

# CORPORATE BRIEFING SESSION

on Annual Report 2025



سانگھر شوگر ملز نھیٹیڈ  
Sanghar Sugar Mills Limited



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# COMPANY INFORMATION

## BOARD OF DIRECTORS

Mr. Ghulam Dastagir Rajar (Chairman)	Non-Executive Director
Mr. Ghulam Hyder (Chief Executive)	Executive Director
Haji Khuda Bux Rajar	Executive Director
Mr. Muhammad Qasim	Non-Executive Director
Mr. Mehmood Alam	Independent Director
Mr. M. Abdul Jabbar (Nominee of N.I.T.)	Independent Director
Ms. Misbah	Non-Executive Director-Female

## BOARD COMMITTEES

### AUDIT COMMITTEE

Mr. M. Abdul Jabbar	(Chairman)
Mr. Muhammad Qasim	
Mr. Mehmood Alam	

### HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. M. Abdul Jabbar	(Chairman)
Mr. Ghulam Hyder	
Ms. Misbah	

### INFORMATION TECHNOLOGY & STEERING COMMITTEE

Mr. Ghulam Hyder	(Chairman)
Syed Rehan Ahmad Hashmi	
Mr. Sheraz Khan	

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Ghulam Dastagir Rajar	(Chairman)
Mr. Muhammad Qasim	
Ms. Misbah	
Syed Rehan Ahmad Hashmi	

### RISK MANAGEMENT COMMITTEE

Mr. Mehmood Alam	(Chairman)
Haji Khuda Bux Rajar	
Mr. M. Abdul Jabbar	

### COMPANY SECRETARY

Mr. Muhammad Mubeen Alam

### CHIEF FINANCIAL OFFICER

Syed Rehan Ahmad Hashmi

## STATUTORY AUDITOR

Kreston Hyder Bhimji & Co.  
Chartered Accountants

## COST AUDITOR

A. D. Akhawala & Co.  
Chartered Accountants

## SHARE REGISTRAR

Hameed Majeed Associates (Pvt) Limited  
Karachi Chambers, Hasrat Mohani Road  
Karachi.  
Phone: 021 32424826  
Fax: 021 32424835

## LEGAL ADVISOR

Rafiq Kalwar & Dars Law Associates,  
Advocates & Corporate Counselors,  
Office # 412, 4th Floor, Clifton Centre,  
DC-1, Block 5, Clifton, Karachi

## BANKERS

### Islamic

Al-Baraka Bank (Pakistan) Limited  
Bank Islami Pakistan Limited  
Meezan Bank Limited

### Conventional

Bank Al-Habib Limited  
MCB Bank Limited  
National Bank of Pakistan  
Soneri Bank Limited  
United Bank Limited

## REGISTERED / HEAD OFFICE

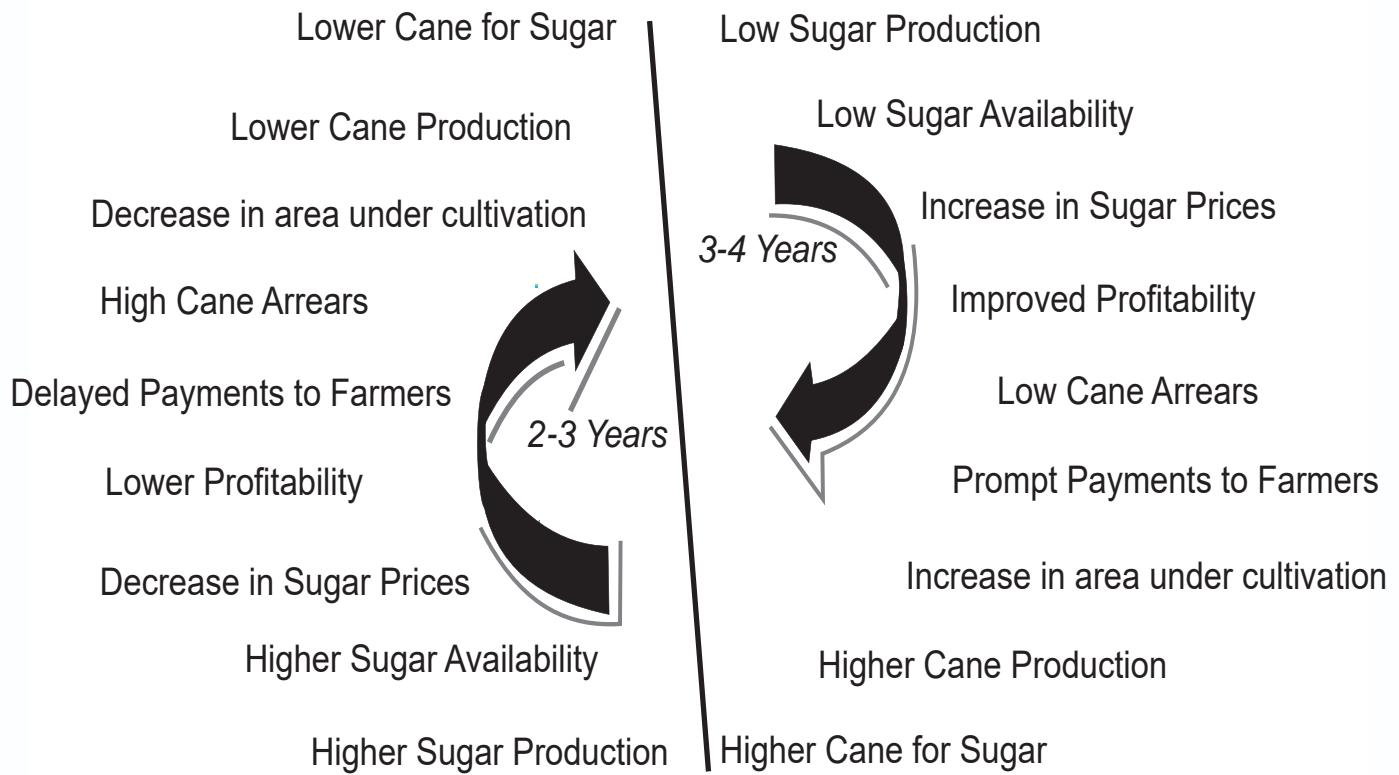
Office # 305, 3rd Floor, Clifton Centre,  
Block 5, Clifton, Karachi  
Phone: 021 35371441 to 43 (3 lines)  
Fax: 021 35371444  
Website: [www.sangharsugarmills.com](http://www.sangharsugarmills.com)  
E-mail: [info@sangharsugarmills.com](mailto:info@sangharsugarmills.com)

## MANUFACTURING FACILITIES

13 K.M., Sanghar - Sindhari Road  
Deh Kehore, District Sanghar, Sindh  
Phone: (0345) 3737001 - 8222911



## THE CYCLE OF SUGAR SECTOR





## PRINCIPAL ACTIVITIES OF THE COMPANY

The Company is principally engaged in the manufacture and sale of sugar and sale of its by-products i.e. molasses and bagasse. The Company has also installed bagasse fired transmission equipment to sell surplus electric power, as and when available during season. The manufacturing facilities are located at Sanghar Sindhri Road, Deh Kehore, District Sanghar in the province of Sindh.

## OPERATING RESULTS & ITS REVIEW

	2024-25	2023-24
Start of Season	<b>Nov 21, 2024</b>	Nov 12, 2023
Cane Crushed (M. Tons)	<b>464,266.43</b>	515,994.30
Sugar Produced (M. Tons)	<b>46,023.00</b>	52,293.50
Recovery %	<b>9.92</b>	10.135
Duration of Season (days)	<b>96</b>	95

The Company was able to crush 464,266.434 M. Tons of sugarcane compared with 515,994.296 M. Tons of sugarcane in the previous crushing period, average crushing per day has been decreased to 4,836.108 M. Tons per day from 5,431.519 M. Tons per day of the previous crushing period, produced 46,023.000 M. Tons of sugar at the recovery rate of 9.920% as compared with 52,293.500 M. Tons of sugar produced at the recovery rate of 10.135% in the previous crushing period. The crushing and recovery was declined due to low crop and poor quality of cane.



## FINANCIAL RESULTS & ITS REVIEW

The key financial figures of the Company for the year ended September 30, 2025 along with the comparatives for the corresponding year are summarized as under:

	2025 (Rupees in '000)	2024
Profit / (Loss) before levies & taxation	<b>245,598</b>	(80,321)
Levies	—	(79,387)
Profit / (Loss) before taxation	<b>245,598</b>	(159,708)
Taxation	<b>(102,912)</b>	20,048
Profit / (Loss) after taxation	<b>142,686</b>	(139,660)
Earnings / (Loss) per share – basic and diluted (Rupees)	<b>11.94</b>	(11.69)

During the year, the Company's gross profit has been increased by 88.53% as compared to the corresponding year, which resulted profit before levies and taxation amounted to Rs. 245,598 thousand compared with loss before levies and taxation amounted to Rs. 80,321 thousand. The local sugar sales of the Company has been increased by 24.45% and the weighted average cost of production has also been increased by 8.47% while compared with the corresponding year. The export sales of sugar, also gives benefit to the Company's financial results, its cash flows, savings in Sales Tax and Federal Excise Duty (FED). Further, the FED received and paid by the Company to the Government on local sugar sales to manufacturers, gives direct impact on inflation which is ultimately a burden on sugar industry. Sale of by-products i.e. molasses has been sold approximately the same quantity but the selling rate has been decreased as compared to the comparative year and the baggasse has been sold approximately the same quantity and the selling rate has been increased as compared to the comparative year.

Due to the de-regulation policy for sugar industry for ongoing crushing season 2024-25, the Provincial Government did not notify minimum support prices of sugarcane and left the prices to market forces. The Company procured sugarcane at the prevailing market prices and pay competitive prices to the cane growers.



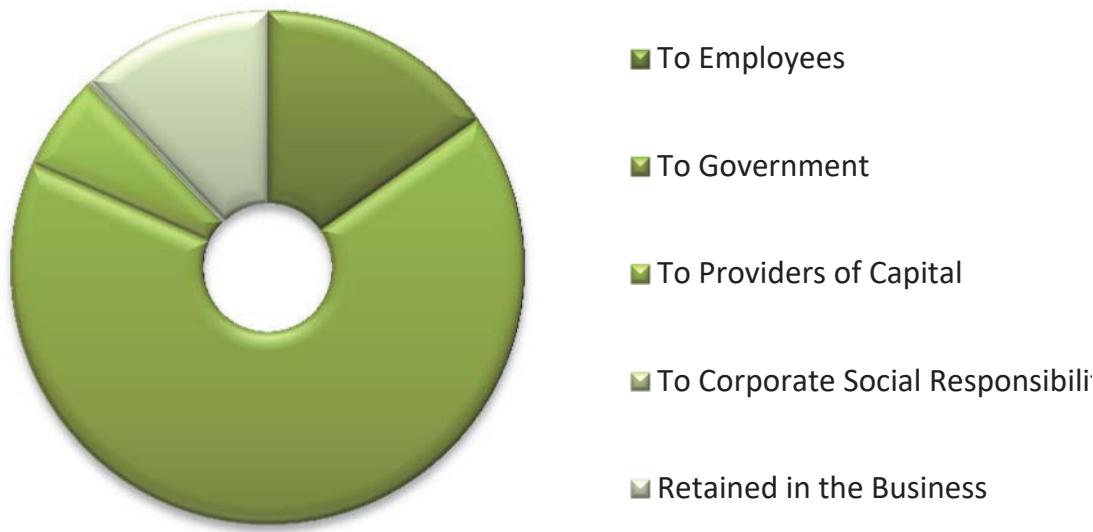
## STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

<b>Value Addition</b>	<b>----- 2025 -----</b>		<b>----- 2024 -----</b>	
	<b>(Rs. '000)</b>	<b>%</b>	<b>(Rs. '000)</b>	<b>%</b>
Turnover Gross	9,059,736	99.920	7,273,928	99.363
Other Income	7,244	0.080	46,616	0.637
	<b>9,066,980</b>	<b>100.000</b>	<b>7,320,544</b>	<b>100.000</b>
Cane Procurement and related expenses	5,100,623	79.304	5,806,133	103.691
Other Expenses	1,331,088	20.696	(206,677)	(3.691)
	<b>6,431,711</b>	<b>100.000</b>	<b>5,599,456</b>	<b>100.000</b>
	<b>2,635,269</b>	<b>29.064</b>	<b>1,721,088</b>	<b>23.510</b>
<b>Value Distribution</b>				
Distributed as follows				
To Employees				
- Remuneration	400,501	15.198	350,790	20.382
	<b>400,501</b>		<b>350,790</b>	
To Government				
- Sales Tax, FED & Others	1,589,355	60.311	999,688	58.085
- Levies	160,211	6.079	81,196	4.718
- Deferred Tax	(7,039)	(0.267)	(20,048)	(1.165)
- Cess & Fees	7,544	0.286	8,385	0.487
	<b>1,750,071</b>		<b>1,069,221</b>	
To Providers of Capital				
- Finance Cost	157,524	5.978	251,349	14.604
	<b>157,524</b>		<b>251,349</b>	
To Corporate Social Responsibility				
- Charity & Donations	7,472	0.284	5,603	0.326
	<b>7,472</b>		<b>5,603</b>	
Retained in the Business				
- Depreciation & Amortization	177,014	6.717	183,785	10.678
- Profit / (Loss) for the year	142,686	5.414	(139,660)	(8.115)
	<b>319,700</b>		<b>44,125</b>	
	<b>2,635,269</b>	<b>100.000</b>	<b>1,721,088</b>	<b>100.000</b>

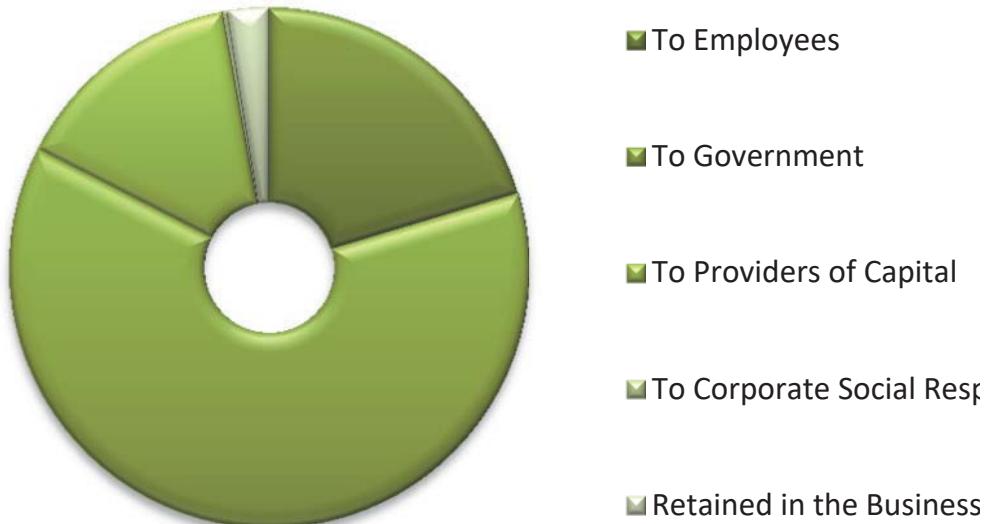


## GRAPHICAL PRESENTATION OF VALUE DISTRIBUTION

### Value Distribution - 2025



### Value Distribution - 2024





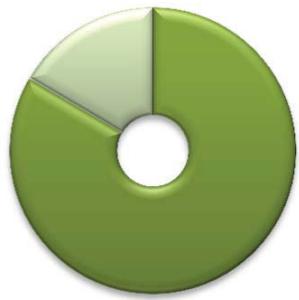
## KEY OPERATING & FINANCIAL HIGHLIGHTS

		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>OPERATIONAL DATA</b>											
Duration of Season	(Days)	<b>96</b>	95	85	125	108	109	100	142	133	117
Cane crushed	(Tons)	<b>464,266.434</b>	515,994.296	406,402.792	581,109.556	451,275.963	387,302.875	490,932	712,124	625,237	563,617
Sucrose Recovery	( % )	<b>9.920</b>	10.135	10.263	10.635	10.012	10.263	10.76	10.37	10.12	10.20
Sugar Made	(Tons)	<b>46,023.00</b>	52,293.50	41,711.25	61,785.00	45,239.50	39,804.25	52,799.25	73,776	63,380	57,387.5
Molasses	(Tons)	<b>23,955.92</b>	24,650.00	21,300.00	26,291.34	18,720	16,802	23,590	42,017	30,300	27,040
All figures are in Rs in '000											
<b>PROFIT OR LOSS RESULTS</b>											
Turnover - Net		<b>6,739,085</b>	5,415,294	3,922,156	3,872,185	2,860,053	2,938,182	2,770,439	3,405,535	2,583,232	2,832,657
Gross Profit / (Loss)		<b>639,739</b>	339,327	519,742	360,641	32,913	156,161	131,778	98,520	(70,660)	151,582
Operating Profit / (Loss)		<b>395,878</b>	124,412	281,506	177,281	(92,060)	49,137	24,059	146,802	(165,398)	59,919
Profit / (Loss) before levies & taxation		<b>245,598</b>	(80,321)	132,451	70,466	(16,094)	(98,846)	(148,608)	24,868	(259,678)	11,060
Profit / (Loss) after levies & taxation		<b>142,686</b>	(139,660)	<b>104,883</b>	<b>1,609</b>	(29,826)	(118,755)	(98,855)	<b>19,426</b>	(287,104)	<b>13,953</b>
<b>ASSETS EMPLOYED</b>											
Operating Assets		<b>5,020,685</b>	3,425,535	3,552,387	3,707,666	2,615,681	2,712,815	2,807,695	2,909,416	1,745,965	1,465,348
Long Term Deposits		<b>4,540</b>	709	1,059	4,586	20,581	20,231	17,323	18,823	20,961	15,467
Deferred Cost		-	-	-	-	-	-	-	8,771	17,543	28,885
Current Assets		<b>994,729</b>	1,882,399	1,468,147	1,622,488	1,220,197	606,939	815,755	1,131,843	1,302,916	915,207
Total Assets Employed		<b>6,019,954</b>	<b>5,308,643</b>	<b>5,021,593</b>	<b>5,334,740</b>	<b>3,856,459</b>	<b>3,339,985</b>	<b>3,640,773</b>	<b>4,068,853</b>	<b>3,087,385</b>	<b>2,424,907</b>
<b>FINANCED BY</b>											
Shareholder's equity		<b>3,122,983</b>	1,908,924	2,057,446	1,965,075	1,080,845	1,108,108	1,223,854	1,330,699	569,165	863,437
Long Term Financing & Lease		<b>72,242</b>	131,277	-	1,752	114,145	247,536	145,670	250,863	345,291	262,532
Deferred Liabilities		<b>1,495,746</b>	857,560	842,488	850,123	483,704	508,584	519,916	603,790	300,074	295,067
Current Liabilities		<b>1,328,983</b>	2,410,882	2,121,659	2,517,790	2,177,765	1,475,757	1,751,333	1,883,501	1,872,855	1,003,871
Total Fund Invested		<b>6,019,954</b>	<b>5,308,643</b>	<b>5,021,593</b>	<b>5,334,740</b>	<b>3,856,459</b>	<b>3,339,985</b>	<b>3,640,773</b>	<b>4,068,853</b>	<b>3,087,385</b>	<b>2,424,907</b>



## GRAPHICAL PRESENTATION OF FINANCIAL HIGHLIGHTS

**Total Assets Employed - 2025**



- Operating Assets
- Long Term Deposits
- Deferred Cost
- Current Assets

**Total Assets Employed - 2024**



- Operating Assets
- Long Term Deposits
- Deferred Cost
- Current Assets

**Total Fund Invested - 2025**



- Shareholder's equity
- Long Term Financing & Lease
- Deferred Liabilities
- Current Liabilities

**Total Fund Invested - 2024**



- Shareholder's equity
- Long Term Financing & Lease
- Deferred Liabilities
- Current Liabilities



# STAKEHOLDER ENGAGEMENT, INVESTOR RELATIONS & FINANCIAL RATIOS

The Sanghar Sugar Mills Limited (the Company) recognizes and protects the rights of the various stakeholders (internal as well as external) established under relevant laws and regulations and has put in place relevant policies and codes for their protection. The Company maintains sound collaboration relationships with its stakeholders. Procedure for stakeholder's engagement includes communication, good harmony, compliance with laws and regulations and sugarcane growers focused approach which is the key factors for establishment of collaboration relationship with stakeholders. Summary of the rights of the various stakeholders has been discussed below:

## **Shareholders**

Access to shareholder records, enquiries concerning verification of transfer deeds, transfer of share certificates, change of address etc., are directed to the Shares Registrar. We have disclosed essential information to the shareholders and treated them equitably. Shareholders meeting along with timely and accurate reporting to our shareholders are the effective modes of engagements with our shareholders

## **Regulators**

The Company make compliance with laws, rules, regulations and guidelines as directed by the Regulators. Timely, appropriately and accurately disclosures of information, as required by law, are our high priority. We have submitting periodic reports, providing and gives information as and when required.

## **Customers & Suppliers**

The Company receive high-quality services and supplies from our suppliers and ensure that the product we give to our customers should be of high standards. We establish the confidentiality of customer information and redressal their complaints and concerns with honesty and trustworthy. We have maintain a good relationship with our customers and suppliers.

## **Employees**

As a good employer, the Company gives equal employment opportunity, gives performance based remuneration. Having Human Resource policies and procedures,



the Company maintains effective communication between the management and the staff. To secure maximum cooperation of the employees and to motivate them to give their best. Gives full attention to redressal of complaints & grievances.

## **Community**

The Company acknowledge its social and ethical responsibility to carry out its business in order to keep it safe and protect it for the generations to come. Gives priority to the fair distribution of resources, opportunities and financial assistances. The Company is contributing to the National growth by sharing its revenue with the nation in the form of taxes, rates, duties and other levies.

## **Financial Reporting & Communication**

Communication with the users of financial statements is give high priority. Annual, half yearly and quarterly reports are distributed to the shareholders and provided to other users with in the time specified by the Regulators and also makes it available on the Company's website for the easy access for the shareholders and potential shareholders. There is also an opportunity for individual shareholder to participate at the General Meetings to ensure high level of accountability. The Company notifies information to the Regulators from time to time. This help the shareholders remain connected with the Company. The notifications mainly include Financial Results, Board of Directors meetings, shareholders meetings etc.

## **Media & Website**

The Company disseminates information through print, electronic, social and other web media. The Company is maintaining its website providing complete information about the Company, Investors Relations, Investors Informations, Governance, Policy & Procedures and contact details. This can be accessed through a link [www.sangharsugarmills.com](http://www.sangharsugarmills.com)

## **Public Information**

Financial analysts, stock brokers, interested investors and financial media desiring information about the Company and its product may contact the Chief Financial Officer and or the Company Secretary at Head Office, Karachi.



## FINANCIAL RATIOS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<strong>Profitability Ratios</strong>										
Gross Profit Ratio (%)	<b>9.49</b>	6.27	13.25	9.31	1.15	5.31	4.76	2.89	(2.74)	5.35
Net Profit to Sales (%)	<b>2.12</b>	(2.58)	2.67	0.04	(1.04)	(4.04)	(3.57)	0.57	(11.11)	0.49
Return on Capital Employed (%)	<b>12.91</b>	8.96	13.79	9.21	8.79	4.93	1.97	11.03	(85.28)	12.82
<strong>Turnover Ratios</strong>										
Inventory Turnover Ratio	<b>6.13</b>	4.10	3.04	3.44	5.50	6.51	3.78	3.51	3.12	4.59
Fixed Assets Turnover Ratio	<b>134.23</b>	158.09	110.41	104.44	109.35	108.31	98.67	117.05	147.96	193.37
<strong>Investor Information</strong>										
Price Earning Ratio	<b>5.05</b>	(1.99)	1.42	103.94	(6.49)	(1.74)	(3.15)	15.36	(1.55)	36.39
Market Value per Share	<b>60.32</b>	23.26	12.50	14.00	16.20	17.34	26.05	24.98	37.35	42.50
Book Value per Share	<b>261.43</b>	159.80	172.23	164.50	90.48	92.76	102.45	111.39	54.02	46.68
Earning / (Loss) per Share	<b>11.94</b>	(11.69)	8.78	0.13	(2.50)	(9.94)	8.28	1.63	(24.03)	1.17
<strong>Liquidity Ratios</strong>										
Current Ratio	<b>0.75</b>	0.78	0.69	0.64	0.56	0.41	0.47	0.60	0.69	0.91
<strong>Capital Structure Ratios</strong>										
Debt Equity Ratio	<b>0.07</b>	0.54	0.05	0.42	0.97	0.68	0.86	1.05	3.10	1.11
Interest Cover Ratio	<b>2.56</b>	0.68	1.88	1.64	0.86	0.36	0.14	1.20	(1.75)	1.23



## VERTICAL ANALYSIS OF FINANCIAL STATEMENTS

	2025	2025	2024	2024	2023	2023	2022	2022	2021	2021
	Rupees in 000	%	Rupees in 000	%	Rupees in 000	%	Rupees in 000	%	Rupees in 000	%
<b><u>Financial Position</u></b>										
Total Non-Current Assets	<b>5,025,225</b>	<b>83.48</b>	3,426,244	64.54	3,553,096	70.76	3,712,252	69.59	2,636,262	68.36
Total Current Assets	<b>994,729</b>	<b>16.52</b>	1,882,399	35.46	1,468,497	29.24	1,622,488	30.41	1,220,197	31.64
<b>Total Assets</b>	<b>6,019,954</b>	<b>100.00</b>	5,308,643	100.00	5,021,593	100.00	5,334,740	100.00	3,856,459	100.00
Total Equity & Surplus on revaluation	<b>3,122,983</b>	<b>51.88</b>	1,908,924	35.96	2,057,446	40.97	1,965,075	36.84	1,080,845	28.03
Total Non-Current Liabilities	<b>1,567,988</b>	<b>26.05</b>	988,837	18.63	842,488	16.78	851,875	15.97	597,849	15.50
Total Current Liabilities	<b>1,328,983</b>	<b>22.08</b>	2,410,882	45.41	2,121,659	42.25	2,517,790	47.20	2,177,765	56.47
<b>Total Equity &amp; Liabilities</b>	<b>6,019,954</b>	<b>100.00</b>	5,308,643	100.00	5,021,593	100.00	5,334,740	100.00	3,856,459	100.00
<b><u>Profit or Loss</u></b>										
Sales	<b>6,739,085</b>	<b>100.00</b>	5,415,294	100.00	3,922,156	100.00	3,872,185	100.00	2,860,053	100.00
Cost of sales	<b>(6,099,346)</b>	<b>(90.51)</b>	(5,075,967)	(93.73)	(3,402,414)	(86.75)	(3,511,544)	(90.69)	(2,827,140)	(98.85)
<b>Gross Profit</b>	<b>639,739</b>	<b>9.49</b>	339,327	6.27	519,742	13.25	360,641	9.31	32,913	1.15
Trading activities	-	-	-	-	-	-	111	-	-	-
Distribution cost	<b>(29,811)</b>	<b>(0.44)</b>	(3,219)	(0.06)	(11,153)	(0.28)	(696)	(0.02)	(766)	0.03
Administrative expenses	<b>(178,098)</b>	<b>(2.64)</b>	(159,981)	(2.95)	(134,539)	(3.43)	(132,656)	(3.43)	(114,239)	(3.99)
Other expenses	<b>(35,952)</b>	<b>(0.53)</b>	(51,715)	(0.95)	(92,544)	(2.36)	(50,119)	(1.29)	(9,968)	(0.35)
Other income	<b>7,244</b>	<b>0.11</b>	46,616	0.86	2,155	0.05	3,664	0.09	187,106	6.54
<b>Operating Profit</b>	<b>403,122</b>	<b>5.98</b>	171,028	3.16	283,661	7.23	180,945	4.67	95,046	3.32
Finance cost	<b>(157,524)</b>	<b>(2.34)</b>	(251,349)	(4.64)	(151,210)	3.86	(110,479)	(2.85)	(111,140)	(3.89)
<b>Profit / (Loss) before levies &amp; taxation</b>	<b>245,598</b>	<b>3.64</b>	(80,321)	(1.48)	132,451	3.38	70,466	1.82	(16,094)	(0.56)
Levies & Taxation	<b>(102,912)</b>	<b>(1.53)</b>	(59,339)	(1.10)	(27,568)	(0.89)	68,857	1.78	13,732	0.48
<b>Profit / (Loss) after levies &amp; taxation</b>	<b>142,686</b>	<b>2.12</b>	(139,660)	(2.58)	104,883	2.67	1,609	0.04	(29,826)	(1.04)



## HORIZONTAL ANALYSIS OF FINANCIAL STATEMENTS

	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021										
	----- Rupees in 000 -----					----- Variance in % -----														
<b><u>Financial Position</u></b>																				
Total Non-Current Assets	<b>5,025,225</b>	3,426,244	3,553,096	3,712,252	2,636,262	<b>46.67</b>	(3.57)	(4.28)	40.81	(3.54)										
Total Current Assets	<b>994,729</b>	1,882,399	1,468,497	1,622,488	1,220,197	<b>(47.16)</b>	28.19	(9.25)	32.97	101.04										
<b>Total Assets</b>	<b>6,019,954</b>	5,308,643	5,021,593	5,334,740	3,856,459	<b>13.40</b>	5.72	(5.87)	38.33	15.46										
Total Equity & Surplus on revaluation	<b>3,122,983</b>	1,908,924	2,057,446	1,965,075	1,080,845	<b>63.60</b>	(7.22)	4.70	81.81	(2.46)										
Total Non-Current Liabilities	<b>1,567,988</b>	988,837	842,488	851,875	597,849	<b>58.57</b>	17.37	(1.10)	42.49	(20.93)										
Total Current Liabilities	<b>1,328,983</b>	2,410,882	2,121,659	2,517,790	2,177,765	<b>(44.88)</b>	13.63	(15.73)	15.61	47.57										
<b>Total Equity &amp; Liabilities</b>	<b>6,019,954</b>	5,308,643	5,021,593	5,334,740	3,856,459	<b>13.40</b>	5.72	(5.87)	38.33	15.46										
<b><u>Profit or Loss</u></b>																				
Sales	<b>6,739,085</b>	5,415,294	3,922,156	3,872,185	2,860,053	<b>24.45</b>	38.07	1.29	35.39	(2.66)										
Cost of sales	<b>(6,099,346)</b>	(5,075,967)	(3,402,414)	(3,511,544)	(2,827,140)	<b>20.16</b>	49.19	(3.11)	24.21	1.62										
<b>Gross Profit</b>	<b>639,739</b>	339,327	519,742	360,641	32,913	<b>88.53</b>	(34.71)	44.12	995.74	(78.92)										
Trading activities	-	-	-	111	-	-	-	(100.00)	100.00	-										
Distribution cost	<b>(29,811)</b>	(3,219)	(11,153)	(696)	(766)	<b>826.10</b>	(71.14)	1,502.44	(9.14)	7.89										
Administrative expenses	<b>(178,098)</b>	(159,981)	(134,539)	(132,656)	(114,239)	<b>11.32</b>	18.91	1.42	16.12	14.66										
Other expenses	<b>(35,952)</b>	(51,715)	(92,544)	(50,119)	(9,968)	<b>(30.48)</b>	(44.12)	84.65	402.80	49.13										
Other income	<b>7,244</b>	46,616	2,155	3,664	187,106	<b>(84.46)</b>	2,063.16	(41.18)	(98.04)	3,324.97										
<b>Operating Profit</b>	<b>403,122</b>	171,028	283,661	180,945	95,046	<b>135.71</b>	(39.71)	56.77	90.38	74.08										
Finance cost	<b>(157,524)</b>	(251,349)	(151,210)	(110,479)	(111,140)	<b>(37.33)</b>	66.23	36.87	(0.59)	(27.57)										
<b>Profit / (Loss) before levies &amp; taxation</b>	<b>245,598</b>	(80,321)	132,451	70,466	(16,094)	<b>(405.77)</b>	(160.64)	87.96	537.84	(83.72)										
Levies & Taxation	<b>(102,912)</b>	(59,339)	(27,568)	(68,857)	(13,732)	<b>73.43</b>	(269.73)	(59.96)	401.43	(31.03)										
<b>Profit / (Loss) after levies &amp; taxation</b>	<b>142,686</b>	(139,660)	104,883	1,609	(29,826)	<b>(202.17)</b>	(183.42)	6,418.52	105.39	(74.88)										



# STATEMENT OF FINANCIAL POSITION

## As at September 30, 2025

	September 30 2025	September 30 2024	Variance	Variance in %
----- (Rupees in '000) -----				
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	<b>5,020,685</b>	3,425,535	1,595,150	46.57%
Long term deposits	<b>4,540</b>	709	3,831	540.34%
	<b>5,025,225</b>	3,426,244	1,598,981	46.67%
<b>CURRENT ASSETS</b>				
Stores, spare parts and loose tools	<b>90,279</b>	75,265	15,014	19.95%
Stock-in-trade	<b>493,410</b>	1,497,402	(1,003,992)	-67.05%
Trade debts	<b>127,715</b>	27,924	99,791	357.37%
Loans and advances	<b>79,912</b>	123,862	(43,950)	-35.48%
Trade deposits and short term prepayments	<b>1,396</b>	3,712	(2,316)	-62.39%
Other receivables	<b>17,592</b>	76,652	(59,060)	-77.05%
Income tax refundable - net of provision	<b>77,385</b>	27,125	50,260	185.29%
Cash and bank balances	<b>107,040</b>	50,457	56,583	112.14%
	<b>994,729</b>	1,882,399	(887,670)	-47.16%
<b>TOTAL ASSETS</b>	<b>6,019,954</b>	5,308,643	711,311	13.40%
<b>EQUITY AND LIABILITIES</b>				
<b>SHARE CAPITAL AND RESERVES</b>				
Authorized capital				
20,000,000 (2024: 20,000,000) shares of Rs.10 each	<b>200,000</b>	200,000	-	-
Issued, subscribed and paid up capital	<b>119,460</b>	119,460	-	-
Unappropriated profit	<b>398,391</b>	185,181	213,210	115.14%
Surplus on revaluation of property, plant and equipment	<b>2,605,132</b>	1,604,283	1,000,849	62.39%
	<b>3,122,983</b>	1,908,924	1,214,059	63.60%
<b>NON CURRENT LIABILITIES</b>				
Long term financing	<b>57,712</b>	131,277	(73,565)	-56.04%
Lease liabilities against right of use assets	<b>14,530</b>	-	14,530	100.00%
Deferred liabilities	<b>1,495,746</b>	857,560	638,186	74.42%
	<b>1,567,988</b>	988,837	579,151	58.57%
<b>CURRENT LIABILITIES</b>				
Trade and other payables	<b>1,174,945</b>	1,454,524	(279,579)	-19.22%
Accrued finance cost	<b>4,755</b>	57,036	(52,281)	-91.66%
Short term borrowings	<b>63,333</b>	860,000	(796,667)	-92.64%
Unclaimed dividend	<b>3,731</b>	3,731	-	-
Current portion of long term financing	<b>77,691</b>	35,591	42,100	118.29%
Current portion of lease liabilities against right of use assets	<b>4,528</b>	-	4,528	100.00%
	<b>1,328,983</b>	2,410,882	(1,081,899)	-44.88%
<b>CONTINGENCIES AND COMMITMENTS</b>				
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,019,954</b>	5,308,643	711,311	13.40%



## STATEMENT OF PROFIT OR LOSS For the Year Ended September 30, 2025

	September 30 2025	September 30 2024	Variance	Variance in %
----- (Rupees in '000) -----				
Sales	<b>6,739,085</b>	5,415,294	1,323,791	24.45%
Cost of sales	<b>(6,099,346)</b>	(5,075,967)	1,023,379	20.16%
<b>Gross Profit</b>	<b>639,739</b>	339,327	300,412	88.53%
Distribution cost	(29,811)	(3,219)	26,592	826.10%
Administrative expenses	(178,098)	(159,981)	18,117	11.32%
Other expenses	(35,952)	(51,715)	(15,763)	-30.48%
	<b>(243,861)</b>	(214,915)	28,946	13.47%
<b>Operating profit</b>	<b>395,878</b>	124,412	271,466	218.20%
Other income	<b>7,244</b>	46,616	(39,372)	-84.46%
	<b>403,122</b>	171,028	232,094	135.71%
Finance cost	(157,524)	(251,349)	(93,825)	-37.33%
<b>Profit / (loss) before levies and taxation</b>	<b>245,598</b>	(80,321)	325,919	405.77%
Levies	-	(79,387)	(79,387)	-100.00%
<b>Profit / (loss) before taxation</b>	<b>245,598</b>	(159,708)	405,306	253.78%
Taxation	<b>(102,912)</b>	20,048	(122,960)	-613.33%
<b>Profit / (loss) for the year</b>	<b>142,686</b>	(139,660)	282,346	202.17%
<b>Earning / (loss) per share - Basic and diluted (Rupees)</b>	<b>11.94</b>	(11.69)	23.63	202.14%



## NOTES TO THE PROFIT OR LOSS

### For the Year Ended September 30, 2025

	2025	2024	Variance	Variance
	----- (Rupees in '000) -----		in %	
<b><u>SALES</u></b>				
Local sales	7,395,095	6,184,408	1,210,687	19.58%
Export sales	754,131	196,798	557,333	283.20%
	<b>8,149,226</b>	<b>6,381,206</b>	<b>1,768,020</b>	<b>27.71%</b>
Less: Sales tax & Federal Excise Duty	(1,394,534)	(957,784)	(436,750)	45.60%
Less: Brokerage and Commission	(15,607)	(8,128)	(7,479)	92.02%
	<b>6,739,085</b>	<b>5,415,294</b>	<b>1,323,791</b>	<b>24.45%</b>
<b><u>COST OF SALES</u></b>				
Sugar cane consumed (including cane procurement expenses)	5,100,623	5,806,133	(705,510)	-12.15%
Salaries, wages and staff benefits	269,645	234,098	35,547	15.18%
Stores, spare parts and loose tools consumed	253,920	203,048	50,872	25.05%
Fuel, power and utilities	15,013	15,787	(774)	-4.90%
Insurance	16,146	13,512	2,634	19.49%
Repairs and maintenance	10,939	10,157	782	7.70%
Vehicle running expenses	15,664	15,335	329	2.14%
Depreciation	166,948	173,952	(7,004)	-4.03%
Depreciation on right-of use assets	441	546	(105)	-19.24%
Other expenses	16,133	16,060	73	0.45%
	<b>5,865,471</b>	<b>6,488,628</b>	<b>(623,157)</b>	<b>-9.60%</b>
<b><u>Sugar -in-process</u></b>				
- Opening	2,559	979	1,580	161.39%
- Closing	(1,704)	(2,559)	855	-33.39%
	<b>855</b>	<b>(1,580)</b>	<b>2,435</b>	<b>-154.11%</b>
	<b>5,866,326</b>	<b>6,487,048</b>	<b>(620,722)</b>	<b>-9.57%</b>
Sale of molasses	656,895	805,500	(148,605)	-18.45%
Inventory adjustment for molasses	(4,988)	4,976	(9,964)	-200.25%
	<b>651,907</b>	<b>810,476</b>	<b>(158,569)</b>	<b>-19.56%</b>
Sale of baggasse	113,222	87,222	26,000	29.81%
Inventory adjustment for baggasse	600	3,626	(3,026)	-83.45%
	<b>113,822</b>	<b>90,848</b>	<b>22,974</b>	<b>25.29%</b>
Cost of goods manufactured	<b>5,100,597</b>	<b>5,585,724</b>	<b>(485,127)</b>	<b>-8.69%</b>
<b><u>Finished sugar</u></b>				
- Opening stock	1,483,991	974,234	509,757	52.32%
- Closing stock	(485,242)	(1,483,991)	998,749	-67.30%
	<b>998,749</b>	<b>(509,757)</b>	<b>1,508,506</b>	<b>-295.93%</b>
	<b>6,099,346</b>	<b>5,075,967</b>	<b>1,023,379</b>	<b>20.16%</b>
<b><u>DISTRIBUTION COST</u></b>				
Handling and stacking	2,758	1,667	1,091	65.45%
Export freight and other charges	27,053	1,552	25,501	1643.11%
	<b>29,811</b>	<b>3,219</b>	<b>26,592</b>	<b>826.10%</b>



	2025	2024	Variance	Variance in %
	(Rupees in '000)			
<b>ADMINISTRATIVE EXPENSES</b>				
Salaries, wages and staff benefits	130,856	116,692	14,164	12.14%
Rent, rates and taxes	3,945	3,638	307	8.44%
Communication	1,359	1,418	(59)	-4.16%
Repairs and maintenance	4,502	3,798	704	18.54%
Utilities	3,213	3,229	(16)	-0.50%
Entertainment	523	608	(85)	-13.98%
Subscription	2,718	2,966	(248)	-8.36%
Cartage	87	31	56	180.65%
Printing and stationery	3,345	3,023	322	10.65%
Insurance	5,382	4,504	878	19.49%
Legal and professional charges	2,201	2,650	(449)	-16.94%
Conveyance and traveling	5,680	6,252	(572)	-9.15%
Depreciation	9,625	9,287	338	3.64%
Others	4,662	1,885	2,777	147.32%
	<b>178,098</b>	<b>159,981</b>	<b>18,117</b>	<b>11.32%</b>
<b>OTHER EXPENSES</b>				
Auditors' remuneration	3,626	3,294	332	10.08%
Corporate social responsibility costs	7,472	5,603	1,869	33.36%
Workers' Profit Participation Fund	13,304	-	13,304	100.00%
Workers' Welfare Fund	7,172	-	7,172	100.00%
Provision for slow moving and obsolete items	975	1,250	(275)	-22.00%
Write off against receivable from Labour Court - Hyderabad	722	-	722	100.00%
Exchange loss on export proceeds realization - net	-	37	(37)	-100.00%
Write off against receivable from Nazir High Court	-	26,716	(26,716)	-100.00%
Sales tax default surcharge	2,681	7,511	(4,830)	-64.31%
Impairment allowance against dormant bank account	-	7,304	(7,304)	-100.00%
	<b>35,952</b>	<b>51,715</b>	<b>(15,763)</b>	<b>-30.48%</b>
<b>OTHER INCOME</b>				
<b>Income from non financial assets:</b>				
Gain on sale of property, plant and equipment	4,278	684	3,594	525.44%
Rent and related receipts	187	166	21	12.65%
	<b>4,465</b>	<b>850</b>	<b>3,615</b>	<b>425.29%</b>
<b>Income from others:</b>				
Scrap Sales	28	1,244	(1,216)	-97.75%
V. Filter Cake Sales	1,135	796	339	42.59%
Exchange gain	818	-	818	100.00%
Liabilities written back	798	43,726	(42,928)	-98.17%
	<b>2,779</b>	<b>45,766</b>	<b>(42,987)</b>	<b>-93.93%</b>
	<b>7,244</b>	<b>46,616</b>	<b>(39,372)</b>	<b>-84.46%</b>
<b>FINANCE COST</b>				
Profit on long term financing	31,371	25,388	5,983	23.57%
Mark-up / Profit on short-term borrowings				
Conventional	107,301	223,393	(116,092)	-51.97%
Islamic	16,732	-	16,732	100.00%
Financial charges on lease liabilities	902	132	770	583.33%
Bank charges	1,218	1,415	(197)	-13.92%
Interest on workers' profit participation fund	-	1,021	(1,021)	-100.00%
	<b>157,524</b>	<b>251,349</b>	<b>(93,825)</b>	<b>-37.33%</b>



## ENTITY - WIDE INFORMATION

The Company constitutes of a single reportable segment, the principal class of product is Sugar and by products are Molasses and Baggasse, which does not constitute as a reportable segment, as the same does not meet the threshold.

### Information about geographical areas

The Company does not hold non-current assets in any foreign country. There is revenues from external customers for attribution to foreign countries. The Company is also not dependent on any single customer. The analysis of sugar sales and by products are as follows:

	2025	2024
	(Rupees in '000)	
Local Sales – net		
Sugar	<b>5,984,954</b>	5,218,496
Molasses	<b>656,895</b>	805,500
Baggasse	<b>113,222</b>	87,222
Export Sales	<b>754,131</b>	196,798
	<b>6,755,072</b>	<b>6,111,216</b>

### Information about major customers

The Company does not have transactions with any external customer, which amounts to 10 percent or more of its revenues.



## RELATIONSHIP WITH THE ISLAMIC AND CONVENTIONAL FINANCIAL INSTITUTION

The Company in the normal course of business deals with pure Islamic financial institution as well as the financial institution who have both the conventional and Islamic window operations. The detail of the segregation relevant assets / liabilities and expenditures between Islamic Mode and Conventional Mode is as under:

	Mode	2025	2024
		(Rupees in '000)	
Lease liabilities	Conventional	<b>19,058</b>	-
Long term finance	Islamic	<b>135,403</b>	166,868
Short term borrowings	Islamic	<b>63,333</b>	-
Short term borrowings	Conventional	-	860,000
Accrued finance cost	Islamic	<b>363</b>	530
Accrued finance cost	Conventional	<b>4,392</b>	56,506
Bank balances	Islamic	<b>15,197</b>	4,112
Bank balances	Conventional	<b>99,713</b>	53,417
Net revenue earned from Shariah Compliant business	Islamic	<b>6,852,307</b>	5,502,516
Finance cost	Conventional	<b>109,421</b>	225,961
Finance cost	Islamic	<b>48,103</b>	25,388
Other Income			
Exchange gain earned from export of sugar	Islamic	<b>818</b>	-
Scrap Sales	Islamic	<b>28</b>	1,244
V. Filter Cake Sales	Islamic	<b>1,135</b>	796
Liabilities written back	Islamic	<b>798</b>	43,726
Gain on sale of property, plant and equipment	Islamic	<b>409</b>	684
Gain on sale of property, plant and equipment	Conventional	<b>3,869</b>	-
Rent and related receipts	Islamic	<b>187</b>	166

The Company has relationship with Sindh Modaraba, OLP Modaraba, OLP Financial Services Limited - Islamic Finance, Faysal Bank Limited, Meezan Bank Limited, Adamjee Insurance Company Limited - Window Takaful Operations, Bank Islami Pakistan Limited, Albarakah Bank Pakistan Limited.



## CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures commensuration to the circumstances. The Company finances its expansions projects through equity, borrowings and management of its working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

Certain loan facilities of the Company require compliance with loan covenants (common being current ratio, gearing ratio, and debt service coverage ratio) during the respective tenures of the facilities. Breach of covenants may require the Company to repay the loan earlier than agreed upon repayment dates in case upon intimation of the lender the default is not rectified. The Company monitors the compliance with covenants on a regular basis. There are no indications that the Company would have difficulties complying with these covenants.

The Company monitors capital using a gearing ratio, which is net debt divided by total shareholders equity plus net debt. Net debt is calculated as total loans and borrowings less cash and bank balances. The Company's strategy was to maintain leveraged gearing. The gearing ratio as at reporting date is as follows:

	2025	2024
	(Rupees in '000)	
Total financing and borrowings including lease liabilities	<b>217,794</b>	1,026,868
Less: Cash and bank balances	<b>(107,040)</b>	(50,457)
Net debt	<b>110,754</b>	976,411
Total Equity	<b>3,122,983</b>	1,908,924
Total capital employed	<b>3,233,737</b>	2,885,335
<b>Gearing Ratio</b>	<b>3.42%</b>	<b>33.84%</b>

Consistent with others in the industry, the Company manages its capital risk by monitoring its liquid assets and keeping in view future investment requirements and expectation of the shareholders.



## FAIR VALUES / MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

A number of the Company's accounting policies and disclosure require the measurement of fair values, for both financial, if any and non-financial assets and liabilities. When measuring the fair value of an asset or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the management recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.



Management assessed that the fair values of cash & cash equivalent, short term deposits, trade debts, loans & advances, other receivable, trade payables, short term borrowing and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. For long term asset and long term liabilities, management considers that their carrying values approximates fair value.

The fair value of land and buildings and plant and machinery is a level 3 recurring fair value measurement. Management engages an independent external expert / valuator to carry out periodic valuation of its non-financial assets (i.e. Land, Building and Plant and Machinery) and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained by the valuer. The Fair Values were determined with reference to market based evidence, based on active market prices and relevant enquiries and information as considered necessary, adjusted for any difference in nature, location or condition of the specific property. Recent valuation was carried on September 30, 2025 and following factors were considered:

Land and Building	The valuation is considered on the factors of location, need of the buyers, the overall prevailing market situation and other considerations linked with this.
Plant and Machinery	Factors taken into consideration in order to assess the present value of the machinery include Make, Model, Quality, Operational Capacity, Existing Condition, Demand and Resale Prospects, Depreciation and Obsolescence etc.



## RISK MANAGEMENT FRAMEWORK & METHODOLOGY

The Company's overall risk management program focus on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's operations. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and control and to monitor risks and adherence to limits. The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Our Risk Management Framework is a comprehensive approach to identifying, assessing and mitigating risk within the context of our risk environment. Our approach to risk management relies on continuously monitoring risk and related mitigation procedures and revising these when required. These procedures are embedded in our day-to-day activities.

### **Risk Governance Structure & Assessment**

#### **Business Process Owners**

Identifies risk and devises mitigation plans. Priorities the implementation of action plans based on risk exposure.

#### **Internal Audit**

Provides assurance on the exposure of risk, assess the adequacy of internal controls and provides recommendations for enhancing the level of controls needed to mitigate the risk.

#### **Executive Management**

Reviews the Company wide risks, assesses the extent of its exposure and finalize the action plans for implementation.

#### **Audit Committee & Risk Management Committee**

Reviews the effectiveness of Risk Management Framework and assess the significance of Risk and their mitigation plans.

#### **Board of Directors**

Overall responsibility for overseeing the risk management processes.

### **BOARD COMMITMENT TOWARDS RISK MANAGEMENT**

The Board of Directors of the Company is responsible for the risk management and determining the Company's level of risk tolerance. The Board regularly undertakes an overall review of business risks to ensure that the management maintains a sound system of risk identification, risk management and related system and internal controls to safeguard assets, resources, reputation and interest of the Company and shareholders. The Board has evaluated risk tolerance carefully,



considering market dynamics and stakeholder expectations. Our approach emphasizes proactive risk identification, mitigation, and compliance with all relevant regulations. We pledge transparency in our risk management practices, ensuring your confidence in our operations. This commitment will safeguard our financial stability, reputation and long-term success, while allowing us to pursue strategic opportunities.

The Board of Directors has carried out a detailed assessment of risks facing the Company originating from various sources. The Board of Directors is satisfied with the Company's risk management practices and the mitigating strategies adopted to counter such risks. Board of Directors has conducted an exhaustive assessment of the primary risks confronting our Company. This comprehensive evaluation included a thorough analysis of risks that have the potential to pose a significant threat to our business model, future performance, as well as our solvency and liquidity. This in-depth examination underscores our unwavering commitment to sound corporate governance and risk management. By identifying and understanding these critical risks, we can proactively implement measures to mitigate and manage them effectively. Safeguarding our business model, ensuring sustained future performance and maintaining robust solvency and liquidity are essential components of our corporate strategy. We firmly believe that this proactive approach will not only protect our organization from potential setbacks but also position us to seize opportunities for growth and innovation.

The Company considers the following material risk which may affect our business operations and mitigating strategies for controlling these risks:

#### **RISK MANAGEMENT POLICY**

The Company is committed to implement an organizational philosophy that ensures risk management is an integral part of corporate objectives, plans and management systems.

Risk Management Objectives are as follows:

- To ensure risk management is adopted throughout the Company as a prudent management practice.
- To ensure that all employees are made aware of the need to manage risk and to promote a culture of participation in that process.
- To protect the Company from adverse incidents, to reduce its exposure to loss and to mitigate and control loss.
- To ensure the ongoing unimpeded capacity of the Company to fulfil its mission, perform its key functions, meet its objectives and serve its customers.
- To reduce the cost of risk to both the Company and its stakeholders.
- To enable compliance with appropriate regulations, wherever applicable, throughout the adoption of best practices.
- To assure business growth with financial stability.



## STRATEGIC RISK

This risk arises from potential failures in strategic planning that may lead to non-achievement of core objectives.

Risk	Area of Impact	Source of Risk	Mitigating Action
Inconsistent & Arbitrary changes in Government Policies	Financial Capital	External	<p>Regular advocacy through different forums, like PASMA, to timely appraise the relevant Government Departments and Regulators of all issues that may have an adverse impact on the Company and industry as a whole. Further, the Company consult with the Consultants for developing appropriate policies and cases to defend the interest of the Company and present to the Government.</p> <p>Government intervention is beyond Company's control, nevertheless, the Company actively engages with all stakeholders to address related issues impacting the industry and agriculture sector.</p>
Technological Advancements	Manufactured Capital	Internal	<p>The Company's management values automation of operations and technological advancements. The Company has invested in modernization of production facilities utilizing latest technological developments for cost / output optimization.</p> <p>Investments are being made regularly to continuously improve product quality / quantity and process efficiently.</p>
Disruption in supply	Financial Capital	External	<p>Continuous liaison and coordination with growers for the timely and smooth delivery of cane.</p> <p>Arranging working capital lines at competitive and cost effective rates to ensure payments to growers on time.</p>



## OPERATIONAL RISK

This risk arises as a result of ineffective internal processes, people, systems or external events which can disrupt the flow of business operations.

Risk	Area of Impact	Source of Risk	Mitigating Action
Maintenance	Manufactured Capital	Internal	<p>Effective technical monitoring and preventive maintenance are in place to ensure maximum plant efficiency and capacity utilization.</p> <p>Implementing strong maintenance program to ensure that plant &amp; machinery is in optimal condition and ready for operation. Investing in preventive maintenance and periodic inspections to avoid equipment degradation.</p> <p>Invest in modernizing production equipment and adopting new technologies to effectively adapt to shifts in production technologies.</p>
Employee Retention & Succession Planning	Human Capital	Internal	<p>Conducting regular employee engagement surveys and reviewing employee development policies to retain staff. Providing ongoing training and development programs to ensure staff remain skilled and ready for operational activities.</p> <p>Strategy on succession planning is in place to support the management in assessing employee performance for future growth and identify potential placements.</p> <p>The Company's key focus remains on the training and development of its intellectual capital and to provide meaningful opportunities to foster a thriving work environment and a high performance culture.</p>
Information System	Financial Capital	Internal / External	<p>Appropriate data back-up is in place. Further, system related controls are in place and working effectively to safeguard confidential and or proprietary information.</p> <p>The Company also ensures continual system upgrades, robust cyber security protocols, disaster recovery planning and comprehensive user training.</p>
National Catastrophe	Manufactured Capital / Relationship Capital	External	<p>Every possible aspects of safety measures has been taken into consideration by the Company during construction and erection of Building, Plant &amp; Machinery to ensured that any adverse or unforeseen events / disasters cause minimum disruption.</p> <p>The Company has made comprehensive insurance cover of all. Further, the Company has established data backup to address any unwarranted events.</p>



## MARKET RISK

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer of the instrument, change in market sentiments, speculative activities, supply and demand and liquidity in the market.

Risk	Area of Impact	Source of Risk	Mitigating Action
Raw Material - Sugar Cane	Financial Capital	External	<p>The Company always maintains healthy relationship with its farmers. The risk of raw material - Sugarcane short supply and quality is mitigated to a large extent by educating farmers with latest cultivating techniques. The Company provides harvesting advance to growers and also provide fertilizers in the shape of advances for healthy crop.</p> <p>The Management keep an eye on prices of sugarcane offered by other adjoining mills and maintain sufficient bank balances to get the cane at prevailing market prices.</p>
Commodity	Financial Capital	External	<p>The Company diversify its revenue sources through supply of sugar to Registered buyers as well as Unregistered buyers.</p> <p>Further, the Company made investments in plant &amp; machinery to reduce the consumption of Baggasse and sell the surplus Baggasse after meeting our own production requirements.</p>
Finished Goods - Sugar	Financial Capital	External	<p>The management of the Company keep an eye and in-touch with the market sentiments and players respectively. This helps the management to do a quick and aggressive decision for sugar sales in scattered form or in bulk.</p>



## FINANCIAL RISK

This risk includes credit risk, liquidity risk, foreign currency risk and interest rate risk.

Risk	Area of Impact	Source of Risk	Mitigating Action
Credit Risk	Financial Capital	External	<p>To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors.</p> <p>The Company also manages credit risk interalia by setting out credit limits in relation to individual customers and / or by obtaining advance against the sales and / or through letter of credits.</p>
Interest Rate Risk	Financial Capital	External	<p>Company's exposure to interest rate is associated with the short term borrowings. The Company monitors interest rate fluctuation and encounters interest rate risk by utilizing optimal mix of different types of borrowing arrangements and also manages the risk through viable negotiations with lenders and effective fund utilization.</p> <p>Defer the capital and other not necessary expenditures so that all the cash generated would be utilized in debt reduction.</p> <p>Working capital management strategies to be placed to reduce the short term debt profiles.</p>
Liquidity Risk	Financial Capital	External	The Company manages liquidity risk by maintaining sufficient cash and ensuring the fund availability through adequate credit facilities. The Company has available un-availed borrowing facilities and also has cash & bank balances.
Foreign Exchange Risk	Financial Capital	External	The Company's treasury function closely monitors and manages the exposure to foreign currency risk. The Company is not directly exposed to Foreign Exchange Risk. When the Government allow exports and the Company made export sales, the Company obtained partial payment as an advance and negotiate the rate with bank for the balance payment. Moreover, the residual risk on purchases is passed on as part of the product pricing subject to market conditions and Government policies.
Cost & Availability of Funds	Financial Capital	External / Financial	The Company continuously evaluates its financial (Funded & Non-Funded) needs against its borrowings capacity. When financing requirements exceed these capacity, the Company explores alternative funding options. A substantial portion of the Company's working capital is met through short term borrowings. Borrowings is primarily based on floating rates to reduce the impact of interest rate volatility.



## COMPLIANCE RISK

This risk includes the Company's potential exposure to legal penalties, resulting from its failure to act in accordance with laws and regulations.

Risk	Area of Impact	Source of Risk	Mitigating Action
Risk of Litigation	Social & Relationship Capital	External	Significant litigation cases are handled through reputable law firms and our Consultants / lawyers engaged by the Company which specialized in particular areas.
Environmental	Natural Capital	Internal	The Company has made serious efforts and are installing equipment to reduce the pollution and making a good impact of Company's business on Environment. The Company has installed collection units to retrieve oil / grease e.t.c. from the waste water and ash collectors are also installed at the chimneys to absorb the ash. The Effluent treatment plant has also been run. Various environmentally friendly projects, such as renewable energy initiatives, urban forests and waste heat recovery systems have been implemented to reduce our net carbon foot print.
Health & Safety	Human Capital	Internal	Issues are addressed by focusing on safety measures such as conducting appropriate trainings, use of equipment & safety practices. Providing awareness to employees for precautionary measures. Safety awareness and training sessions are regularly conducted throughout the Company to continuously monitor and minimize exposure.  Implementation of Health & Safety policies and training workshops, periodic review of safety related incidents to ensure process effectiveness and also provide protective equipment.  Collaborate with local healthcare authorities and providers to support public health efforts. Continuously monitor global health trends and collaborate with health authorities to adapt our health and safety measures accordingly.
Regulatory Laws & Policies	Relationship Capital	Internal	The Company closely monitors changes in the regulatory environment and adopts to all significant changes in a timely manner, which is applicable to the Company, to prevent any breach of law.  External experts are also engaged for consultations.  Engage with Governments, Regulatory and public bodies to shape regulatory requirements and mitigate risk.  Audit Committee and Internal Audit Department reviews adequacy and effectiveness of controls over compliance & reporting
Unethical & Prohibited Business Practices	Relationship Capital	Internal	Our code of conduct sets out the behaviors that is expected from the Company, the Directors, the Executive & Managers and the Employees & Workers. We are committed to conduct business in an ethical manner and a reputation of trust & reliance.
Sustainability Related Risk	Financial & Social Relationship Capital	External / Reputational / Finance / Compliance	The Company has established formal policies and processes to ensure compliance with regulatory requirements concerning ESG and sustainability practices. Additionally, the Company has developed specific details to monitor progress towards achieving its sustainability goals. The Company actively support its employees' career development and ensures they remain up-to-date with all new and updated legal and regulatory requirements. This strategy ultimately provides the Company with a competitive advantage by maintaining a knowledgeable and skilled workforce.



## FUTURE PROSPECTS

Crushing Season 2025-26 is started with the expectation of surplus production and imported sugar lying in the Government's Godown. Start of season witness declining in selling price of sugar and increasing trend in the procurement price of cane, with slight increase in the recovery rate of sugar of the Company and strategies are in place which your management continuously monitor to ensure that the Company stays on the path of growth and progress. The focus is on stringent controls on the cost of production mainly through modernizing, lesser interruptions, abnormal wastages, process improvements, energy savings and high savings in Baggasse consumption through availing and implementing various options and installing machineries.

Adhering to the guidelines and SOPs necessary to ensure the health and safety of human resources, we are optimistic that the Company's performance will sustain and further improve in terms of revenue, profits and liquidity positions.

*Thank you*



# سانگھر شوگر ملز نمیٹیڈ Sanghar Sugar Mills Limited

# Questions & Answers Session



سانگھر شوگر ملز نمیٹیڈ  
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