



Corporate Briefing Session: Ansari Sugar Mills Limited

Financial Year 2024

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About Ansari Sugar Mills

Incorporated in 1989

Ansari Sugar Mills Limited is one of the leading sugar producer (capacity wise) in the region, with a rich history of quality and innovation.

Dedicated to Excellence

We're committed to producing high-quality sugar using modern technology and sustainable practices.

Community-Focused

We believe in contributing to the well-being of our employees, communities, and the environment.

Our Mission and Vision

1 Mission

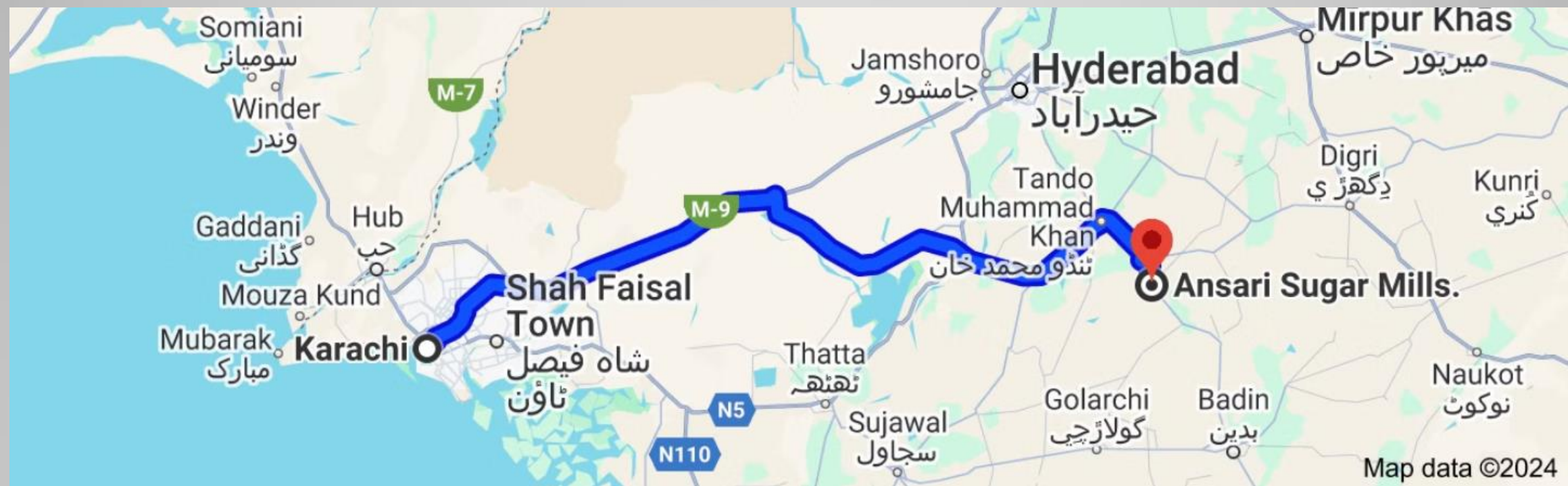
To be a leading and responsible sugar producer, committed to consistently delivering high-quality sugar and allied products through efficient and sustainable operations.

2 Vision

Produce cost-effective products to sustain national economic contribution.



Location



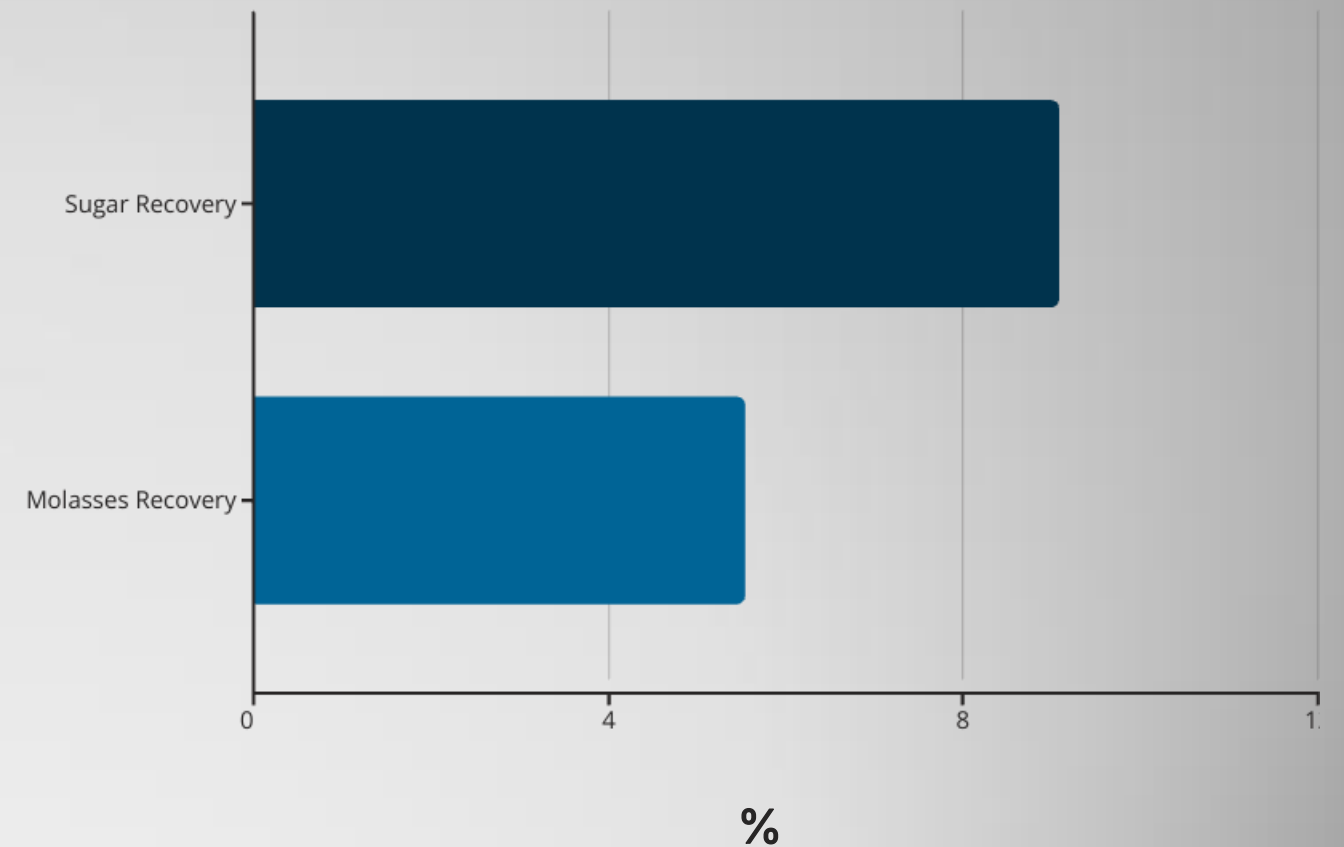
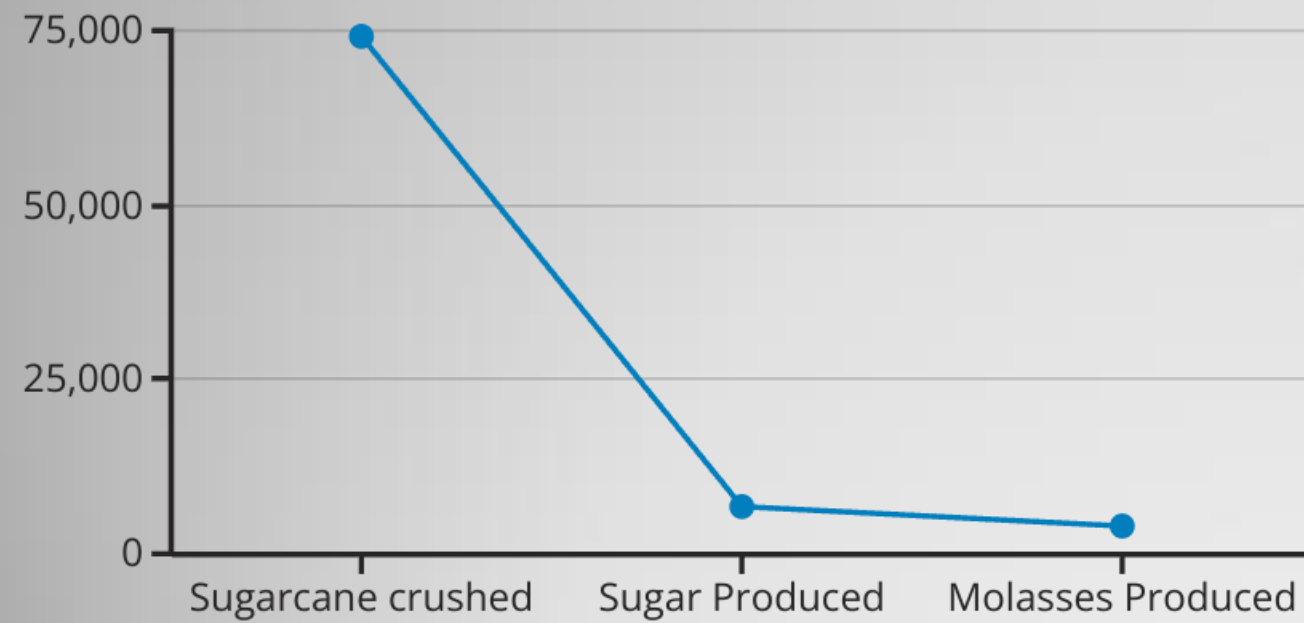
Financial Performance Overview



Year	Sales	Gross Profit (Rs in Millions)	Operating Profits	(Loss) Before Taxation
2024	716,921	213,245	130,410	(929,171)
2023	664,347	193,552	134,008	(819,575)
2022	967,206	249,733	191,837	(400,008)
2021	405,166	129,930	72,689	(348,511)
2020	175,564	56,998	7,693	(599,788)
2019	438,114	63,085	10,442	(597,101)

Key Performance Indicators (2024)

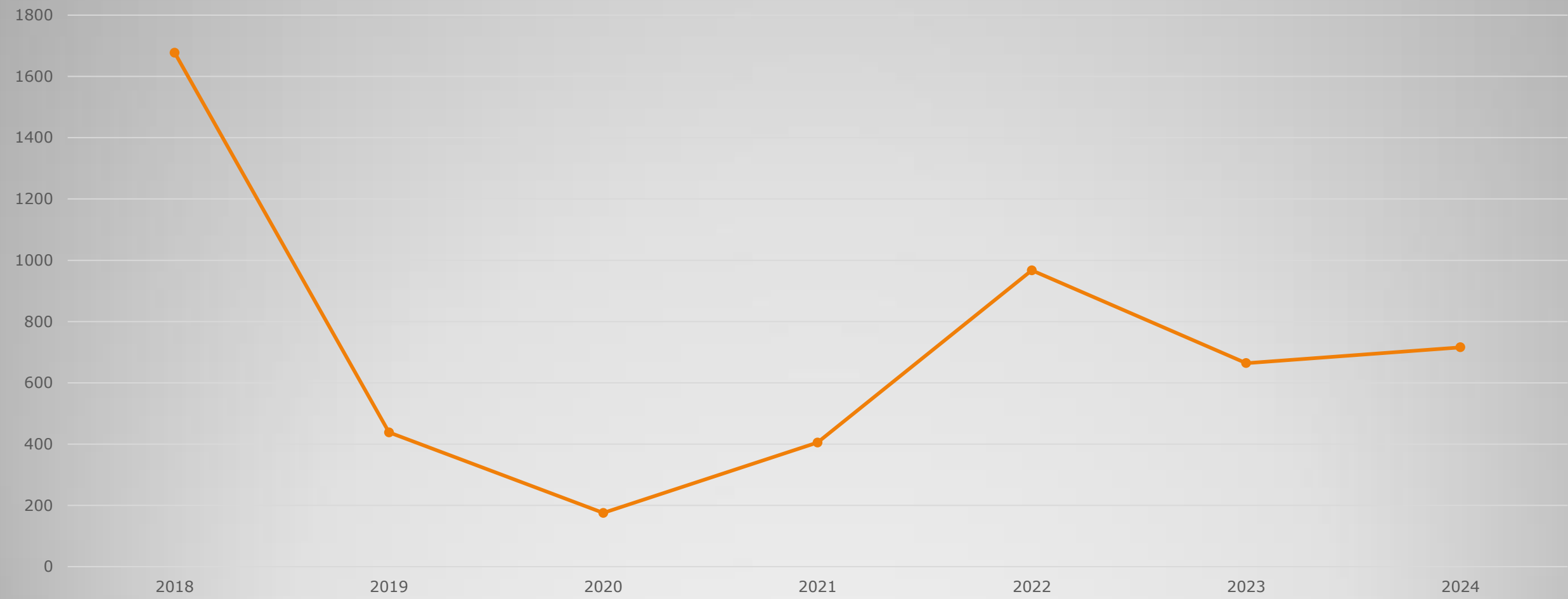
(M.Tons)



FINANCIAL PERFORMANCE OVERVIEW



Net Revenue in millions





1

Automation

Implementing automated systems to enhance production efficiency and reduce manual labor.

2

Process Optimization

Continuously refining processes to minimize waste and maximize productivity.

3

Technology Integration

Leveraging technology to monitor and analyze performance in real-time.

DELAY IN ISSUANCE/SUBMISSION OF ACCOUNTS FOR THE FY2024

An enquiry against the Company's sponsors / directors and its shareholders along with other group companies had been initiated by the Federal Investigation Agency (FIA). Further, the matter was transferred to National Accountability Bureau (NAB) and we understand the Financial Institutions had blocked all Company bank accounts on a notice of NAB under section 23 of National Accountability Ordinance 1999 (NAO) on allegation of illicit transactions. However, it is pertinent to mention here that the action of blocking of account was not endorsed by Court of competent jurisdiction. As a consequence, Company's access to available funds / legitimate sales proceeds and banking facilities were denied on the unjustified and arbitrary instructions of NAB, without realizing the consequences.

Further, the company's inability to declare dividends stems from the current difficult financial climate and its responsibilities concerning outstanding bank loans, grower's opting to grow other crops due to liquidity & banks reluctance to extend credit lines have made increasingly difficult for the company to manage day to day operations. Despite all these issues, we are in the process of restructuring agreement with our banks and we anticipate that post restructuring the company will soon be in a position to generate consistent income and distribute dividends.

It is pertinent to mention here that besides all the pressures of liquidity crises, risk and uncertain business environment, the Company took the initiative to carry on its business activities in extreme difficult situation with all possible efforts, making the necessary financial arrangements on personal basis by the sponsoring directors to ensure the going concern of the Company and by the collective efforts of the entire team of Ansari Sugar Mills Limited

OVERVIEW OF REGULATORY COMPLIANCE ISSUES

Background of Non-Compliance:

The primary reason for the suspension of ANSM shares was the company's inability to prepare its annual accounts for the financial periods from September 30, 2018 to September 30, 2019, and consequently, to hold its Annual General Meetings (AGMs) for the years 2018 & 2019 respectively. This non-compliance led to ANSM being moved from normal trading to the defaulter counter, and subsequently, to the complete suspension of its share trading.

Reasons for Delay:

Significant delays arose due to severe legal impediments faced by the company's leadership, as several directors were behind the bars and subject to intensive inquiries and ongoing investigations. Furthermore, a significant impediment arose from a court order obtained by the CEO, acting as a dominant shareholder, in a suit filed against M/s. Ansari Sugar Mills Ltd and SECP. This order mandated the company to maintain a "status quo," which legally bound us from fulfilling our regulatory obligations in a timely manner.

Commitment to Future Compliance:

We wish to inform all our shareholders, creditors, and other stakeholders that we have now successfully transmitted all pending and due accounts covering the period from September 30, 2018, to September 30, 2024. Concurrently, all overdue AGMs pertaining to the years 2019 to 2024 have been conducted. We provide a firm undertaking that there will be no future instances of non-compliance with PSX Regulations that could lead to a trading suspension. The CEO and all directors are now directly involved in operational oversight and are fully committed to streamlining and updating our adherence to listing requirements. Our focus is squarely on the timely finalization of annual accounts, conducting AGMs, and fulfilling all PSX compliance directives going forward.

Our comprehensive submission of accounts from the period 2018-2024 serves as concrete evidence of management's dedication to streamline regulatory compliances.

FUTURE OUTLOOK AND OPPORTUNITY



- Internally, the economic and political scenario has remained uncertain, anticipating these difficult times ahead, the management has reviewed and fine-tuned the company's procurement and treasury policies to address the anticipated risks & by attaining a better energy efficiency mix and planning Balancing, Modernization and Replacement (BMR) accordingly, which will improve the revenue streams through sale of by-products of the company i.e. bagasse and molasses.
- IMF's demands to raise taxes and energy prices to curb inflation have added challenges, thus for future profitability it is imperative that sugar prices need to increase compensating higher sugarcane prices and cost of production.
- Ansari Sugar Mills anticipates a strong sugarcane crushing season, with increased production over the last few years. As the government regulates sugar exports, we expect domestic supply to meet demand, potentially creating an export surplus on sugar. In case the Government permits to export sugar, it would not only help us to clear surplus inventory at better prices but will also stabilize the local market & ultimately be beneficial for the country in terms of foreign exchange.

Questions & Answers

Thank You