unconsolidated statement of profit or loss for the period in which it arises.

To ascertain the fair value of the biological assets, the fair value less estimated point-of-sale costs of crops at the end of each reporting period is determined using prices and other relevant information generated by market transactions involving identical or comparable assets. Since, there exists an active market for the agricultural produce, the estimated selling price is obtained using the observable inputs and the estimated selling costs are the harvesting charges farmer takes for cutting the crop.

5.6 Stores and spare parts

These are stated at cost less provision for slow moving and obsolete items, if any. Cost is determined by the weighted moving average cost method.

5.7 Stock-in-trade

These are valued at the lower of cost, determined on weighted moving average cost method, and estimated NRV. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

5.8 Trade debts

These are recognised and carried at the original invoice amounts, being the fair value, less an allowance for uncollectible amounts, if any. The Company applies the IFRS 9 simplified approach to measure the expected credited losses (ECL) which uses the life time expected loss allowance for trade debts.

5.9 Deposits, advances, prepayments and other receivables

These are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

5.10 Cash and cash equivalents

These are carried at cost.

5.11 Employees' benefits

Gratuity

The Company operates an unfunded gratuity scheme for its permanent mill employees. An actuarial valuation of all defined benefit scheme is conducted every year. The valuation uses the Projected Unit Credit method. Actuarial gains and losses are recognised in full in the period in which they occur in the unconsolidated statement of other comprehensive income. All past service costs are recognised at the earlier of when the amendment or curtailment occurs and when the Company has recognised related restructuring or termination benefits.

Provident fund

The Company operates a recognised provident fund for those permanent employees who have opted for it. Equal monthly contributions are made to the fund by the Company and employees in accordance with the fund's rules. Contributions are made by the employees at mill and the employees at head office at the rate of 11% and 10% respectively, of the aggregate of basic salary. Investments made in provident fund have been made in accordance with the provisions of Section 218 of the Act and the conditions specified thereunder.

Compensated absences

The Company accrues its liability towards leaves accumulated by employees on an accrual basis using current salary level.

5.12 Taxation

Current

The charge for current taxation is based on taxable income at the current rates in accordance with Income Tax Ordinance, 2001 (the Ordinance).

Pursuant to the release of Circular 7/2024 by the Institute of Chartered Accountants of Pakistan, the Company has elected to change the method of accounting for minimum taxes and final taxes.

Minimum

The Company has elected to designate the amount calculated on taxable income using the enacted tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognize it as current income tax expense. Any excess over the amount designated as income tax, will then be recognized as a levy falling under the scope of IFRIC 21 / IAS 37.

Final

As computation of final taxes under provisions of the Ordinance is not based on taxable income, therefore, final taxes fall under levy within the scope of IFRIC 21/IAS 37.

Deferred

Deferred tax is recognised using the balance sheet liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts appearing in the unconsolidated financial statements. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax rules that have been enacted or substantially enacted by the statement of financial position date.

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 assets to be utilised.

5.13 Trade and other payables

Liabilities for trade and other payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

5.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

5.15 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 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.

5.16 Foreign currency transactions and translation

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate 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 of monetary assets and liabilities denominated in foreign currencies are recognised in the unconsolidated statement of profit or loss.

5.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVPL). The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. A financial asset is initially measured at fair value plus, for an item not at FVPL, transaction costs that are directly attributable to its acquisition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Financial assets are subsequently measured as follows:

- Financial assets at amortised cost. These are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses are recognised in unconsolidated statement of profit or loss when the asset is derecognised, modified or impaired. The Company does not have any debt instruments at amortised cost during the current and last period and as of the reporting date.
- Financial assets at FVOCI. The Company does not have any financial instruments at FVOCI during the current and last period and as of the reporting date.
- Financial assets at FVPL. These are measured at fair value with net changes in fair value recognised in the unconsolidated statement of profit or loss. This category includes listed equity investments which the Company had not irrevocably elected to classify at FVOCI.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised.

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

a) the Company has transferred substantially all the risks and rewards of the asset, or

b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Company recognises an allowance for ECL for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. For trade debts, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities are subsequently measured as follows:

- Financial liabilities at FVPL. The Company has not designated any financial liability at FVPL.
- Financial liabilities at amortized cost. These are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate method. The effective interest rate method amortization is included as finance costs in the unconsolidated statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When 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 or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the unconsolidated statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

5.18 Revenue from contracts with customers

The Company is in the business of sale of goods. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

Performance obligations held by the Company are not separable, and are not partially satisfied, since they are satisfied at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery.

The Company recognizes trade debts when the performance obligations have been met, recognizing the corresponding revenue. Moreover, the considerations received before satisfying the performance obligations are recognized as contract liabilities (advances from customers).

5.19 Other revenues

Revenue from other sources is recognized on the following basis:

i) Dividend income is recognised when the right to receive dividend is established.

ii) Farm and other income are recognised on accrual basis.

5.20 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the unconsolidated financial statements in the period in which these are approved. However, if these are approved after the reporting period but before the unconsolidated financial statements are authorised for issue, disclosure is made in the unconsolidated financial statements.

5.21 Earnings per share

The Company presents basic and diluted earnings per share (EPS) 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 year. Whereas, diluted EPS is determined by adjusting the profit or loss attributable to ordinary share holders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

5.22 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 related to an expense item, it is recognised in the unconsolidated statement of profit or loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

6 PROPERTY, PLANT AND EQUIPMENT

	Note	2024 Rupees	2023 Rupees
Operating fixed assets	6.1	2,204,325,604	2,209,371,259
Capital work-in-progress	6.2	152,119,993	188,580,952
		2,356,445,597	2,397,952,211

6.1 Operating fixed assets

	COST			ACCUMULATED DEPRECIATION			BOOK VALUE	
	At 01 October 2023	Additions / (deletions)	At 30 September 2024	At 01 October 2023	Charge for the year / (deletions)	At 30 September 2024	At 30 September 2024	Rate
	Rupees							%
Freehold land	83,394,207	-	83,394,207	-	-	-	83,394,207	-
Buildings on freehold land								
- Factory	326,934,987	823,600	327,758,587	215,699,000	11,130,462	226,829,462	100,929,125	10%
- Non-factory	51,623,372	-	51,623,372	25,457,146	1,308,311	26,765,457	24,857,915	5%
Plant, machinery and equipment	3,688,162,680	147,561,975	3,835,724,655	1,797,505,458	146,822,944	1,944,328,402	1,891,396,253	7.50%
Furniture and fittings	10,499,053	159,000	10,658,053	6,400,068	425,799	6,825,867	3,832,186	10%
Vehicles	76,034,581	4,084,340 (3,453,500)	76,665,421	73,974,192	1,163,822 (3,453,500)	71,684,514	4,980,907	20%
Office premises	85,022,551	-	85,022,551	37,158,704	2,393,192	39,551,896	45,470,655	5%
Office equipment	7,762,157	423,000	8,185,157	4,900,557	323,993	5,224,550	2,960,607	10%
Electric installation	43,442,991	6,813,359	50,256,350	19,457,443	2,901,080	22,358,523	27,897,827	10%
Weighbridge and scales	4,781,889	-	4,781,889	2,913,321	186,857	3,100,178	1,681,711	10%
Workshop tools and other equipment	6,341,923	-	6,341,923	5,559,135	78,279	5,637,414	704,509	10%
Computers	18,041,694	1,263,350	19,305,044	14,987,842	1,073,263	16,061,105	3,243,939	30%
Air conditioners and refrigerators	22,930,839	2,915,458	25,846,297	11,588,799	1,281,735	12,870,534	12,975,763	10%
	4,424,972,924	164,044,082 (3,453,500)	4,585,563,506	2,215,601,665	169,089,737 (3,453,500)	2,381,237,902	2,204,325,604	
2024	4,424,972,924	160,590,582	4,585,563,506	2,215,601,665	165,636,237	2,381,237,902	2,204,325,604	

	COST			ACCUMULATED DEPRECIATION			BOOK VALUE	
	At 01 October 2022	Additions / (deletions)	At 30 September 2023	At 01 October 2022	Charge for the year / (deletions)	At 30 September 2023	At 30 September 2023	Rate
	---------- Rupees ----------							%
Freehold land	83,394,207	-	83,394,207	-	-	-	83,394,207	-
Buildings on freehold land								
- Factory	320,705,533	6,229,454	326,934,987	203,685,526	12,013,474	215,699,000	111,235,987	10%
- Non-factory	51,623,372	-	51,623,372	24,079,976	1,377,170	25,457,146	26,166,226	5%
Plant, machinery and equipment	3,534,682,116	153,480,564	3,688,162,680	1,649,890,281	147,615,177	1,797,505,458	1,890,657,222	7.50%
Furniture and fittings	9,976,853	522,200	10,499,053	5,974,879	425,189	6,400,068	4,098,985	10%
Vehicles	76,967,482	906,099 (1,839,000)	76,034,581	75,304,894	405,092 (1,735,794)	73,974,192	2,060,389	20%
Office premises	85,022,551	-	85,022,551	34,639,554	2,519,150	37,158,704	47,863,847	5%
Office equipment	7,282,157	480,000	7,762,157	4,614,591	285,966	4,900,557	2,861,600	10%
Electric installation	42,131,085	1,311,906	43,442,991	16,802,500	2,654,943	19,457,443	23,985,548	10%
Weighbridge and scales	4,781,889	-	4,781,889	2,705,702	207,619	2,913,321	1,868,568	10%
Workshop tools and other equipment	6,341,923	-	6,341,923	5,472,159	86,976	5,559,135	782,788	10%
Computers	17,171,694	870,000	18,041,694	13,853,655	1,134,187	14,987,842	3,053,852	30%
Air conditioners and refrigerators	21,038,416	1,892,423	22,930,839	10,411,560	1,177,239	11,588,799	11,342,040	10%
	4,261,119,278	165,692,646 (1,839,000)	4,424,972,924	2,047,435,277	169,902,182 (1,735,794)	2,215,601,665	2,209,371,259	
2023	4,261,119,278	163,853,646	4,424,972,924	2,047,435,277	168,166,388	2,215,601,665	2,209,371,259	

6.1.1 Depreciation charge for the year has been allocated as follows:

	Note	2024 Rupees	2023 Rupees
Cost of sales	28	**162,427,933**	163,955,359
Administrative expenses	30	**6,661,804**	5,946,823
		169,089,737	169,902,182

6.1.2 Particulars of immovable assets of the Company are as follows:

Particulars	Usage of Property	Covered Area (Sq. ft.)
Freehold land	Mill	5.5 million
Building on freehold land		0.37 million

	Buildings on freehold land	Plant, machinery and equipment	Total
6.2 Capital work-in-progress	---------- Rupees ----------		
Balance as at 30 September 2022	10,833,701	223,157,525	233,991,226
Capital expenditure incurred / advances made during the year	-	94,721,500	94,721,500
Transferred to operating fixed assets	(6,229,454)	(133,902,320)	(140,131,774)
Balance as at 30 September 2023	4,604,247	183,976,705	188,580,952
Capital expenditure incurred / advances made during the year	17,642,728	114,530,108	132,172,836
Transferred to operating fixed assets	(823,600)	(120,763,526)	(121,587,126)
Transfer to sores & spares parts	(4,160,407)	(42,886,262)	(47,046,669)
Balance as at 30 September 2024	17,262,968	134,857,025	152,119,993

7 RIGHT-OF-USE ASSETS

	2024			2023		
	Vehicles	Farms	Total	Vehicles	Farms	Total
	---------- Rupees ----------			---------- Rupees ----------		
As at 01 October						
Cost	118,031,290	-	118,031,290	80,894,190	18,624,311	99,518,501
Accumulated depreciation	(52,312,930)	-	(52,312,930)	(32,317,975)	(17,257,311)	(49,575,286)
Net book value	65,718,360	-	65,718,360	48,576,215	1,367,000	49,943,215
Net carrying value basis						
Opening net book value	65,718,360	-	65,718,360	48,576,215	1,367,000	49,943,215
Additions during the year	55,231,500	58,652,664	113,884,164	38,870,100	-	38,870,100
Disposals during the year	(709,201)	-	(709,201)	(1,343,959)	-	(1,343,959)
Depreciation charged during the year	(42,025,596)	(7,331,583)	(49,357,179)	(20,383,996)	(1,367,000)	(21,750,996)
Closing net book value	78,215,063	51,321,081	129,536,144	65,718,360	-	65,718,360
As at 30 September						
Cost	173,262,790	58,652,664	231,915,454	118,031,290	18,624,311	174,835,341
Accumulated depreciation	(95,047,727)	(7,331,583)	(102,379,310)	(52,312,930)	(18,624,311)	(109,116,981)
Net book value	78,215,063	51,321,081	129,536,144	65,718,360	-	65,718,360
Depreciation % per annum	20%	32%		20%	32%	

8 LONG-TERM RECEIVABLES

	Note	2024 Rupees	2023 Rupees
Subsidy receivable		303,776,070	304,117,888
Others	8.1	42,510,996	42,510,996
		346,287,066	346,628,884
Allowance for ECL		(346,287,066)	(346,628,884)
		-	-

8.1 Represents down payment made in respect of purchase of Thatta Sugar Mills (the Mill) and other costs incurred in running the Mill from November 1992 up to July 1993, when the Mill was forcibly taken over by the Government of Sindh (GoS) without paying any amount. The Company filed a law suit for Rs. 166 million being the amount of down payment, expenses incurred (including payment to workers) and loss of profits. The GoS made a counter claim of Rs. 402 million against the Company. The case is currently pending in the Honorable High Court of Sindh (the Court) for recording of evidences. While the Company's suit for recovery of compensation is pending in the Court, the GoS invited bids for the sale of the Mill through Sindh Privatization Commission but it could not succeed. The GoS is now trying to privatize it through the Federal Privatization Commission. The Company has made full provision against the said receivable as a matter of prudence and the fact that the debt is outstanding for a considerable period.

9 LONG-TERM INVESTEMNTS

	Note	2024 Rupees	2023 Rupees
Subsidiary	9.1	-	-
Associates	9.2	1,126,416,293	1,803,697,500
		1,126,416,293	1,803,697,500

9.1 Subsidiary - Mehran Energy Limited

	2024	2023
4,000,000 ordinary shares of Rs. 10 each	40,000,000	40,000,000
Advance against right issue of shares	2,596,739	2,596,739
Provision for impairment	(42,596,739)	(42,596,739)
	-	-

9.2 Associates

	Unicol Limited (note 9.2.1)	UniEnergy Limited (note 9.2.2)	Total
2024	---- Rupees ----		
Opening balance	1,783,082,782	20,614,718	1,803,697,500
Share of (loss)/profit from associates	(652,479,064)	197,856	(652,281,208)
Dividends received	(24,999,999)	-	(24,999,999)
Closing balance	1,105,603,719	20,812,574	1,126,416,293
Percentage of shareholding	33%	20%	

	Unicol Limited	UniEnergy Limited	Total
2023	---- Rupees ----		
Opening balance	1,146,523,931	20,382,214	1,166,906,145
Share of profit from associates	911,558,835	232,504	911,791,339
Dividends received	(274,999,984)	-	(274,999,984)
Closing balance	1,783,082,782	20,614,718	1,803,697,500
Percentage of shareholding	33%	20%	

9.2.1 Unicol Limited (UL)

UL is incorporated in Pakistan as a public unlisted company with its registered office situated at Sub Post Office Sugar Mills, Umerkot Road, Mirpurkhas. The principal activity of the Company is to manufacture and sell ethanol, carbon dioxide, sugar and its by-products. The share of the Company in the net asset has been determined on the basis of financial statements as of 30 September 2024. The summarised financial information of UL is as follows:

Aggregate amount of:	2024 Rupees	2023 Rupees
- assets	16,275,657,442	15,463,061,000
- liabilities	12,958,769,564	10,113,539,000
- revenue	19,217,560,270	15,064,436,134
- (loss) / profit after taxation	(1,957,632,958)	2,734,950,000

9.2.2 UniEnergy Limited (UEL)

UEL is incorporated in Pakistan as a public unlisted company with its registered office situated at 1st Floor, Modern Motors House, Beaumont Road, Karachi. The principal activity of UEL is to build, operate and maintain wind power generating project of 50 Mega Watts for the generation and supply of electric power in relation thereof, however, it is in start-up phase and has not commenced its operations. The share of the Company in the net asset has been determined on the basis of un-audited financial statements as of 30 September 2024. The summarised financial information of UEL is as follows:

Aggregate amount of:	2024 Rupees	2023 Rupees
- assets	105,324,990	104,078,688
- liabilities	1,230,522	973,500
- profit after taxation	989,280	1,162,519

10 STORES AND SPARE PARTS

Stores	52,972,354	78,392,873
Spare parts	126,037,441	73,189,063
	179,009,795	151,581,936

11 STOCK-IN-TRADE - finished goods

Sugar		
- Work-in-process	6,907,846	4,822,450
- Finished goods	2,584,930,892	550,703,834
Bagasse		
- Finished goods	7,179,871	37,088,421
	2,599,018,609	592,614,705

	2024 Rupees	2023 Rupees

12 TRADE DEBTS

	2024 Rupees	2023 Rupees
Considered good	479,404,658	288,597,782
Considered doubtful	16,987,867	16,987,867
	496,392,525	305,585,649
Allowance for ECL	(16,987,867)	(16,987,867)
	479,404,658	288,597,782

12.1 The maximum aggregate amount due from related parties at any time during the year calculated by reference to month-end balances is as follows:

	Note	2024 Rupees	2023 Rupees
Unicol Limited		6,295,151	2,173,500

13 SHORT-TERM INVESTMENTS - at FVPL

	Note	2024 Rupees	2023 Rupees
Equity securities	13.1	619,822,867	611,821,122
Mutual funds	13.2	7,392,483	302,158,023
		627,215,350	913,979,145

13.1 Equity Securities - quoted

	2024 Rupees	2023 Rupees
Bank Al Habib Limited	-	67,545,000
MCB Bank Limited	-	25,870,000
Jubilee Life Insurance Company Limited	-	9,395,349
Lucky Cement Limited	397,818,000	156,063,712
Maple Leaf Cement Factory Limited	32,440,000	44,923,623
Habib Bank Limited	31,760,000	-
Meezan Bank Limited	114,187,017	114,666,274
Interloop Limited	-	22,580,000
Bankislami Pakistan Limited	-	7,507,163
Mari Petroleum Company Limited	43,617,850	78,005,001
Oil & Gas Development Company Limited	-	48,230,000
Pakistan Petroleum Limited	-	37,035,000
	619,822,867	611,821,122

13.2 Mutual Funds

	2024 Rupees	2023 Rupees
MCB Investment Management Limited	1,851,605	100,705,829
Al Meezan Investment Management Limited	2,243	101,148,111
Alfalah Assets Management Limited	5,538,635	100,304,083
	7,392,483	302,158,023

		2024 Rupees	2023 Rupees
14	**CASH AND BANK BALANCES**		
	Cash in hand	**38,818**	126,066
	Cash with banks - current accounts		
	- Local	**56,193,234**	16,275,322
	- Foreign	**32,174,834**	30,394,588
		88,368,068	46,669,910
		88,406,886	46,795,976

15 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2024 (Number of shares)	2023 (Number of shares)		2024 Rupees	2023 Rupees
		Ordinary shares of Rs.10/- each issued as:		
6,318,750	6,318,750	- fully paid in cash	**63,187,500**	63,187,500
68,608,859	68,608,859	- bonus shares	**686,088,590**	686,088,590
74,927,609	74,927,609		**749,276,090**	749,276,090

15.1 The voting rights, board selection, right of first refusal and block voting are in proportion to the shareholding of the shareholders.

		Note	2024 Rupees	2023 Rupees
16	**LONG-TERM FINANCING – secured**			
	Finance facilities	16.1	**84,375,000**	140,625,000
	Temporary Economic Refinance Facility	16.2	**276,913,908**	309,647,448
	Renewable solar financing scheme	16.3	**40,795,279**	41,871,155
			402,084,187	492,143,603
	Less: current portion	25	**(112,304,067)**	(100,639,541)
			289,780,120	391,504,062

16.1 Represent financing facilities amounting to Rs. 350 million obtained from various commercial banks repayable in quarterly instalments latest by October 2025. These carry mark-up at the rate of 3 months' KIBOR plus spread ranging from 1% to 1.25% per annum. These facilities are secured by way of first pari passu charge over plant and machinery of the Company.

16.2 Represents financing facility amounting to Rs. 500 million obtained from MCB Bank Limited repayable in quarterly installments latest by January 2032. This carries mark-up at the SBP rate plus 3% per annum and is secured by the way of charge over plant and machinery of the Company.

16.3 Represent financing facilities amounting to Rs. 72.76 million obtained from various commercial banks repayable in quarterly installments latest by September 2033. These carry mark-up at the SBP plus spread ranging from 1% to 4% per annum. These facilities are secured by the way of charge over plant and machinery of the Company.

16.4 The movement of long term finance is as follows:

	Note	2024 Rupees	2023 Rupees
Opening balance		492,143,603	1,028,369,942
Proceeds during the year		-	69,392,212
Amount recognized as government grant		-	(37,151,950)
Unwinding of finance cost	20	24,947,973	24,017,604
Payments made during the year		(115,007,389)	(592,484,205)
Closing balance		402,084,187	492,143,603
Less: current portion	25	(112,304,067)	(100,639,541)
		289,780,120	391,504,062

17 LEASE LIABILITIES

	Note	2024 Rupees	2023 Rupees
Lease liabilities	25	127,515,138	63,743,043
Less: Current portion	17.1	(51,043,896)	(15,141,364)
		76,471,242	48,601,679

17.1 Movement of lease liabilities:

	2024			2023		
	Vehicles	Farms	Total	Vehicle	Farms	Total
	Rupees			Rupees		
Opening balance	63,743,043	-	63,743,043	46,455,330	-	46,455,330
Additions during the year	55,231,500	58,652,664	113,884,164	37,165,000	-	37,165,000
Finance cost during the year	19,349,411	9,187,738	28,537,149	11,539,560	-	11,539,560
Payments during the year	(58,649,218)	(20,000,000)	(78,649,218)	(31,416,847)	-	(31,416,847)
Closing balance	79,674,736	47,840,402	127,515,138	63,743,043	-	63,743,043
Less: Current portion	(43,850,060)	(7,193,836)	(51,043,896)	(15,141,364)	-	(15,141,364)
	35,824,676	40,646,566	76,471,242	48,601,679	-	48,601,679

17.2 Future period lease payments and interest expense:

	2024			2023		
	Minimum lease payments	Interest expense for the future periods	Present value of minimum lease payments	Minimum lease payments	Interest expense for the future periods	Present value of minimum lease payments
	Rupees			Rupees		
Not more than 1 year	56,770,250	12,920,189	43,850,061	31,982,210	13,314,309	18,667,901
Later than 1 year but not more than 5 years	43,734,670	7,909,993	35,824,677	59,787,198	14,712,055	45,075,143
	100,504,920	20,830,182	79,674,737	91,769,408	28,026,364	63,743,044

18 MARKET COMMITTEE FEE PAYABLE

	Note	2024 Rupees	2023 Rupees
Balance at the beginning of the year		49,446,910	51,853,527
Provision during the year		32,470,005	-
Impact of discounting - net	31 & 32	(15,757,176)	3,782,536
Payments during the year		(6,189,153)	(6,189,153)
Balance at the end of the year		59,970,586	49,446,910
Less: current portion	25	(2,969,778)	(2,611,179)
		57,000,808	46,835,731

19 DEFERRED LIABILITIES

	Note	2024 Rupees	2023 Rupees
Staff gratuity	19.1	3,520,561	3,280,132

19.1 Staff gratuity

	Note	2024 Rupees	2023 Rupees
Opening balance		3,280,132	3,971,207
Provision for the year	19.3	973,741	968,674
Benefits paid during the year		(699,007)	(830,420)
Actuarial gain on remeasurement	19.4	(34,305)	(829,329)
Closing balance		3,520,561	3,280,132

19.2 Principal actuarial assumptions

	2024	2023
Financial assumptions		
Discount rate	12.00%	16.75%
Expected rate of increase in salary level	15.00%	11.75%
Demographic assumptions		
Expected mortality rate	SLIC 2001-05	SLIC 2001-05
Expected withdrawal rate	High	High
Long term salary increase rate	12.00%	14.75%

19.3 Amount recognised in profit or loss

	2024 Rupees	2023 Rupees
Current service cost	502,002	497,504
Interest cost	471,739	471,170
	973,741	968,674

19.4 Amount recognised in OCI

	2024 Rupees	2023 Rupees
Financial assumptions	162,461	(173,704)
Experience adjustments	(196,766)	(655,625)
	(34,305)	(829,329)

19.5 Sensitivity analysis

	Change in assumption	Increase in defined benefit obligation	Decrease in defined benefit obligation
		2024	
		---------- (Rupees) ----------	
Discount rate	1%	65,843	62,371
Salary increase rate	1%	56,974	54,864

	2024	2023	2022	2021	2020
			(Rupees)		
Present value of defined benefit obligations	3,597,521	3,280,132	3,971,207	4,301,305	4,445,294

The amount of the defined benefit obligation after changes in the weighted principal assumptions is as follows:

	2024			
	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
	(Rupees)			
Present value of defined benefit obligation	3,659,892	3,663,364	3,654,495	3,652,385

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the retirement benefit obligation to significant actuarial assumptions the same method (present value of the retirement benefit obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

19.6 Maturity profile

Below is the maturity profile based on the undiscounted payments:	2024 Rupees	2023 Rupees
Year 1	2,190,532	1,377,152
Year 2	348,929	1,560,183
Year 3	498,176	361,229
Year 4	289,586	345,656
Year 5	387,317	203,522
Year 6 to Year 10	728,637	527,171
Year 11 and above	297,370	104,605

19.7 Risks associated with defined benefit plans

Longevity risks:

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Salary increase risk:

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 risk:

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.

19.8 The expected gratuity expense for the year ending 30 September 2025 works out to Rs. 766,947

19.9 The weighted average duration of the defined benefit obligation at September 30, 2024 is 1.86 years (2023: 1.55 years).

20 DEFERRED INCOME - government grant

	Note	2024 Rupees	2023 Rupees
Balance at beginning of the year		123,041,889	109,907,543
Recognized during the year		-	37,151,950
Amortization during the year	31	(24,947,973)	(24,017,604)
Balance at end of the year		98,093,916	123,041,889
Less: current portion	25	(22,389,630)	(24,317,668)
		75,704,286	98,724,221

21 DEFERRED TAXATION

Taxable temporary differences arising due to:

	2024 Rupees	2023 Rupees
Accelerated tax depreciation	357,462,151	347,049,267
Share of loss from associates	278,057,685	474,469,235
Others	15,086,985	12,562,871
	650,606,821	834,081,373

Deductable temporary differences arising due to:

	2024 Rupees	2023 Rupees
Allowance for ECL	(100,423,249)	(100,522,376)
Unused tax losses / minimum tax	-	(40,608,670)
Provisions	(7,497,377)	(14,180,676)
	(107,920,626)	(155,311,722)
	542,686,195	678,769,651

21.1 The movement of deferred taxation is as follows:

	2024 Rupees	2023 Rupees
Opening balance	678,769,650	47,087,847
Recognised in profit or loss	(136,093,403)	631,408,124
Recognised in OCI	9,948	273,679
Closing balance	542,686,195	678,769,650

22 TRADE AND OTHER PAYABLES

	2024 Rupees	2023 Rupees
Creditors	140,296,205	105,210,018
Accrued expenses	266,334,322	273,462,978
Payable to provident fund	1,591,285	1,313,991
Workers' Welfare Fund	50,411,072	52,510,733
Workers' Profit Participation Fund	-	64,393,787
Advance from employees against purchase of vehicles - secured	25,630,210	26,766,018
Withholding tax payable	4,112,218	2,541,161
Others	19,893,732	30,947,328
	508,269,044	557,146,014

23 CONTRACT LIABILITIES

Represent advance received from various customers. Revenue recognised during the year from amounts included in contract liabilities at beginning of the year amounted to Rs. 408.682 million (2023: Rs. 505.943 million).

24 SHORT-TERM BORROWINGS – secured

	Note	2024 Rupees	2023 Rupees
Running finance	24.1	828,953,319	13,907,890
Cash finance	24.2	1,851,164,709	305,120
		2,680,118,028	14,213,010

24.1 Represent running finance facilities amounting to Rs. 1,575 million (2023: Rs. 975 million) obtained from various commercial banks. These carry mark-up at the rate of 1 to 3 months' KIBOR plus spread ranging from 0.55% to 0.75% per annum. These facilities are secured by way of hypothecation of stock-in-trade, plant and machinery, stores, spares and receivables of the Company.

24.2 Represent cash finance facilities amounting to Rs. 8,375 million (2023: Rs. 5,573 million) obtained from various commercial banks. These carry mark-up at the rate of 1 to 3 months' KIBOR plus spread ranging from 0.35% to 0.75% (2023: 0.35% to 1%). These facilities are secured by way of pledge of stock-in-trade and plant and machinery of the Company.

25 CURRENT PORTION OF NON-CURRENT LIABILITIES

	Note	2024 Rupees	2023 Rupees
Long-term financing	16	112,304,067	100,639,541
Lease liabilities	17	51,043,896	15,141,364
Market committee fee payable	18	2,969,778	2,611,179
Deferred income - government grant	20	22,389,630	24,317,668
		188,707,371	142,709,752

26 CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

a) During the year ended 30 September 2021, Deputy Commissioner Inland Revenue (DCIR) had passed orders with respect to tax years 2015, 2016, 2017, 2018 and 2019 creating a demand of Rs. 3,607 million, Rs. 6,719 million, Rs. 6,810 million, Rs. 8,150 million and Rs. 7,479 million respectively. The Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the above demand who deleted most of the unjustified add backs and remanded back the remaining items amounting to Rs. 153 million, 347 million, 14 million, 63 million and 407 million for tax years 2015, 2016, 2017, 2018 and 2019 respectively, to DCIR for fresh assessment and adjudication. There has been no action from DCIR as of to date. Based on the advice of the tax advisor, the management is confident of a favorable outcome and hence, no provision is made in these unconsolidated financial statements.

b) During the year ended 30 September 2021, the Competition Commission of Pakistan (CCP) had passed a consolidated order whereby penalties have been levied on 84 sugar mills and in this respect, Rs. 265.588 million had been levied on the Company equivalent to 5% of the total turnover of Rs. 5,311 million as per the financial statements for the year ended 30 September 2019. The Company along with 18 other sugar mills had filed a suit before the Court which suspended the order of CCP. However, the CCP, in contravention of the above restraining order of the Court, issued a show-cause notice under section 30 of the Competition Act, 2010 on 08 October 2021, wherein identical issues were involved. The Company, along with 18 other sugar mills, again filed a suit before the Court which suspended the above show-cause notice dated 08 October 2021. Based on the advice of the legal advisor, the management is confident of a favorable outcome and hence, no provision is made in these unconsolidated financial statements.

26.2 Commitments

	2024 Rupees	2023 Rupees
Capital commitments	19,087,895	6,462,900
Letter of guarantee	12,600,000	-

27 TURNOVER – gross

	2024	2023
Sugar - local	10,885,189,237	10,830,651,100
Sugar - export	200,091,234	406,229,824
Molasses	1,388,649,457	1,122,500,498
Bagasse	365,251,779	303,583,235
Mud	6,169,817	1,207,346
	12,845,351,524	12,664,172,003

27.1 Include sales to Unicol Limited - a related party amounting to Rs. 1,460 million (2023: Rs. 1,161 million)

28 COST OF SALES

	Note	2024 Rupees	2023 Rupees
Cost of sugarcane consumed		10,928,566,674	6,608,737,529
Provision for market committee fee		9,029,320	8,048,716
Road cess on sugarcane		5,643,381	5,030,658
Salaries, wages and other benefits	28.1	331,102,941	278,335,651
Stores and spare parts consumed		453,464,685	358,422,996
Repairs and maintenance		83,780,164	139,051,134
Fuel, electricity and water charges		10,845,915	21,782,551
Vehicle running and maintenance expenses		21,574,609	13,235,865
Manufacturing overheads		47,118,274	23,274,618
Insurance		26,640,514	17,760,140
Depreciation on operating fixed assets	6.1.1	162,427,933	163,955,359
Others		20,048,941	21,239,496
		12,100,243,351	7,658,874,713
Opening stock of work-in-process		4,822,450	4,726,932
Closing stock of work-in-process	11	(6,907,846)	(4,822,450)
		(2,085,396)	(95,518)
Cost of goods manufactured		12,098,157,955	7,658,779,195
Opening stock of finished goods		587,792,255	1,548,582,934
Closing stock of finished goods	11	(2,592,110,763)	(587,792,255)
		(2,004,318,508)	960,790,679
		10,093,839,447	8,619,569,874

28.1 Include gratuity expense of Rs.0.974 million (2023: Rs. 0.969 million) and contribution to provident fund of Rs. 3.637 million (2023: Rs. 3.092 million).

29 DISTRIBUTION COSTS

	Note	2024 Rupees	2023 Rupees
Salaries and other benefits	29.1	5,319,922	3,952,279
Stacking and loading		18,846,699	13,220,709
Freight outwards		107,072,704	54,752,001
Others		2,025,871	12,302,716
		133,265,196	84,227,705

29.1 Include contribution to provident fund of Rs.0.0819 millon (2023: Rs. 0.0805 million).

30 ADMINISTRATIVE EXPENSES

	Note	2024 Rupees	2023 Rupees
Salaries and other benefits	30.1	182,778,019	162,290,044
Rent, rates and taxes		1,125,029	1,296,545
Electricity, telephone, fax and postage		16,469,560	12,889,449
Printing and stationery		1,885,329	2,017,977
Travelling and conveyance		24,521,568	21,811,029
Vehicle running and maintenance expenses		15,903,937	12,175,821
Auditor's remuneration	30.2	3,445,000	3,257,400
Legal and professional		10,512,178	12,456,700
Fees and subscription		10,113,001	12,176,055
Insurance		212,062	103,041
Repairs and maintenance		19,385,630	20,605,178
Advertising		175,500	757,700
Donations	30.3	11,782,000	16,136,913
Depreciation:			
- Operating fixed assets	6.1.1	6,661,804	5,946,823
- Right-of-use assets		49,357,179	21,750,996
Other expenses		236,914	4,063,815
		354,564,709	309,735,486

30.1 Include contribution to provident fund of Rs.2.933 million (2023: Rs. 2.788 million).

30.2 Auditor's remuneration

	2024 Rupees	2023 Rupees
Audit fee	2,300,000	2,189,000
Half yearly review	500,000	425,000
Review of compliance with CCG	200,000	200,000
Certifications	165,000	162,000
Out of pocket expenses	280,000	281,400
	3,445,000	3,257,400

30.3 Include Rs. 11.300 million paid to Usman Memorial Hospital Foundation (related party). Where the directors of the Company namely Mohammed Hussain Hasham and Ahmed Ebrahim Hasham are the Trustees.

31 OTHER INCOME

	Note	2024 Rupees	2023 Rupees
Income from financial assets			
Dividend income		92,915,180	78,694,497
Gain on disposal of investments at FVPL		553,976,485	68,039,890
Gain on disposal of non-current asset held for sale		-	92,056,444
Unrealised gain on remeasurement of investments at FVPL		115,484,260	16,711,371
Others		14,886,733	4,098,442
		777,262,658	259,600,645
Income from non-financial assets			
Farm income		5,067,010	6,319,634
Gain on disposal of property, plant and equipment / right-of-use assets		10,622,051	2,292,835
Impact of discounting - net	18	15,757,176	-
Amortization of deferred income - government grant	20	24,415,578	24,017,604
		55,861,815	32,630,073
		833,124,473	292,230,718

32 FINANCE COSTS

	Note	2024 Rupees	2023 Rupees
Mark-up / interest on:			
- Long-term financing		65,137,678	132,047,778
- Short-term borrowings		1,151,643,463	481,084,864
- Lease liabilities		28,537,149	11,539,560
- Workers' Profits Participation Fund		2,712,320	-
		1,248,030,610	624,672,202
Bank charges		5,056,295	6,849,587
Impact of discounting - net	18	-	3,782,536
		1,253,086,905	635,304,325

33 TAXATION

	2024	2023
Current	-	223,256,305
Prior	85,242,944	10,493,106
	85,242,944	233,749,411
Deferred	(136,093,403)	407,696,396
	(50,850,459)	641,445,807

33.1 As the tax charge for the year ended 30 September 2024 was based on minimum taxation and taxation under final tax regime, reconciliation of tax expense with accounting profit was not presented.

34 BASIC AND DILUTED (LOSS) / EARNING PER SHARE

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

	2024	2023
Net (loss) / profit after income tax attributable to ordinary shares - (Rupees)	(799,026,754)	1,442,949,464
Weighted average number of ordinary shares	74,927,609	74,927,609
(Loss) / earnings per share - (Rupees)	(10.66)	19.26

35 WORKING CAPITAL CHANGES

	2024 Rupees	2023 Rupees
(Increase) / decrease in current assets		
Biological assets	(4,565,500)	11,707,300
Stores and spare parts	(27,427,859)	(7,275,110)
Stock-in-trade	(2,006,403,904)	960,695,161
Trade debts	(190,806,876)	(188,176,887)
Loans and advances	(5,034,176)	(66,014,182)
Trade deposits and short-term prepayments	15,157,560	(66,619,964)
Other receivables	63,496,884	(63,396,415)
	(2,155,583,871)	580,919,903
Increase / (decrease) in current liabilities		
Trade and other payables	(48,876,970)	100,274,880
Contract liabilities (advances from customers)	(357,477,305)	(97,261,341)
Sales tax and federal excise duty payable	(2,132,941)	53,122,261
	(408,487,216)	56,135,800
	(2,564,071,087)	637,055,703

36 TRANSACTIONS WITH RELATED PARTIES

36.1 Related parties of the Company comprise of subsidiary, associates, retirement funds, directors and key management personnel. Transactions with related parties are disclosed in relevant notes to these unconsolidated financial statements.

36.2 Details of related parties

Name of related parties	Basis of relationship	Percentage of shareholding by the Company
Mehran Energy Limited	Subsidiary	100%
Unicol Limited	Associate	33.33%
Unienergy Limited	Associate	20%
Pakistan Molasses Company (Private) Limited	Common directorship	-
Mogul Tobacco Company (Private) Limited	Common directorship	-
Hasham Foundation	Common directorship	-
Usman Memorial Hospital Foundation	Common directorship	-
Hasham (Private) Limited	Common directorship	-
MCB Islamic Bank Limited	Common directorship	-
Mr. Mohammed Kasim Hashim - Chairman	Key management personnel	-
Mr. Ahmed Ebrahim Hasham - Chief Executive Officer	Key management personnel	-
Mr. Mohammed Hussain Hasham - Director	Key management personnel	-
Mr. Khurram Kasim - Director	Key management personnel	-
Ms. Sofia Kasim - Director	Key management personnel	-
Mrs. Anushey A. Hasham - Director	Key management personnel	-
Mr. Hasan Aziz Bilgrami - Director	Key management personnel	-
Mr. Iftikhar Soomro - Director	Key management personnel	-
Mr. Muhammad Iqbal - Director	Key management personnel	-
Mr. Syed Ehtisham ud din - Director	Key management personnel	-
Mr. Muhammad Hanif Aziz - Chief Financial Officer	Key management personnel	-
Mr. Ali Hassan - Comapany Secretary	Key management personnel	-
Mehran Sugar Mills Staff Provident Fund	Retirement Fund	-

37 CAPACITY AND PRODUCTION

	Tons of Cane crushing per Day (TCD)	
	Rated Capacity	Average Capacity Utilisation
Season 2023 - 2024	**12,500 TCD**	**8,940 TCD**
Season 2022 - 2023	12,500 TCD	9,469 TCD

The short fall in crushing is due to the scarcity of sugarcane in the market.

38 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2024					2023				
	Chief Executive Officer	Executive Director	Non-Executive Directors	Executives	Total	Chief Executive Officer	Executive Director	Non-Executive Directors	Executives	Total
	Rupees									
Fee	-	-	1,500,000	-	1,500,000	-	-	1,650,000	-	1,650,000
Salary and other allowances:	23,362,500	16,687,500	-	93,163,050	133,213,050	18,510,000	2,500,000	-	77,297,540	98,307,540
Retirement benefits	934,500	667,500		2,467,860	4,069,860	1,110,600	150,000		2,295,338	3,555,938
Bonus	752,500	-	-	2,792,340	3,544,840	2,100,000	-	-	5,386,020	7,486,020
	25,049,500	17,355,000	1,500,000	98,423,250	142,327,750	21,720,600	2,650,000	1,650,000	84,978,898	110,999,498
Number of persons	1	1	6	19	27	1	1	8	11	21

38.1 In addition, the Chief Executive Officer is provided with free use of the Company maintained cars, in accordance with their terms of service.

39 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and market risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

39.1 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counter-parties and continually assessing the creditworthiness of counter-parties.

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Company is mainly exposed to credit risk in respect of the following:

	2024 Rupees	2023 Rupees
Trade debts	479,404,658	288,597,782
Other receivables	-	63,496,884
Bank balances	88,368,068	46,669,910
	567,772,725	398,764,577

Quality of financial assets

The credit quality of financial assets can be assessed by reference to external credit ratings or the historical information about counter party default rates as shown below:

39.1.1 Trade debts

There are no customers with defaults as at the current and prior year reporting date.

39.1.2 Bank balances

With external credit rating:

		2024 Rupees	2023 Rupees
A1+	PACRA	37,439,965	25,308,264
A-1+	PACRA	-	1,005
A-1+	JCR – VIS	49,067,834	17,845,268
A1	PACRA	1,860,269	3,515,374
		88,368,068	46,669,910

39.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company applies the prudent risk management policies by maintaining sufficient cash and bank balances and by keeping committed credit lines. The table below summarizes the maturity profile of the Company's financial liabilities at the following reporting dates:

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	---------- Rupees ----------				
Long-term financing	-	-	112,304,067	289,780,120	402,084,187
Lease liabilities	-	-	51,043,896	76,471,242	127,515,138
Trade and other payables	47,115,227	461,153,817	-	-	508,269,044
Unclaimed dividend	26,816,767	-	-	-	26,816,767
Accrued markup	-	266,142,380	-	-	266,142,380
Market committee fee payable	-	-	2,969,778	57,000,808	59,970,586
Short term borrowings	-	2,680,118,028	-	-	2,680,118,028
2024	73,931,994	3,407,414,225	166,317,741	423,252,170	4,070,916,130

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	---------- Rupees ----------				
Long-term financing	-	-	100,639,541	391,504,062	492,143,603
Lease liabilities	-	-	15,141,364	48,601,679	63,743,043
Trade and other payables	59,027,337	379,138,346	-	-	438,165,683
Unclaimed dividend	23,378,823	-	-	-	23,378,823
Accrued markup	-	27,520,528	-	-	27,520,528
Market committee fee payable	-	-	2,611,179	46,835,731	49,446,910
Short term borrowings	-	14,213,010	-	-	14,213,010
2023	82,406,160	420,871,884	118,392,084	486,941,472	1,108,611,599

39.3 Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rate, foreign exchange rates and equity prices.

39.3.1 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates mainly relates to long-term financing, short-term borrowings and lease obligations. Management of the Company estimates that 1% increase in the market interest rate, with all other factor remaining constant, would increase the Company's loss before tax by Rs. 25.01 million and a 1% decrease would result in the increase in the Company's loss before tax by the same amount.

39.3.2 Equity price risk

Equity price risk is the risk of volatility in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. The Company's exposure to equity price mainly relates to equity securities. The management of the Company manages the above market risks through diversification of investment portfolio. The management estimates that, as at the reporting date, a 10% decrease in the overall share prices in the market with all of the factors remaining constant would decrease the Company's equity by Rs. 558 million.

39.3.3 Foreign currency risk

Foreign currency risk is the risk that the value of a financial asset or a financial liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist made in foreign currency at the reporting date. As of 30 September 2024 the Company is not materialy exposed to such risk.

40 CAPITAL RISK MANAGEMENT

The Company finances its operations through equity, borrowings and management of working capital with a view of maintaining an appropriate mix between various sources of finance to minimize risk. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business, sustain future development of the business and maximize shareholders value. The Company monitors capital using a debt equity ratio as follows:

	2024 Rupees	2023 Rupees
Long-term financing	402,084,187	492,143,603
Short-term borrowings	2,680,118,028	14,213,010
Total debt	3,082,202,215	506,356,612
Share capital	749,276,090	749,276,090
Reserves	2,031,461,139	3,130,173,972
Total equity	2,780,737,229	3,879,450,062
Capital (Debt + equity)	5,862,939,444	4,385,806,674
Gearing ratio	53%	12%

41 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. The carrying values of all financial assets and liabilities reflected in these unconsolidated financial statements approximate their fair values.

The following table shows financial instruments recognised at fair value, analyzed between those whose fair value is based on:

Level 1: Quoted prices (unadjusted) 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 date (unobservable inputs).

As of the reporting date, the Company has financial instruments designated at FVPL using level 1 valuation technique and the biological assets measured at fair value using level 2 valuation technique. There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

42 NUMBER OF EMPLOYEES

	2024	2023
Total number of permanent employees as at reporting date	278	278
Average number of permanent employees during the year	279	300

43 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on January 6, 2025 by the Board of Directors of the Company.

44 GENERAL

Corresponding figures have been rearranged and reclassified, wherever considered necessary for better presentation.

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR

CONSOLIDATED FINANCIAL STATEMENTS

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Independent Auditors' Report

TO THE MEMBERS OF MEHRAN SUGAR MILLS LIMITED

Report on the Audit of the Consolidated financial statements

Opinion

We have audited the annexed consolidated financial statements of Mehran Sugar Mills Limited (the Holding Company) and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 30 September 2024, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies 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, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 September 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 Consolidated financial statements section of our report. We are independent of the Group 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 Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S. No.	Key audit matters	How the matter was addressed in our audit
1.	**Stock-in-trade**	
	As disclosed in note 11 to the unconsolidated financial statements, stock-in-trade amounts to Rs. 2,599 million which constitutes 33% of total assets of the Company. The stock is measured at lower of weighted average cost and net realizable value. There is an element of judgement involved in determining an appropriate costing basis and assessing its valuation. Given the significance of stock-in-trade to the Company's total assets and the level of judgements and estimates involved, we have identified valuation of stock-in-trade as a key audit matter.	Our key procedures amongst others included the following: - obtained an understanding of controls over purchases and valuation of stock-in-trade and tested, on a sample basis, their design, implementation and operating effectiveness. - performed observation of inventory count held at the mill of the Company. - performed net realizable value test to assess whether cost of stock-in-trade exceeded its net realizable value by detailed review of subsequent sale invoices. - assessed the adequacy and appropriateness of disclosures for compliance with the requirements of applicable financial reporting framework.

Information Other than the Consolidated financial statements and Auditor's Report ThereonManagement is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Group are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 to 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 consolidated financial statements of the current year 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.

The engagement partner on the audit resulting in this independent auditor's report is Khurram Jameel.

Chartered Accountants

Place:

Date:

UDIN:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at September 30, 2024

ASSETS	Note	2024 Rupees	2023 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	6	**2,356,445,597**	2,397,952,211
Right-of-use assets	7	**129,536,144**	65,718,360
Long-term receivables	8	**-**	-
Long-term investments	9	**1,126,416,293**	1,803,697,500
Long-term deposits		**3,436,400**	3,436,400
		3,615,834,434	4,270,804,471
CURRENT ASSETS			
Biological assets		**17,414,250**	12,848,750
Stores and spare parts	10	**179,009,795**	151,581,936
Stock-in-trade	11	**2,599,018,609**	592,614,705
Trade debts	12	**479,404,658**	288,597,782
Loans and advances		**134,311,102**	129,276,926
Trade deposits and short-term prepayments		**62,803,496**	77,961,056
Other receivables		**-**	63,496,884
Short-term investments	13	**627,215,350**	913,979,145
Taxation – net		**840,978**	55,532,497
Cash and bank balances	14	**88,484,932**	46,874,022
		4,188,503,170	2,332,763,703
TOTAL ASSETS		**7,804,337,604**	6,603,568,174
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
150,000,000 ordinary shares of Rs.10/- each		**1,500,000,000**	1,500,000,000
Issued, subscribed and paid-up share capital	15	**749,276,090**	749,276,090
Reserves		**2,031,025,235**	3,129,786,668
		2,780,301,325	3,879,062,758
NON-CURRENT LIABILITIES			
Long-term financing	16	**289,780,120**	391,504,062
Lease liabilities	17	**76,471,242**	48,601,679
Market committee fee payable	18	**57,000,808**	46,835,731
Deferred liabilities	19	**3,520,561**	3,280,132
Deferred income - government grant	20	**75,704,286**	98,724,221
Deferred taxation	21	**542,686,195**	678,769,650
		1,045,163,212	1,267,715,475
CURRENT LIABILITIES			
Trade and other payables	22	**508,782,994**	557,611,364
Contract liabilities	23	**51,204,552**	408,681,857
Unclaimed dividend		**26,816,767**	23,378,823
Accrued mark-up		**266,142,380**	27,520,528
Short-term borrowings	24	**2,680,118,028**	14,213,010
Provision for market committee fee		**-**	23,440,691
Current portion of non-current liabilities	25	**188,707,371**	142,709,752
Sales tax and federal excise duty payable		**257,100,975**	259,233,916
		3,978,873,067	1,456,789,941
CONTINGENCIES AND COMMITMENTS	26		
TOTAL EQUITY AND LIABILITIES		**7,804,337,604**	6,603,568,174

The annexed notes from 1 to 44 form an integral part of these unconsolidated financial statements.

Ahmed Ebrahim

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

M. Hussain

DIRECTOR

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended September 30, 2024

	Note	2024 Rupees	2023 Rupees
Turnover - gross	27	**12,845,351,524**	12,664,172,003
Sales tax		**(1,856,483,268)**	(1,680,639,294)
Turnover - net		**10,988,868,256**	10,983,532,709
Cost of sales	28	**(10,093,839,447)**	(8,619,569,874)
Gross profit		**895,028,809**	2,363,962,835
Distribution costs	29	**(133,265,196)**	(84,227,705)
Administrative expenses	30	**(354,613,309)**	(309,775,486)
Other expenses		**(10,231,839)**	(98,009,043)
Other income	31	**833,124,473**	292,230,718
		335,014,129	(199,781,516)
Operating profit		**1,230,042,938**	2,164,181,319
Share of (loss) / profit from associates – net	9.1 & 9.2	**(652,281,208)**	911,791,339
Allowance for ECL on long-term receivables		**-**	(160,173,441)
Finance costs	32	**(1,253,086,905)**	(635,304,325)
(Loss) / profit before income tax and levies		**(675,325,174)**	2,280,494,892
Final taxes		**(39,740,926)**	(196,139,621)
Minimum taxes		**(134,859,713)**	-
(Loss) / profit before income tax		**(849,925,813)**	2,084,355,271
Taxation	33	**50,850,459**	(641,445,807)
Net (loss) / profit for the year		**(799,075,354)**	1,442,909,464
Basic and diluted (loss) / earning per share	34	**(10.66)**	19.26

The annexed notes from 1 to 44 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended September 30, 2024

	2024 Rupees	2023 Rupees
Net (loss) / profit for the year	**(799,075,354)**	1,442,909,464
Other comprehensive income		
Items that will not be reclassified to profit or loss in subsequent periods		
Actuarial gain on defined benefit plan - net of tax	**24,357**	555,650
Gain on disposal of investments at FVOCI	**-**	13,251,269
	24,357	13,806,919
Total comprehensive (loss) / income for the year	**(799,050,997)**	1,456,716,383

The annexed notes from 1 to 44 form an integral part of these unconsolidated financial statements.

Ahmed Ebrahim

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

M. Hussain

DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended September 30, 2024

	Issued, Subscribed and Paid-up Capital	Reserves: Capital: Share Premium	Reserves: Revenue: General Reserve	Reserves: Revenue: Unappropriated Profit	Reserves: Other Components of Equity: FV reserve of financial assets at FVOCI	Reserves: Other Components of Equity: Acturial gain on defined benefit plan	Sub-total	Total Equity
	----------	----------	----------	----------	Rupees	----------	----------	----------
Balance as at 30 September 2022	605,475,641	63,281,250	85,000,000	1,991,732,920	329,100	3,484,739	2,143,828,009	2,749,303,650
Bonus shares issued for the year ended 30 September 2022								
in the ratio of 12.5 Ordinary shares for every 100 shares held	75,684,450	-	-	(75,684,450)	-		(75,684,450)	-
Bonus shares Issued for the year ended 30 September 2023								
in the ratio of 10 Ordinary shares for every 100 shares held	68,115,999	-	-	(68,115,999)	-		(68,115,999)	-
1st Interim dividend for the year ended 30 September 2023								
@ Rs. 1.5 per share	-	-		(102,174,447)	-		(102,174,447)	(102,174,447)
2nd Interim dividend for the year ended 30 September 2023								
@ Re. 3 per share	-	-		(224,782,827)	-		(224,782,827)	(224,782,827)
Net profit for the year	-	-	-	1,442,909,464	-	-	1,442,909,464	1,442,909,464
Other comprehensive income for the year	-	-	-	-	13,251,269	555,650	13,806,919	13,806,919
Total comprehensive income for the year	-	-	-	1,442,909,464	13,251,269	555,650	1,456,716,383	1,456,716,383
Transfer of fair value reserve on disposal of investments at FVOCI	-	-	-	13,580,369	(13,580,369)	-	-	-
Balance as at 30 September 2023	749,276,090	63,281,250	85,000,000	2,977,465,029	-	4,040,389	3,129,786,668	3,879,062,758
Final dividend for the year ended 30 September 2023								
@ Rs.3 per share	-	-	-	(224,782,827)	-	-	(224,782,827)	(224,782,827)
Interim dividend for the year ended 30 September 2024								
	-	**-**	**-**	**(74,927,609)**	**-**	**-**	**(74,927,609)**	**(74,927,609)**
Net loss for the year	**-**	**-**	**-**	**(799,075,354)**	**-**	**-**	**(799,075,354)**	**(799,075,354)**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**24,357**	**24,357**	**24,357**
Total comprehensive loss for the year	**-**	**-**	**-**	**(799,075,354)**	**-**	**24,357**	**(799,050,997)**	**(799,050,997)**
Balance as at 30 September 2024	**749,276,090**	**63,281,250**	**85,000,000**	**1,878,679,240**	**-**	**4,064,746**	**2,031,025,235**	**2,780,301,325**

The annexed notes from 1 to 44 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER　　CHIEF FINANCIAL OFFICER　　DIRECTOR

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended September 30, 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIITIES			
(Loss) / profit before taxation		**(675,325,174)**	2,280,494,892
Adjustments for non-cash charges and other items:			
Depreciation			
- Operating fixed assets	6.1.1	**169,089,737**	169,902,182
- Right of use assets	7	**49,357,179**	21,750,996
Ammortization of deferred income - government grant	31	**(24,415,578)**	(24,017,604)
Share of loss from associates	9	**652,281,208**	(911,791,339)
Gain on disposal of property, plant and equipment / right-of-use assets	31	**(10,622,051)**	(2,292,835)
Finance costs	32	**1,253,086,905**	635,304,325
Provision for gratuity	19.3	**973,741**	968,674
Provision for market committee fee	28	**9,029,320**	8,048,716
Gain on disposal of non-current assets held for sale		**-**	(92,056,444)
Allowance for ECL		**-**	160,173,441
Gain on disposal of investments at FVPL	31	**(553,976,485)**	(67,804,613)
Unrealised gain on remeasurement of investments at FVPL	31	**(115,484,260)**	(16,711,371)
Impact of discounting market committee		**(21,022,743)**	-
Working Capital Changes	35	**(2,564,022,487)**	637,095,706
		(1,155,725,514)	518,569,834
Gratuity paid	19.1	**(699,007)**	(830,420)
Income tax paid		**(205,152,065)**	(203,286,385)
Finance costs paid		**(985,760,489)**	(676,501,955)
Market committee fee paid		**(6,189,153)**	(6,189,153)
Net cash (used in) / generated from operating activities		**(3,028,851,402)**	1,912,256,813
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to property plant and equipment / right-of-use assets		**(127,583,123)**	(121,987,992)
Proceeds from disposal of property, plant and equipment / right-of-use assets		**11,331,252**	3,740,000
Investments redeemed / made during the year		**956,224,535**	(83,789,151)
Proceeds from disposal of non-current assets held for sale		**-**	138,405,484
Dividends received		**24,999,999**	274,999,984
Net cash generated from investing activities		**864,972,663**	211,368,325
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing repaid		**(115,007,389)**	(523,091,996)
Lease rentals paid		**(49,135,488)**	(19,877,287)
Dividends paid		**(296,272,492)**	(323,285,454)
Net cash used in financing activities		**(460,415,369)**	(866,254,737)
Net (decrease) / increase in cash and cash equivalents		**(2,624,294,108)**	1,257,370,401
Cash and cash equivalents at the beginning of the year		**32,661,012**	(1,224,709,390)
Cash and cash equivalents at the end of the year		**(2,591,633,096)**	32,661,012
Cash and cash equivalents			
Cash and bank balances	14	**88,484,932**	46,874,022
Short-term borrowings	24	**(2,680,118,028)**	(14,213,010)
		(2,591,633,096)	32,661,012

The annexed notes from 1 to 44 form an integral part of these unconsolidated financial statements.

Ahmed Ebrahim

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

M. Hussain

DIRECTOR

1 THE COMPANY AND ITS OPERATIONS

1.1 Mehran Sugar Mills Limited (the Company) was incorporated in Pakistan as a public limited company in December 1965 under the repealed Companies Act, 1913. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Company is principally engaged in the manufacturing and sale of sugar and its by-products.

1.2 These are the separate financial statements of the Company in which investment in subsidiary is accounted for on the basis of cost less impairment, if any and investments in associates are accounted under equity method less impairment, if any.

1.3 Geographical location and addresses of all the business units are as under:

Location	Business unit
Karachi	
14th Floor, Dolmen Executive Tower, Marine Drive, Clifton	Registered office
Tando Allahyar, Sindh	
Tando Adam Road	Mill and Farm
Deh Rechal, P.O. Khokhar	Farm

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Accounting convention

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

2.3 Functional and presentation currency

These CONSOLIDATED financial statements are presented in Pakistani Rupees which is the Company's functional and presentation currency. All financial information presented in Pakistani Rupees has been rounded off to the nearest rupee unless otherwise stated.

2.4 Basis of consolidation

2.4.1 Subsidiary

Subsidiary is the entity over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Holding Company meets all the above conditions and hence has power over the subsidiary.

Subsidiary is consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the profit and loss account from the date the Group gains control until the date the Group ceases to control the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition is recorded as goodwill. If the cost of acquisition is less than fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill acquired in a business combination is, on the acquisition date, allocated to each of the Group’s cash generating units that are expected to benefit from the combination. Goodwill is tested annually or whenever there is an indication of impairment exists. Impairment loss in respect of goodwill is recognised in consolidated statement of profit or loss and is not reversed in future periods.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and the carrying value of investments held by the Holding Company is eliminated against the subsidiary shareholders’ equity in the consolidated financial statements.

All intra-group transactions, balances, income, expenses and unrealised gains and losses on transactions between Group companies are eliminated in full. The Subsidiary has same reporting period as that of the Holding Company. The accounting policies of the Subsidiary are consistent with the accounting policies of the Group.

3 NEW ACCOUNTING STANDARDS

3.1 Accounting standards effective for the year

There are certain new standards and amendments that are mandatory for the Company's accounting period beginning on 01 October 2023, but are considered either to be not relevant or to not have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

3.2 Accounting standards not yet effective

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's accounting periods beginning on / after 01 October 2024. However, the Company expects that these standards will not have any material impact on the future financial statements of the Company.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company’s CONSOLIDATED financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these judgments and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The management continually evaluates estimates and judgments which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances. Revisions to accounting estimates are recognised prospectively.

In the process of applying the Company’s accounting policies, management has made the following estimates and judgments which are significant to the CONSOLIDATED financial statements:

4.1 Property, plant and equipment

The Company reviews appropriateness of the rate of depreciation and useful life used in the calculation of depreciation. 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 the 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, with corresponding effects on the depreciation charge and impairment.

4.2 Inventories

The Company reviews the net realisable value (NRV) of stock-in-trade and stores and spare parts to assess any diminution in the respective carrying values. NRV is estimated with reference to the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

4.3 Taxation

In making the estimate for income tax payable by the Company, the Company takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past.

Deferred tax assets are recognised for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which such losses and credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4.4 Employees’ benefits

Certain actuarial assumptions have been adopted as disclosed in note 23 to the CONSOLIDATED financial statement for valuation of present value of defined benefit obligation. 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.

5 MATERIAL ACCOUNTING POLICIES

5.1 Property, plant and equipment

Operating fixed assets

These are stated at cost less accumulated depreciation and accumulated impairment if any except for freehold land, which is stated at cost.

Depreciation is charged to the CONSOLIDATED statement of profit or loss using the reducing balance method. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month the asset is in use.

The carrying values of the Company's operating fixed assets are reviewed at each financial year end for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Repairs and maintenance cost is written off to the CONSOLIDATED statement of profit or loss in the year in which it is incurred. Major renewals and improvements are capitalised when it is probable that respective future economic benefits will flow to the Company.

An item of operating fixed assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on disposal of operating fixed assets is recognised in the period of disposal.

Capital work-in-progress

These are stated at cost less accumulated impairment, if any, and represent expenditure on fixed assets in the course of construction and installation. Transfers are made to relevant property, plant and equipment category as and when assets are available for their intended use.

5.2 Right-of-use assets

The Company recognizes 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. Unless, the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated using straight line method. Right-of-use assets are subject to impairment.

5.3 Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments represent fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees wherever applicable. Wherever applicable, the lease payments may also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the commencement date of the lease if the interest rate implicit in the lease is not readily determinable. 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 in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

5.4 Investments

Associates

These are accounted for using equity method of accounting. Investments over which the Company has “significant influence” are accounted for under this method i.e., investments to be carried at the reporting date at cost plus post-acquisition changes in the share of net assets of associates, less any impairment in value, if material. The CONSOLIDATED statement of profit or loss reflects the Company’s share of the results of operations of associates after the date of acquisition.

As the financial statements of all the associates may not necessarily be available at the year end, the Company uses the financial statements of the associates with a lag of three months for applying the equity method of accounting. Further, the Company considers the investment in associates as strategic investment.

5.5 Biological assets

These are measured at fair value less costs to sell on initial recognition and at each reporting date. Gain or loss arising on initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset at the reporting date is included in the CONSOLIDATED statement of profit or loss for the period in which it arises.

To ascertain the fair value of the biological assets, the fair value less estimated point-of-sale costs of crops at the end of each reporting period is determined using prices and other relevant information generated by market transactions involving identical or comparable assets. Since, there exists an active market for the agricultural produce, the estimated selling price is obtained using the observable inputs and the estimated selling costs are the harvesting charges farmer takes for cutting the crop.

5.6 Stores and spare parts

These are stated at cost less provision for slow moving and obsolete items, if any. Cost is determined by the weighted moving average cost method.

5.7 Stock-in-trade

These are valued at the lower of cost, determined on weighted moving average cost method, and estimated NRV. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

5.8 Trade debts

These are recognised and carried at the original invoice amounts, being the fair value, less an allowance for uncollectible amounts, if any. The Company applies the IFRS 9 simplified approach to measure the expected credited losses (ECL) which uses the life time expected loss allowance for trade debts.

5.9 Deposits, advances, prepayments and other receivables

These are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

5.10 Cash and cash equivalents

These are carried at cost.

5.11 Employees' benefits

Gratuity

The Company operates an unfunded gratuity scheme for its permanent mill employees. An actuarial valuation of all defined benefit scheme is conducted every year. The valuation uses the Projected Unit Credit method. Actuarial gains and losses are recognised in full in the period in which they occur in the CONSOLIDATED statement of other comprehensive income. All past service costs are recognised at the earlier of when the amendment or curtailment occurs and when the Company has recognised related restructuring or termination benefits.

Provident fund

The Company operates a recognised provident fund for those permanent employees who have opted for it. Equal monthly contributions are made to the fund by the Company and employees in accordance with the fund's rules. Contributions are made by the employees at mill and the employees at head office at the rate of 11% and 10% respectively, of the aggregate of basic salary. Investments made in provident fund have been made in accordance with the provisions of Section 218 of the Act and the conditions specified thereunder.

Compensated absences

The Company accrues its liability towards leaves accumulated by employees on an accrual basis using current salary level.

5.12 Taxation

Current

The charge for current taxation is based on taxable income at the current rates in accordance with Income Tax Ordinance, 2001 (the Ordinance).

Pursuant to the release of Circular 7/2024 by the Institute of Chartered Accountants of Pakistan, the Company has elected to change the method of accounting for minimum taxes and final taxes.

Minimum

The Company has elected to designate the amount calculated on taxable income using the enacted tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognize it as current income tax expense. Any excess over the amount designated as income tax, will then be recognized as a levy falling under the scope of IFRIC 21 / IAS 37.

Final

As computation of final taxes under provisions of the Ordinance is not based on taxable income, therefore, final taxes fall under levy within the scope of IFRIC 21/IAS 37.

Deferred

Deferred tax is recognised using the balance sheet liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts appearing in the CONSOLIDATED financial statements. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax rules that have been enacted or substantially enacted by the statement of financial position date.

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 assets to be utilised.

5.13 Trade and other payables

Liabilities for trade and other payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

5.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

5.15 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 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.

5.16 Foreign currency transactions and translation

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate 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 of monetary assets and liabilities denominated in foreign currencies are recognised in the CONSOLIDATED statement of profit or loss.

5.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVPL). The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. A financial asset is initially measured at fair value plus, for an item not at FVPL, transaction costs that are directly attributable to its acquisition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Financial assets are subsequently measured as follows:

- Financial assets at amortised cost. These are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses are recognised in CONSOLIDATED statement of profit or loss when the asset is derecognised, modified or impaired. The Company does not have any debt instruments at amortised cost during the current and last period and as of the reporting date.
- Financial assets at FVOCI. The Company does not have any financial instruments at FVOCI during the current and last period and as of the reporting date.
- Financial assets at FVPL. These are measured at fair value with net changes in fair value recognised in the CONSOLIDATED statement of profit or loss. This category includes listed equity investments which the Company had not irrevocably elected to classify at FVOCI.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised.

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

  a) the Company has transferred substantially all the risks and rewards of the asset, or

  b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Company recognises an allowance for ECL for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. For trade debts, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities are subsequently measured as follows:

- Financial liabilities at FVPL. The Company has not designated any financial liability at FVPL.
- Financial liabilities at amortized cost. These are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate method. The effective interest rate method amortization is included as finance costs in the CONSOLIDATED statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When 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 or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the CONSOLIDATED statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the CONSOLIDATED statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

5.18 Revenue from contracts with customers

The Company is in the business of sale of goods. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

Performance obligations held by the Company are not separable, and are not partially satisfied, since they are satisfied at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery.

The Company recognizes trade debts when the performance obligations have been met, recognizing the corresponding revenue. Moreover, the considerations received before satisfying the performance obligations are recognized as contract liabilities (advances from customers).

5.19 Other revenues

Revenue from other sources is recognized on the following basis:

i) Dividend income is recognised when the right to receive dividend is established.

ii) Farm and other income are recognised on accrual basis.

5.20 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the CONSOLIDATED financial statements in the period in which these are approved. However, if these are approved after the reporting period but before the CONSOLIDATED financial statements are authorised for issue, disclosure is made in the CONSOLIDATED financial statements.

5.21 Earnings per share

The Company presents basic and diluted earnings per share (EPS) 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 year. Whereas, diluted EPS is determined by adjusting the profit or loss attributable to ordinary share holders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

5.22 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 related to an expense item, it is recognised in the CONSOLIDATED statement of profit or loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

6 PROPERTY, PLANT AND EQUIPMENT

	Note	**2024 Rupees**	2023 Rupees
Operating fixed assets	6.1	**2,204,325,604**	2,209,371,259
Capital work-in-progress	6.2	**152,119,993**	188,580,952
		2,356,445,597	2,397,952,211

6.1 Operating fixed assets

	COST			ACCUMULATED DEPRECIATION			BOOK VALUE	
	At 01 October 2023	Additions / (deletions)	At 30 September 2024	At 01 October 2023	Charge for the year / (deletions)	At 30 September 2024	At 30 September 2024	Rate
	Rupees							%
Freehold land	83,394,207	-	83,394,207	-	-	-	83,394,207	-
Buildings on freehold land								
- Factory	326,934,987	823,600	327,758,587	215,699,000	11,130,462	226,829,462	100,929,125	10%
- Non-factory	51,623,372	-	51,623,372	25,457,146	1,308,311	26,765,457	24,857,915	5%
Plant, machinery and equipment	3,688,162,680	147,561,975	3,835,724,655	1,797,505,458	146,822,944	1,944,328,402	1,891,396,253	7.50%
Furniture and fittings	10,499,053	159,000	10,658,053	6,400,068	425,799	6,825,867	3,832,186	10%
Vehicles	76,034,581	4,084,340 (3,453,500)	76,665,421	73,974,192	1,163,822 (3,453,500)	71,684,514	4,980,907	20%
Office premises	85,022,551	-	85,022,551	37,158,704	2,393,192	39,551,896	45,470,655	5%
Office equipment	7,762,157	423,000	8,185,157	4,900,557	323,993	5,224,550	2,960,607	10%
Electric installation	43,442,991	6,813,359	50,256,350	19,457,443	2,901,080	22,358,523	27,897,827	10%
Weighbridge and scales	4,781,889	-	4,781,889	2,913,321	186,857	3,100,178	1,681,711	10%
Workshop tools and other equipment	6,341,923	-	6,341,923	5,559,135	78,279	5,637,414	704,509	10%
Computers	18,041,694	1,263,350	19,305,044	14,987,842	1,073,263	16,061,105	3,243,939	30%
Air conditioners and refrigerators	22,930,839	2,915,458	25,846,297	11,588,799	1,281,735	12,870,534	12,975,763	10%
	4,424,972,924	164,044,082 (3,453,500)	4,585,563,506	2,215,601,665	169,089,737 (3,453,500)	2,381,237,902	2,204,325,604	
2024	**4,424,972,924**	**160,590,582**	**4,585,563,506**	**2,215,601,665**	**165,636,237**	**2,381,237,902**	**2,204,325,604**	

	COST			ACCUMULATED DEPRECIATION			BOOK VALUE	
	At 01 October 2022	Additions / (deletions)	At 30 September 2023	At 01 October 2022	Charge for the year / (deletions)	At 30 September 2023	At 30 September 2023	Rate
	Rupees							%
Freehold land	83,394,207	-	83,394,207	-	-	-	83,394,207	-
Buildings on freehold land								
- Factory	320,705,533	6,229,454	326,934,987	203,685,526	12,013,474	215,699,000	111,235,987	10%
- Non-factory	51,623,372	-	51,623,372	24,079,976	1,377,170	25,457,146	26,166,226	5%
Plant, machinery and equipment	3,534,682,116	153,480,564	3,688,162,680	1,649,890,281	147,615,177	1,797,505,458	1,890,657,222	7.50%
Furniture and fittings	9,976,853	522,200	10,499,053	5,974,879	425,189	6,400,068	4,098,985	10%
Vehicles	76,967,482	906,099 (1,839,000)	76,034,581	75,304,894	405,092 (1,735,794)	73,974,192	2,060,389	20%
Office premises	85,022,551	-	85,022,551	34,639,554	2,519,150	37,158,704	47,863,847	5%
Office equipment	7,282,157	480,000	7,762,157	4,614,591	285,966	4,900,557	2,861,600	10%
Electric installation	42,131,085	1,311,906	43,442,991	16,802,500	2,654,943	19,457,443	23,985,548	10%
Weighbridge and scales	4,781,889	-	4,781,889	2,705,702	207,619	2,913,321	1,868,568	10%
Workshop tools and other equipment	6,341,923	-	6,341,923	5,472,159	86,976	5,559,135	782,788	10%
Computers	17,171,694	870,000	18,041,694	13,853,655	1,134,187	14,987,842	3,053,852	30%
Air conditioners and refrigerators	21,038,416	1,892,423	22,930,839	10,411,560	1,177,239	11,588,799	11,342,040	10%
	4,261,119,278	165,692,646 (1,839,000)	4,424,972,924	2,047,435,277	169,902,182 (1,735,794)	2,215,601,665	2,209,371,259	
2023	4,261,119,278	163,853,646	4,424,972,924	2,047,435,277	168,166,388	2,215,601,665	2,209,371,259	

6.1.1 Depreciation charge for the year has been allocated as follows:

	Note	2024 Rupees	2023 Rupees
Cost of sales	28	**162,427,933**	163,955,359
Administrative expenses	30	**6,661,804**	5,946,823
		169,089,737	169,902,182

6.1.2 Particulars of immovable assets of the Company are as follows:

Particulars	Usage of Property	Covered Area (Sq. ft.)
Freehold land	Mill	5.5 million
Building on freehold land		0.37 million

	Buildings on freehold land	Plant, machinery and equipment	Total
6.2 Capital work-in-progress	---------------------- Rupees ----------------------		
Balance as at 30 September 2022	10,833,701	223,157,525	233,991,226
Capital expenditure incurred / advances made during the year	-	94,721,500	94,721,500
Transferred to operating fixed assets	(6,229,454)	(133,902,320)	(140,131,774)
Balance as at 30 September 2023	4,604,247	183,976,705	188,580,952
Capital expenditure incurred / advances made during the year	17,642,728	114,530,108	132,172,836
Transferred to operating fixed assets	(823,600)	(120,763,526)	(121,587,126)
Transfer to sores & spares parts	(4,160,407)	(42,886,262)	(47,046,669)
Balance as at 30 September 2024	17,262,968	134,857,025	152,119,993

7 RIGHT-OF-USE ASSETS

	2024			2023		
	Vehicles	Farms	Total	Vehicles	Farms	Total
	Rupees			Rupees		
As at 01 October						
Cost	118,031,290	-	118,031,290	80,894,190	18,624,311	99,518,501
Accumulated depreciation	(52,312,930)	-	(52,312,930)	(32,317,975)	(17,257,311)	(49,575,286)
Net book value	65,718,360	-	65,718,360	48,576,215	1,367,000	49,943,215
Net carrying value basis						
Opening net book value	65,718,360	-	65,718,360	48,576,215	1,367,000	49,943,215
Additions during the year	55,231,500	58,652,664	113,884,164	38,870,100	-	38,870,100
Disposals during the year	(709,201)	-	(709,201)	(1,343,959)	-	(1,343,959)
Depreciation charged during the year	(42,025,596)	(7,331,583)	(49,357,179)	(20,383,996)	(1,367,000)	(21,750,996)
Closing net book value	78,215,063	51,321,081	129,536,144	65,718,360	-	65,718,360
As at 30 September						
Cost	173,262,790	58,652,664	231,915,454	118,031,290	18,624,311	174,835,341
Accumulated depreciation	(95,047,727)	(7,331,583)	(102,379,310)	(52,312,930)	(18,624,311)	(109,116,981)
Net book value	78,215,063	51,321,081	129,536,144	65,718,360	-	65,718,360
Depreciation % per annum	20%	32%		20%	32%	

8 LONG-TERM RECEIVABLES

	Note	2024 Rupees	2023 Rupees
Subsidy receivable		303,776,070	304,117,888
Others	8.1	42,510,996	42,510,996
		346,287,066	346,628,884
Allowance for ECL		(346,287,066)	(346,628,884)
		-	-

8.1 Represents down payment made in respect of purchase of Thatta Sugar Mills (the Mill) and other costs incurred in running the Mill from November 1992 up to July 1993, when the Mill was forcibly taken over by the Government of Sindh (GoS) without paying any amount. The Company filed a law suit for Rs. 166 million being the amount of down payment, expenses incurred (including payment to workers) and loss of profits. The GoS made a counter claim of Rs. 402 million against the Company. The case is currently pending in the Honorable High Court of Sindh (the Court) for recording of evidences. While the Company's suit for recovery of compensation is pending in the Court, the GoS invited bids for the sale of the Mill through Sindh Privatization Commission but it could not succeed. The GoS is now trying to privatize it through the Federal Privatization Commission. The Company has made full provision against the said receivable as a matter of prudence and the fact that the debt is outstanding for a considerable period.

9 LONG-TERM INVESTEMNTS	Note	2024 Rupees	2023 Rupees
Associates	9.1	**1,126,416,293**	1,803,697,500

9.1 Associates	Unicol Limited (note 9.1.1)	UniEnergy Limited (note 9.2.1)	Total
2024		Rupees	
Opening balance	**1,783,082,782**	**20,614,718**	**1,803,697,500**
Share of (loss)/profit from associates	**(652,479,064)**	**197,856**	**(652,281,208)**
Dividends received	**(24,999,999)**	**-**	**(24,999,999)**
Closing balance	**1,105,603,719**	**20,812,574**	**1,126,416,293**
Percentage of shareholding	**33%**	**20%**	

	Unicol Limited	UniEnergy Limited	Total
2023		Rupees	
Opening balance	1,146,523,931	20,382,214	1,166,906,145
Share of profit from associates	911,558,835	232,504	911,791,339
Dividends received	(274,999,984)	-	(274,999,984)
Closing balance	1,783,082,782	20,614,718	1,803,697,500
Percentage of shareholding	33%	20%	

9.1.1 Unicol Limited (UL)

UL is incorporated in Pakistan as a public unlisted company with its registered office situated at Sub Post Office Sugar Mills, Umerkot Road, Mirpurkhas. The principal activity of the Company is to manufacture and sell ethanol, carbon dioxide, sugar and its by-products. The share of the Company in the net asset has been determined on the basis of financial statements as of 30 September 2024. The summarised financial information of UL is as follows:

Aggregate amount of:	2024 Rupees	2023 Rupees
- assets	**16,275,657,442**	15,463,061,000
- liabilities	**12,958,769,564**	10,113,539,000
- revenue	**19,217,560,270**	15,064,436,134
- (loss) / profit after taxation	**(1,957,632,958)**	2,734,950,000

9.1.2 UniEnergy Limited (UEL)

UEL is incorporated in Pakistan as a public unlisted company with its registered office situated at 1st Floor, Modern Motors House, Beaumont Road, Karachi. The principal activity of UEL is to build, operate and maintain wind power generating project of 50 Mega Watts for the generation and supply of electric power in relation thereof, however, it is in start-up phase and has not commenced its operations. The share of the Company in the net asset has been determined on the basis of un-audited financial statements as of 30 September 2024. The summarised financial information of UEL is as follows:

Aggregate amount of:	2024 Rupees	2023 Rupees
- assets	105,324,990	104,078,688
- liabilities	1,230,522	973,500
- profit after taxation	989,280	1,162,519

10 STORES AND SPARE PARTS

Stores	52,972,354	78,392,873
Spare parts	126,037,441	73,189,063
	179,009,795	151,581,936

11 STOCK-IN-TRADE - finished goods

Sugar		
- Work-in-process	6,907,846	4,822,450
- Finished goods	2,584,930,892	550,703,834
Bagasse		
- Finished goods	7,179,871	37,088,421
	2,599,018,609	592,614,705

12 TRADE DEBTS

Considered good	479,404,658	288,597,782
Considered doubtful	16,987,867	16,987,867
	496,392,525	305,585,649
Allowance for ECL	(16,987,867)	(16,987,867)
	479,404,658	288,597,782

12.1 The maximum aggregate amount due from related parties at any time during the year calculated by reference to month-end balances is as follows:

	Note	2024 Rupees	2023 Rupees
Unicol Limited		6,295,151	2,173,500

13 SHORT-TERM INVESTMENTS - at FVPL

	Note	2024 Rupees	2023 Rupees
Equity securities	13.1	619,822,867	611,821,122
Mutual funds	13.2	7,392,483	302,158,023
		627,215,350	913,979,145

13.1 Equity Securities - quoted

	2024 Rupees	2023 Rupees
Bank Al Habib Limited	-	67,545,000
MCB Bank Limited	-	25,870,000
Jubilee Life Insurance Company Limited	-	9,395,349
Lucky Cement Limited	397,818,000	156,063,712
Maple Leaf Cement Factory Limited	32,440,000	44,923,623
Habib Bank Limited	31,760,000	-
Meezan Bank Limited	114,187,017	114,666,274
Interloop Limited	-	22,580,000
Bankislami Pakistan Limited	-	7,507,163
Mari Petroleum Company Limited	43,617,850	78,005,001
Oil & Gas Development Company Limited	-	48,230,000
Pakistan Petroleum Limited	-	37,035,000
	619,822,867	611,821,122

13.2 Mutual Funds

	2024 Rupees	2023 Rupees
MCB Investment Management Limited	1,851,605	100,705,829
Al Meezan Investment Management Limited	2,243	101,148,111
Alfalah Assets Management Limited	5,538,635	100,304,083
	7,392,483	302,158,023

14 CASH AND BANK BALANCES

	2024 Rupees	2023 Rupees
Cash in hand	38,818	126,066
Cash with banks - current accounts		
- Local	56,271,280	16,353,368
- Foreign	32,174,834	30,394,588
	88,446,114	46,747,956
	88,484,932	46,874,022

			2024 Rupees	2023 Rupees

15 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2024 (Number of shares)	2023 (Number of shares)		2024 Rupees	2023 Rupees
		Ordinary shares of Rs.10/- each issued as:		
6,318,750	6,318,750	- fully paid in cash	**63,187,500**	63,187,500
68,608,859	68,608,859	- bonus shares	**686,088,590**	686,088,590
74,927,609	74,927,609		**749,276,090**	749,276,090

15.1 The voting rights, board selection, right of first refusal and block voting are in proportion to the shareholding of the shareholders.

16 LONG-TERM FINANCING – secured

	Note	2024 Rupees	2023 Rupees
Finance facilities	16.1	**84,375,000**	140,625,000
Temporary Economic Refinance Facility	16.2	**276,913,908**	309,647,448
Renewable solar financing scheme	16.3	**40,795,279**	41,871,155
		402,084,187	492,143,603
Less: current portion	25	**(112,304,067)**	(100,639,541)
		289,780,120	391,504,062

16.1 Represent financing facilities amounting to Rs. 350 million obtained from various commercial banks repayable in quarterly instalments latest by October 2025. These carry mark-up at the rate of 3 months' KIBOR plus spread ranging from 1% to 1.25% per annum. These facilities are secured by way of first pari passu charge over plant and machinery of the Company.

16.2 Represents financing facility amounting to Rs. 500 million obtained from MCB Bank Limited repayable in quarterly installments latest by January 2032. This carries mark-up at the SBP rate plus 3% per annum and is secured by the way of charge over plant and machinery of the Company.

16.3 Represent financing facilities amounting to Rs. 72.76 million obtained from various commercial banks repayable in quarterly installments latest by September 2033. These carry mark-up at the SBP plus spread ranging from 1% to 4% per annum. These facilities are secured by the way of charge over plant and machinery of the Company.

16.4 The movement of long term finance is as follows:

	Note	2024 Rupees	2023 Rupees
Opening balance		**492,143,603**	1,028,369,942
Proceeds during the year		**-**	69,392,212
Amount recognized as government grant		**-**	(37,151,950)
Unwinding of finance cost	20	**24,947,973**	24,017,604
Payments made during the year		**(115,007,389)**	(592,484,205)
Closing balance		**402,084,187**	492,143,603
Less: current portion	25	**(112,304,067)**	(100,639,541)
		289,780,120	391,504,062

17 LEASE LIABILITIES

	Note	2024 Rupees	2023 Rupees
Lease liabilities	25	**127,515,138**	63,743,043
Less: Current portion	17.1	**(51,043,896)**	(15,141,364)
		76,471,242	48,601,679

17.1 Movement of lease liabilities:

	2024			2023		
	Vehicles	**Farms**	**Total**	Vehicle	Farms	Total
	------------ Rupees ------------			------------ Rupees ------------		
Opening balance	**63,743,043**	**-**	**63,743,043**	46,455,330	-	46,455,330
Additions during the year	**55,231,500**	**58,652,664**	**113,884,164**	37,165,000	-	37,165,000
Finance cost during the year	**19,349,411**	**9,187,738**	**28,537,149**	11,539,560	-	11,539,560
Payments during the year	**(58,649,218)**	**(20,000,000)**	**(78,649,218)**	(31,416,847)	-	(31,416,847)
Closing balance	**79,674,736**	**47,840,402**	**127,515,138**	63,743,043	-	63,743,043
Less: Current portion	**(43,850,060)**	**(7,193,836)**	**(51,043,896)**	(15,141,364)	-	(15,141,364)
	35,824,676	**40,646,566**	**76,471,242**	48,601,679	-	48,601,679

17.2 Future period lease payments and interest expense:

	2024			2023		
	Minimum lease payments	**Interest expense for the future periods**	**Present value of minimum lease payments**	Minimum lease payments	Interest expense for the future periods	Present value of minimum lease payments
	------------ Rupees ------------			------------ Rupees ------------		
Not more than 1 year	**56,770,250**	**12,920,189**	**43,850,061**	31,982,210	13,314,309	18,667,901
Later than 1 year but not more than 5 years	**43,734,670**	**7,909,993**	**35,824,677**	59,787,198	14,712,055	45,075,143
	100,504,920	**20,830,182**	**79,674,737**	91,769,408	28,026,364	63,743,044

18 MARKET COMMITTEE FEE PAYABLE

	Note	2024 Rupees	2023 Rupees
Balance at the beginning of the year		**49,446,910**	51,853,527
Provision during the year		**32,470,005**	-
Impact of discounting - net	31 & 32	**(15,757,176)**	3,782,536
Payments during the year		**(6,189,153)**	(6,189,153)
Balance at the end of the year		**59,970,586**	49,446,910
Less: current portion	25	**(2,969,778)**	(2,611,179)
		57,000,808	46,835,731

19 DEFERRED LIABILITIES

	Note	2024 Rupees	2023 Rupees
Staff gratuity	19.1	**3,520,561**	3,280,132

19.1 Staff gratuity

	Note	2024 Rupees	2023 Rupees
Opening balance		**3,280,132**	3,971,207
Provision for the year	19.3	**973,741**	968,674
Benefits paid during the year		**(699,007)**	(830,420)
Actuarial gain on remeasurement	19.4	**(34,305)**	(829,329)
Closing balance		**3,520,561**	3,280,132

19.2 Principal actuarial assumptions

	2024	2023
Financial assumptions		
Discount rate	**12.00%**	16.75%
Expected rate of increase in salary level	**15.00%**	11.75%
Demographic assumptions		
Expected mortality rate	**SLIC 2001-05**	SLIC 2001-05
Expected withdrawal rate	**High**	High
Long term salary increase rate	**12.00%**	14.75%

	2024 Rupees	2023 Rupees
19.3 Amount recognised in profit or loss		
Current service cost	**502,002**	497,504
Interest cost	**471,739**	471,170
	973,741	968,674
19.4 Amount recognised in OCI		
Financial assumptions	**162,461**	(173,704)
Experience adjustments	**(196,766)**	(655,625)
	(34,305)	(829,329)

	Change in assumption	Increase in defined benefit obligation	Decrease in defined benefit obligation
		2024	
19.5 Sensitivity analysis		---------- (Rupees) ----------	
Discount rate	**1%**	**65,843**	62,371
Salary increase rate	**1%**	**56,974**	54,864

	2024	2023	2022	2021	2020
	----	----	(Rupees)	----	----
Present value of defined benefit obligations	**3,597,521**	3,280,132	3,971,207	4,301,305	4,445,294

The amount of the defined benefit obligation after changes in the weighted principal assumptions is as follows:

	2024			
	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
	----	(Rupees)	----	----
Present value of defined benefit obligation	**3,659,892**	**3,663,364**	**3,654,495**	**3,652,385**

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the retirement benefit obligation to significant actuarial assumptions the same method (present value of the retirement benefit obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

19.6 Maturity profile

Below is the maturity profile based on the undiscounted payments:	2024 Rupees	2023 Rupees
Year 1	**2,190,532**	1,377,152
Year 2	**348,929**	1,560,183
Year 3	**498,176**	361,229
Year 4	**289,586**	345,656
Year 5	**387,317**	203,522
Year 6 to Year 10	**728,637**	527,171
Year 11 and above	**297,370**	104,605

19.7 Risks associated with defined benefit plans

Longevity risks:

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Salary increase risk:

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 risk:

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.

19.8 The expected gratuity expense for the year ending 30 September 2025 works out to Rs. 766,947

19.9 The weighted average duration of the defined benefit obligation at September 30, 2024 is 1.86 years (2023: 1.55 years).

20 DEFERRED INCOME - government grant

	Note	2024 Rupees	2023 Rupees
Balance at beginning of the year		**123,041,889**	109,907,543
Recognized during the year		**-**	37,151,950
Amortization during the year	31	**(24,947,973)**	(24,017,604)
Balance at end of the year		**98,093,916**	123,041,889
Less: current portion	25	**(22,389,630)**	(24,317,668)
		75,704,286	98,724,221

21 DEFERRED TAXATION

	2024 Rupees	2023 Rupees
Taxable temporary differences arising due to:		
Accelerated tax depreciation	**357,462,151**	347,049,267
Share of loss from associates	**278,057,685**	474,469,235
Others	**15,086,985**	12,562,871
	650,606,821	834,081,373
Deductable temporary differences arising due to:		
Allowance for ECL	**(100,423,249)**	(100,522,376)
Unused tax losses / minimum tax	**-**	(40,608,670)
Provisions	**(7,497,377)**	(14,180,676)
	(107,920,626)	(155,311,722)
	542,686,195	678,769,651

21.1 The movement of deferred taxation is as follows:

	2024 Rupees	2023 Rupees
Opening balance	**678,769,650**	47,087,847
Recognised in profit or loss	**(136,093,403)**	631,408,124
Recognised in OCI	**9,948**	273,679
Closing balance	**542,686,195**	678,769,650

22 TRADE AND OTHER PAYABLES

	2024 Rupees	2023 Rupees
Creditors	**140,296,205**	105,210,018
Accrued expenses	**266,848,272**	273,928,328
Payable to provident fund	**1,591,285**	1,313,991
Workers' Welfare Fund	**50,411,072**	52,510,733
Workers' Profit Participation Fund	**-**	64,393,787
Advance from employees against purchase of vehicles - secured	**25,630,210**	26,766,018
Withholding tax payable	**4,112,218**	2,541,161
Others	**19,893,732**	30,947,328
	508,782,994	557,611,364

23 CONTRACT LIABILITIES

Represent advance received from various customers. Revenue recognised during the year from amounts included in contract liabilities at beginning of the year amounted to Rs. 408.682 million (2023: Rs. 505.943 million).

24 SHORT-TERM BORROWINGS – secured

	Note	2024 Rupees	2023 Rupees
Running finance	24.1	**828,953,319**	13,907,890
Cash finance	24.2	**1,851,164,709**	305,120
		2,680,118,028	14,213,010

24.1 Represent running finance facilities amounting to Rs. 1,575 million (2023: Rs. 975 million) obtained from various commercial banks. These carry mark-up at the rate of 1 to 3 months' KIBOR plus spread ranging from 0.55% to 0.75% per annum. These facilities are secured by way of hypothecation of stock-in-trade, plant and machinery, stores, spares and receivables of the Company.

24.2 Represent cash finance facilities amounting to Rs. 8,375 million (2023: Rs. 5,573 million) obtained from various commercial banks. These carry mark-up at the rate of 1 to 3 months' KIBOR plus spread ranging from 0.35% to 0.75% (2023: 0.35% to 1%). These facilities are secured by way of pledge of stock-in-trade and plant and machinery of the Company.

25 CURRENT PORTION OF NON-CURRENT LIABILITIES

	Note	2024 Rupees	2023 Rupees
Long-term financing	16	**112,304,067**	100,639,541
Lease liabilities	17	**51,043,896**	15,141,364
Market committee fee payable	18	**2,969,778**	2,611,179
Deferred income - government grant	20	**22,389,630**	24,317,668
		188,707,371	142,709,752

26 CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

a) During the year ended 30 September 2021, Deputy Commissioner Inland Revenue (DCIR) had passed orders with respect to tax years 2015, 2016, 2017, 2018 and 2019 creating a demand of Rs. 3,607 million, Rs. 6,719 million, Rs. 6,810 million, Rs. 8,150 million and Rs. 7,479 million respectively. The Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the above demand who deleted most of the unjustified add backs and remanded back the remaining items amounting to Rs. 153 million, 347 million, 14 million, 63 million and 407 million for tax years 2015, 2016, 2017, 2018 and 2019 respectively, to DCIR for fresh assessment and adjudication. There has been no action from DCIR as of to date. Based on the advice of the tax advisor, the management is confident of a favorable outcome and hence, no provision is made in these CONSOLIDATED financial statements.

b) During the year ended 30 September 2021, the Competition Commission of Pakistan (CCP) had passed a consolidated order whereby penalties have been levied on 84 sugar mills and in this respect, Rs. 265.588 million had been levied on the Company equivalent to 5% of the total turnover of Rs. 5,311 million as per the financial statements for the year ended 30 September 2019. The Company along with 18 other sugar mills had filed a suit before the Court which suspended the order of CCP. However, the CCP, in contravention of the above restraining order of the Court, issued a show-cause notice under section 30 of the Competition Act, 2010 on 08 October 2021, wherein identical issues were involved. The Company, along with 18 other sugar mills, again filed a suit before the Court which suspended the above show-cause notice dated 08 October 2021. Based on the advice of the legal advisor, the management is confident of a favorable outcome and hence, no provision is made in these CONSOLIDATED financial statements.

26.2 Commitments

	2024 Rupees	2023 Rupees
Capital commitments	**19,087,895**	6,462,900
Letter of guarantee	**12,600,000**	-

27 TURNOVER – gross

	2024	2023
Sugar - local	**10,885,189,237**	10,830,651,100
Sugar - export	**200,091,234**	406,229,824
Molasses	**1,388,649,457**	1,122,500,498
Bagasse	**365,251,779**	303,583,235
Mud	**6,169,817**	1,207,346
	12,845,351,524	12,664,172,003

27.1 Include sales to Unicol Limited - a related party amounting to Rs. 1,460 million (2023: Rs. 1,161 million)

28 COST OF SALES

	Note	2024 Rupees	2023 Rupees
Cost of sugarcane consumed		**10,928,566,674**	6,608,737,529
Provision for market committee fee		**9,029,320**	8,048,716
Road cess on sugarcane		**5,643,381**	5,030,658
Salaries, wages and other benefits	28.1	**331,102,941**	278,335,651
Stores and spare parts consumed		**453,464,685**	358,422,996
Repairs and maintenance		**83,780,164**	139,051,134
Fuel, electricity and water charges		**10,845,915**	21,782,551
Vehicle running and maintenance expenses		**21,574,609**	13,235,865
Manufacturing overheads		**47,118,274**	23,274,618
Insurance		**26,640,514**	17,760,140
Depreciation on operating fixed assets	6.1.1	**162,427,933**	163,955,359
Others		**20,048,941**	21,239,496
		12,100,243,351	7,658,874,713
Opening stock of work-in-process		**4,822,450**	4,726,932
Closing stock of work-in-process	11	**(6,907,846)**	(4,822,450)
		(2,085,396)	(95,518)
Cost of goods manufactured		**12,098,157,955**	7,658,779,195
Opening stock of finished goods		**587,792,255**	1,548,582,934
Closing stock of finished goods	11	**(2,592,110,763)**	(587,792,255)
		(2,004,318,508)	960,790,679
		10,093,839,447	8,619,569,874

28.1 Include gratuity expense of Rs.0.974 million (2023: Rs. 0.969 million) and contribution to provident fund of Rs. 3.637 million (2023: Rs. 3.092 million).

29 DISTRIBUTION COSTS

	Note	2024 Rupees	2023 Rupees
Salaries and other benefits	29.1	**5,319,922**	3,952,279
Stacking and loading		**18,846,699**	13,220,709
Freight outwards		**107,072,704**	54,752,001
Others		**2,025,871**	12,302,716
		133,265,196	84,227,705

29.1 Include contribution to provident fund of Rs.0.0819 millon (2023: Rs. 0.0805 million).

30 ADMINISTRATIVE EXPENSES

	Note	2024 Rupees	2023 Rupees
Salaries and other benefits	30.1	**182,778,019**	162,290,044
Rent, rates and taxes		**1,125,029**	1,296,545
Electricity, telephone, fax and postage		**16,469,560**	12,889,449
Printing and stationery		**1,885,329**	2,017,977
Travelling and conveyance		**24,521,568**	21,811,029
Vehicle running and maintenance expenses		**15,903,937**	12,175,821
Auditor's remuneration	30.2	**3,493,600**	3,297,400
Legal and professional		**10,512,178**	12,456,700
Fees and subscription		**10,113,001**	12,176,055
Insurance		**212,062**	103,041
Repairs and maintenance		**19,385,630**	20,605,178
Advertising		**175,500**	757,700
Donations	30.3	**11,782,000**	16,136,913
Depreciation:			
- Operating fixed assets	6.1.1	**6,661,804**	5,946,823
- Right-of-use assets		**49,357,179**	21,750,996
Other expenses		**236,914**	4,063,815
		354,613,309	309,775,486

30.1 Include contribution to provident fund of Rs.2.933 million (2023: Rs. 2.788 million).

30.2 Auditor's remuneration

	Note	2024 Rupees	2023 Rupees
Audit fee		**2,300,000**	2,189,000
Half yearly review		**500,000**	425,000
Review of compliance with CCG		**200,000**	200,000
Certifications		**165,000**	162,000
Out of pocket expenses		**280,000**	281,400
		3,445,000	3,257,400

30.3 Include Rs. 11.300 million paid to Usman Memorial Hospital Foundation (related party). Where the directors of the Company namely Mohammed Hussain Hasham and Ahmed Ebrahim Hasham are the Trustees.

31 OTHER INCOME

	Note	2024 Rupees	2023 Rupees
Income from financial assets			
Dividend income		**92,915,180**	78,694,497
Gain on disposal of investments at FVPL		**553,976,485**	68,039,890
Gain on disposal of non-current asset held for sale		**-**	92,056,444
Unrealised gain on remeasurement of investments at FVPL		**115,484,260**	16,711,371
Others		**14,886,733**	4,098,442
		777,262,658	259,600,645
Income from non-financial assets			
Farm income		**5,067,010**	6,319,634
Gain on disposal of property, plant and equipment / right-of-use assets		**10,622,051**	2,292,835
Impact of discounting - net	18	**15,757,176**	-
Amortization of deferred income - government grant	20	**24,415,578**	24,017,604
		55,861,815	32,630,073
		833,124,473	292,230,718

32 FINANCE COSTS

	Note	2024 Rupees	2023 Rupees
Mark-up / interest on:			
- Long-term financing		**65,137,678**	132,047,778
- Short-term borrowings		**1,151,643,463**	481,084,864
- Lease liabilities		**28,537,149**	11,539,560
- Workers' Profits Participation Fund		**2,712,320**	-
		1,248,030,610	624,672,202
Bank charges		**5,056,295**	6,849,587
Impact of discounting - net	18	**-**	3,782,536
		1,253,086,905	635,304,325

33 TAXATION

	2024 Rupees	2023 Rupees
Current	**-**	223,256,305
Prior	**85,242,944**	10,493,106
	85,242,944	233,749,411
Deferred	**(136,093,403)**	407,696,396
	(50,850,459)	641,445,807

33.1 As the tax charge for the year ended 30 September 2024 was based on minimum taxation and taxation under final tax regime, reconciliation of tax expense with accounting profit was not presented.

34 BASIC AND DILUTED (LOSS) / EARNING PER SHARE

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

	2024	2023
Net (loss) / profit after income tax attributable to ordinary shares - (Rupees)	**(799,075,354)**	1,442,949,464
Weighted average number of ordinary shares	**74,927,609**	74,927,609
(Loss) / earnings per share - (Rupees)	**(10.66)**	19.26

35 WORKING CAPITAL CHANGES

	2024 Rupees	2023 Rupees
(Increase) / decrease in current assets		
Biological assets	**(4,565,500)**	11,707,300
Stores and spare parts	**(27,427,859)**	(7,275,110)
Stock-in-trade	**(2,006,403,904)**	960,695,161
Trade debts	**(190,806,876)**	(188,176,887)
Loans and advances	**(5,034,176)**	(66,014,182)
Trade deposits and short-term prepayments	**15,157,560**	(66,619,964)
Other receivables	**63,496,884**	(63,396,415)
	(2,155,583,871)	580,919,903
Increase / (decrease) in current liabilities		
Trade and other payables	**(48,828,370)**	100,314,883
Contract liabilities (advances from customers)	**(357,477,305)**	(97,261,341)
Sales tax and federal excise duty payable	**(2,132,941)**	53,122,261
	(408,438,616)	56,175,803
	(2,564,022,487)	637,095,706

36 TRANSACTIONS WITH RELATED PARTIES

36.1 Related parties of the Company comprise of subsidiary, associates, retirement funds, directors and key management personnel. Transactions with related parties are disclosed in relevant notes to these CONSOLIDATED financial statements.

36.2 Details of related parties

Name of related parties	Basis of relationship	Percentage of shareholding by the Company
Mehran Energy Limited	Subsidiary	100%
Unicol Limited	Associate	33.33%
Unienergy Limited	Associate	20%
Pakistan Molasses Company (Private) Limited	Common directorship	-
Mogul Tobacco Company (Private) Limited	Common directorship	-
Hasham Foundation	Common directorship	-
Usman Memorial Hospital Foundation	Common directorship	-
Hasham (Private) Limited	Common directorship	-
MCB Islamic Bank Limited	Common directorship	-
Mr. Mohammed Kasim Hashim - Chairman	Key management personnel	-
Mr. Ahmed Ebrahim Hasham - Chief Executive Officer	Key management personnel	-
Mr. Mohammed Hussain Hasham - Director	Key management personnel	-
Mr. Khurram Kasim - Director	Key management personnel	-
Ms. Sofia Kasim - Director	Key management personnel	-
Mrs. Anushey A. Hasham - Director	Key management personnel	-
Mr. Hasan Aziz Bilgrami - Director	Key management personnel	-
Mr. Iftikhar Soomro - Director	Key management personnel	-
Mr. Muhammad Iqbal - Director	Key management personnel	-
Mr. Syed Ehtisham ud din - Director	Key management personnel	-
Mr. Muhammad Hanif Aziz - Chief Financial Officer	Key management personnel	-
Mr. Ali Hassan - Comapany Secretary	Key management personnel	-
Mehran Sugar Mills Staff Provident Fund	Retirement Fund	-

37 CAPACITY AND PRODUCTION

	Tons of Cane crushing per Day (TCD)	
	Rated Capacity	Average Capacity Utilisation
Season 2023 - 2024	**12,500 TCD**	**8,940 TCD**
Season 2022 - 2023	12,500 TCD	9,469 TCD

The short fall in crushing is due to the scarcity of sugarcane in the market.

38 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2024					2023				
	Chief Executive Officer	**Executive Director**	**Non-Executive Directors**	**Executives**	**Total**	Chief Executive Officer	Executive Director	Non-Executive Directors	Executives	Total
	------- Rupees -------									
Fee	**-**	**-**	**1,500,000**	**-**	**1,500,000**	-	-	1,650,000	-	1,650,000
Salary and other allowances:	**23,362,500**	**16,687,500**	**-**	**93,163,050**	**133,213,050**	18,510,000	2,500,000	-	77,297,540	98,307,540
Retirement benefits	**934,500**	**667,500**		**2,467,860**	**4,069,860**	1,110,600	150,000		2,295,338	3,555,938
Bonus	**752,500**	**-**	**-**	**2,792,340**	**3,544,840**	2,100,000	-	-	5,386,020	7,486,020
	25,049,500	**17,355,000**	**1,500,000**	**98,423,250**	**142,327,750**	21,720,600	2,650,000	1,650,000	84,978,898	110,999,498
Number of persons	**1**	**1**	**6**	**19**	**27**	1	1	8	11	21

38.1 In addition, the Chief Executive Officer is provided with free use of the Company maintained cars, in accordance with their terms of service.

39 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and market risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

39.1 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counter-parties and continually assessing the creditworthiness of counter-parties.

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Company is mainly exposed to credit risk in respect of the following:

	2024 Rupees	2023 Rupees
Trade debts	**479,404,658**	288,597,782
Other receivables	**-**	63,496,884
Bank balances	**88,446,114**	46,669,910
	567,850,771	398,764,577

Quality of financial assets

The credit quality of financial assets can be assessed by reference to external credit ratings or the historical information about counter party default rates as shown below:

39.1.1 Trade debts

There are no customers with defaults as at the current and prior year reporting date.

39.1.2 Bank balances

		2024 Rupees	2023 Rupees
With external credit rating:			
A1+	PACRA	**37,439,965**	25,308,264
A-1+	PACRA	**-**	1,005
A-1+	JCR – VIS	**49,067,834**	17,845,268
A1	PACRA	**1,860,269**	3,515,374
		88,368,068	46,669,910

39.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company applies the prudent risk management policies by maintaining sufficient cash and bank balances and by keeping committed credit lines. The table below summarizes the maturity profile of the Company's financial liabilities at the following reporting dates:

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	---------- Rupees ----------				
Long-term financing	**-**	**-**	**112,304,067**	**289,780,120**	**402,084,187**
Lease liabilities	**-**	**-**	**51,043,896**	**76,471,242**	**127,515,138**
Trade and other payables	**47,115,227**	**461,667,767**	**-**	**-**	**508,782,994**
Unclaimed dividend	**26,816,767**	**-**	**-**	**-**	**26,816,767**
Accrued markup	**-**	**266,142,380**	**-**	**-**	**266,142,380**
Market committee fee payable	**-**	**-**	**2,969,778**	**57,000,808**	**59,970,586**
Short term borrowings	**-**	**2,680,118,028**	**-**	**-**	**2,680,118,028**
2024	**73,931,994**	**3,407,928,175**	**166,317,741**	**423,252,170**	**4,071,430,080**

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	---------- Rupees ----------				
Long-term financing	-	-	100,639,541	391,504,062	492,143,603
Lease liabilities	-	-	15,141,364	48,601,679	63,743,043
Trade and other payables	59,027,337	379,138,346	-	-	438,165,683
Unclaimed dividend	23,378,823	-	-	-	23,378,823
Accrued markup	-	27,520,528	-	-	27,520,528
Market committee fee payable	-	-	2,611,179	46,835,731	49,446,910
Short term borrowings	-	14,213,010	-	-	14,213,010
2023	82,406,160	420,871,884	118,392,084	486,941,472	1,108,611,599

39.3 Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rate, foreign exchange rates and equity prices.

39.3.1 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates mainly relates to long-term financing, short-term borrowings and lease obligations. Management of the Company estimates that 1% increase in the market interest rate, with all other factor remaining constant, would increase the Company's loss before tax by Rs. 25.01 million and a 1% decrease would result in the increase in the Company's loss before tax by the same amount.

39.3.2 Equity price risk

Equity price risk is the risk of volatility in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. The Company's exposure to equity price mainly relates to equity securities. The management of the Company manages the above market risks through diversification of investment portfolio. The management estimates that, as at the reporting date, a 10% decrease in the overall share prices in the market with all of the factors remaining constant would decrease the Company's equity by Rs. 558 million.

39.3.3 Foreign currency risk

Foreign currency risk is the risk that the value of a financial asset or a financial liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist made in foreign currency at the reporting date. As of 30 September 2024 the Company is not materialy exposed to such risk.

40 CAPITAL RISK MANAGEMENT

The Company finances its operations through equity, borrowings and management of working capital with a view of maintaining an appropriate mix between various sources of finance to minimize risk. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business, sustain future development of the business and maximize shareholders value. The Company monitors capital using a debt equity ratio as follows:

	2024 Rupees	2023 Rupees
Long-term financing	**402,084,187**	492,143,603
Short-term borrowings	**2,680,118,028**	14,213,010
Total debt	**3,082,202,215**	506,356,612
Share capital	**749,276,090**	749,276,090
Reserves	**2,031,025,235**	3,130,173,972
Total equity	**2,780,301,325**	3,879,450,062
Capital (Debt + equity)	**5,862,503,540**	4,385,806,674
Gearing ratio	**53%**	12%

41 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. The carrying values of all financial assets and liabilities reflected in these CONSOLIDATED financial statements approximate their fair values.

The following table shows financial instruments recognised at fair value, analyzed between those whose fair value is based on:

Level 1: Quoted prices (unadjusted) 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 date (unobservable inputs).

As of the reporting date, the Company has financial instruments designated at FVPL using level 1 valuation technique and the biological assets measured at fair value using level 2 valuation technique. There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

42 NUMBER OF EMPLOYEES

	2024	2023
Total number of permanent employees as at reporting date	**278**	278
Average number of permanent employees during the year	**279**	300

43 DATE OF AUTHORISATION FOR ISSUE

These CONSOLIDATED financial statements were authorised for issue on January 06, 2025 by the Board of Directors of the Company.

44 GENERAL

Corresponding figures have been rearranged and reclassified, wherever considered necessary for better presentation.

Ahmed Ebrahim

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

M. Hussain

DIRECTOR

Notice of the Annual General Meeting

Notice is hereby given that the 59th Annual General Meeting of Mehran Sugar Mills Limited ("the Company") will be held at ICAP Auditorium, Clifton Karachi on Tuesday, January 28, 2025 at 16:30 hours as well as through online meeting facility to transact the following business:

Ordinary Business:

1. To confirm the minutes of Annual General Meeting held on January 26, 2024.
2. To receive, consider and adopt Annual Audited Financial Statements for the year ended September 30, 2024, together with the reports of the Auditors' and Directors' thereon.
3. To appoint auditors for the ensuing year, and to fix their remuneration. The retiring auditors M/s. Grant Thornton Anjum Rahman & Co. Chartered Accountants, being eligible have offered themselves for re-appointment for the year ending 2025.
4. To transact any other business with the permission of the chair.

By Order of the Board

ALI HASSAN

Company Secretary

Notes:

1. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from January 22, 2025 to January 28, 2025 (both days inclusive). Transfer requests on prescribed format, received at the office of the Share Registrar of the Company, M/s. CDC Share Registrar Services Limited, CDC House, 99 –B, Block B, S.M.C.H.S., Main Shahrah-e- Faisal, Karachi-74400 on or before the close of business on January 21, 2025 will be treated 'in time' for the purpose of above entitlement(s) to the transferees and/or to attend the AGM and vote at the meeting.

2. Circulation of annual report through QR Code and web link

In accordance with Section 223 of the Companies Act, 20147 and pursuant to SECP's SRO 389(1)/2023 dated 21st March 2023, the Company has obtained shareholders'' approval in the 58th Annual General Meeting (AGM) of the Company held on 26th January 2024 to Circulated the Annual Report of the Company to Members through QR enabled Code and web link. The Annual Report in available through Code and Web link:

www.mehransugar.com

3. Virtual Participation in the AGM Proceedings:

In the light of the relevant guidelines issued by the SECP from time to time, the shareholders are encouraged to participate in the General Meeting through electronic facility arranged by the Company. In order to attend the General Meeting through electronic facility, the shareholders are requested to get themselves registered with the company before the time of General Meeting at msm@mehransugar.com please provide your details as follows

Name of Shareholder	CNIC No.	Folio No./CDC Account No.	No. of Shares	Contact No.	Email Address

Online meeting link and login credentials will be shared with only those Members whose emails, containing all the required particulars, are received at the given email address by the end of business time by January 27, 2025. The login facility shall open from 04:30 p.m. till the end of the Meeting on January 28, 2025.

4. Participation in the AGM:

All members, entitled to attend and vote at the meeting, are entitled to appoint another person in writing as their proxy to attend and vote on their behalf. A proxy must be a member of the Company. In case of corporate entities, power of attorney or other authority / board resolution under which it is signed or a notarial attested copy of power of attorney lodged at the Company's Registered Office address: 14th Floor, Dolmen City Executive Tower, Marine Drive, Block 4 Clifton, Karachi at least 48 hours before the time of the meeting. The Form of Proxy is attached with this notice.

CDC account holders will further have to follow the below mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting:

i. In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall authenticate his/her original valid CNIC or the original passport at the time of attending the meeting.

ii. Members registered on CDC are also requested to bring their particulars, I.D numbers and account numbers in CDS.

iii. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies:

i. In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the CDC Regulations shall submit the proxy form as per above requirements.

ii. Attested copies of valid CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iii. The proxy shall produce original valid CNIC or original passport at the time of the meeting.

iv. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

v. Proxy form will be witnessed by two persons whose names, addresses and valid CNIC numbers shall be mentioned on the form.

5. Notice under section 244 of the companies act 2017 regarding Unclaimed Dividend:

As per section 244 of the Companies Act 2017, in case of dividend which remain unclaimed or unpaid for the period of three years or more from the due date, the company shall give ninety days first notice to the shareholders to file their claims. The said notice is annexed as Annexure 1 of the AGM notice. Thereafter, the company shall publish a notice in the newspapers for making such claims. If the dividend or shares still remain unclaimed after expiry of ninety days from the date of publication of the notice in the newspapers, the company is required to deposit the amount of all such unclaimed/unpaid dividends to the credit of Federal Government subject to section 244 of the Companies Act 2017.

6. Conversion of physical shares into CDC shares:

As per section 72 of the Companies Act, 2017 every existing Company is required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017. The SECP through its letter # CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised the listed companies to pursue their such members who still hold shares in physical form, to convert their shares into book-entry form. The shareholders having physical shareholding may please open CDC sub-account with any of the brokers or investors account directly with CDC to place their physical shares into script-less form. This will facilitate the shareholders 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.

7. Consent for video conference facility:

Pursuant to Section 132(2) & section 134(b) of the Companies Act, 2017, if the Company receives consent form from Shareholders holding aggregate 10% or more shareholding residing at geographical location to

Participate in the meeting through video conference at least 7 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility please provide following information and submit to registered office of the Company:

I / We, _______________________________ son of/ daughter of _________________, being a member of Mehran Sugar Mills Limited, holder of _________________________ ordinary share(s) as per Registered Folio / CDC Account No. _____________________ hereby opt for video conference facility at _____________________.

____

Signature of Member

ANNEXURE: 1

DEAR SHAREHOLDERS,

NOTICE UNDER SECTION 244 OF THE COMPANIES ACT 2017 REGARDING UNCLAIMED DIVIDENDS

As per section 244 of the Companies Act 2017, in case of dividend which remain unclaimed or unpaid for the period of three years or more from the due date, the company shall give ninety days first notice to the shareholders to file their claims. Said. Thereafter, the company shall publish a notice in the newspapers for making such claims. If the dividend or shares still remain unclaimed after expiry of ninety days from the date of publication of the notice in the newspapers, the company is required to deposit the amount of all such unclaimed/unpaid dividends to the credit of Federal Government subject to section 244 of the Companies Act 2017.

In view of the above, you are hereby notified to submit your claim, if any, for unclaimed dividend within a period of ninety days from date of this notice at the following address:

The Company Secretary

Mehran Sugar Mills Limited

14th Floor, Executive Tower, Block-4,

Clifton, Karachi.

The Manager Shares

CDC Share Registrar Services Limited

CDC House , 99-B, Block-B, Main

Shahrah-e- Faisal , Karachi.

مہران شوگر ملز لمیٹڈ

ایگزیکیٹو ٹاور، ڈالمین سٹی، 14 فلور، مرین ڈرائیو، بلاک 4، کلفٹن، کراچی۔

اطلاع برائے 59 واں سالانہ اجلاس عام

کمپنی کے تمام اراکین کو اطلاع دی جاتی ہے کہ مہران شوگر ملز لمیٹڈ (" کمپنی ") کا 59 واں سالانہ اجلاس عام بروز منگل 28 جنوری 2025 کو شام 04:30 بجے ICAP آڈیٹوریم، کلفٹن کراچی میں اور ساتھ ساتھ بذریعہ ویڈیو کانفرنس درجِ ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

عمومی امور:

1۔ 26 جنوری 2024 کو ہونے والے سالانہ اجلاس عام کی کارروائی کی توثیق۔

2۔ 30 ستمبر 2024 کو ختم ہونے والے مالی سال کے سالانہ آڈٹ شدہ گوشواروں بشمول آڈیٹرز اور ڈائریکٹرز کی رپورٹس کو وصول کرنا، ان پر غور وخوض اور منظوری۔

3۔ آنے والے سال کے لیے آڈیٹرز کا تقرر اور ان کے معاوضے کا تعین کرنا۔ ریٹائر ہونے والے آڈیٹرز میسرز گرانٹ تھورنٹن انجم رحمٰن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، اہل ہونے کے سبب سال 2025 کے لیے دوبارہ تقرری کے لیے اپنی خدمات پیش کی ہیں۔

4۔ صدر مجلس کی اجازت سے دیگر امور کی انجام دہی۔

حسب الحکم بورڈ
علی حسن
کمپنی سیکریٹری

نوٹس

1۔ کمپنی کی حصص کی منتقلی کی کتابیں 22 جنوری 2025 سے 28 جنوری 2025 تک (بشمول دونوں ایام) بند رہیں گی۔

2۔ صرف وہی ممبران جن کے نام کمپنی کے ممبر کے رجسٹر میں 21 جنوری 2025 کو موجود ہونگے میٹنگ میں شرکت اور ووٹ دینے کے حقدار ہونگے۔

3۔ شرکت کرنے، رائے دہی اور ووٹ دینے کا حقدار ممبر کسی دوسرے شخص کو اپنی طرف سے شرکت کرنے، رائے دہی اور ووٹ دینے کیلئے اپنا پراکسی مقرر کرسکتا ہے۔ پراکسیز میٹنگ کے انعقاد سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہوجانے چاہیے۔

4۔ ممبران کے ایڈرس میں کسی بھی تبدیلی کی صورت میں کمپنی کے شیئر رجسٹرار آفس کو فوری طور پر مطلع کریں۔

Form of Proxy

I/We____of____

________________being member of Mehran Sugar Mills Limited, holding _______________Ordinary Shares as per Registered Folio No. / CDC A/c No. (for members who have shares in CDS)_____________ hereby appoint Mr./Mrs./Miss____of (full address)____ or failing him / her Mr./Mrs./ Miss____of (full address) ____ (being member of the company) as my/our Proxy to attend, act and vote for me/us and behalf at the 58th Annual General Meeting of the Company to be held on January 28, 2025 at 4:30 pm and /or any adjournment thereof.

As witness my/our hands seal this ___________day of __________2025.

Signed by ______________________ in the presence of

1. Witness	2. Witness
Signature ___________________	Signature_______________________
Name ___________________	Name _______________________
Address: ____________________	Address: _______________________
___________________	_______________________
CNIC No.___________________	CNIC No._______________________

Signature on Rs. 5/- Revenue Stamp

Important:

1. This form of proxy, duly completed and signed, must be deposited at the office of the Company's Shares Registrar, not later than 48 hours before the meeting.
2. This form should be signed by the Member or by his/her attorney duly authorized in writing. If the member is a Corporation, its common seal should be affixed to the instrument.
3. A Member entitled to attend and vote at the meeting may appoint any other Member as his/her proxy to attend and vote on his/her behalf except that a corporation may appoint a person who is a Member.

For CDC Account Holders / Corporate Entitles:

In Addition to the above following requirements have to be met:

i. The Proxy form shall be witnessed by two persons whose names, address and CNIC Numbers shall be mentioned on the form.
ii. Attested copies of CNIC or Passport of the beneficial owners and proxy shall be furnished with the proxy form.
iii. The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.
iv. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form.

پراکسی فارم

میں / ہم : ____________________

____

بطور رُکن (حصص دار) مہران شوگر ملز لمیٹڈ (حصص کی تعداد) ____________________ جو کہ رجسٹرڈ ہیں بذریعہ فولیو نمبر سی ڈی سی / اکاؤنٹ نمبر (اُن اراکین

کے لئے جن کے حصص سی ڈی ایس میں ہیں) ____________________

بذریعہ ہٰذا تقرر کرتا ہوں جناب / محترمہ ____________________

مکمل پتہ ____________________

میری / ہماری غیر موجودگی میں میرے / ہمارے پراکسی (نمائندے) کے طور پر کمپنی کی 58 ویں سالانہ جنرل میٹنگ 28 جنوری 2025 بروز منگل دن 4:30 بجے، بذریعہ ویڈیو لنک میٹنگ میں شرکت کرے گا اور میری / ہماری جگہ ووٹ استعمال کرے گا۔

میں بطور گواہ اس ____________ دن ____________ 2025

ریونیو
مُہر

دستخط منظور کنندہ ____________________

دستخط کمپنی کے پاس موجود نمونے کے دستخط کے مطابق ہونا چاہیئے

گواہان

دستخط ____________	دستخط ____________
نام ____________	نام ____________
پتہ ____________	پتہ ____________
شناختی کارڈ / پاسپورٹ نمبر ____________	شناختی کارڈ / پاسپورٹ نمبر ____________

ضروری:

1۔ پروکسی فارم ہٰذا مکمل اور دستخط کے ہمراہ اجلاس کے انعقاد سے کم از کم اڑتالیس (48) گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں جمع کرا دیا جائے۔

2۔ فارم پر ممبر یا اس کا تحریراً مقرر کردہ اٹارنی دستخط کرے گا۔ ممبر کارپوریشن ہونے کی صورت میں اس کی مُہر فارم پر ثبت کرنی ہوگی۔

3۔ اجلاس میں شرکت اور رائے دہی کا اہل ممبر اپنی جانب شرکت اور رائے دہی کے لئے دوسرے ممبر کو اپنا پروکسی مقرر کر سکتا ہے تاہم کارپوریشن کسی بھی غیر ممبر کو اپنا پروکسی مقرر کر سکتی ہے۔

برائے سی ڈی سی اکاؤنٹ ہولڈرز / کارپوریشن اینٹیٹی

مزید براں مندرجہ ذیل شرائط پر عمل کرنا ہوگا:

(i) پروکسی فارم پر دو افراد کی گواہی ہونی چاہیئے جن کے نام، پتے اور سی این آئی سی یا پاسپورٹ نمبر فارم میں درج ہوں۔

(ii) ممبر اور پروکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پروکسی فارم کے ہمراہ منسلک کرنی ہونگی۔

(iii) پروکسی کو اجلاس کے وقت اپنا اصل سی این آئی سی یا اصل پاسپورٹ پیش کرنا ہوگا۔

(iv) کارپوریٹ اینٹیٹی کی صورت میں ڈائریکٹرز کی قرارداد / پاور آف اٹارنی معہ نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کئے گئے ہوں) پروکسی فارم کے ہمراہ کمپنی کو پیش کرنے ہوں گے۔

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