



MIRPURKHAS SUGAR MILLS LIMITED

Head Office : Modern Motors House, Beaumont Road,
P.O. Box 5379, Karachi-75530, Pakistan.
UAN : 111-354-111
Tel : (92-21) 35682565-67 - 35682569-70
Fax : (92-21) 35682839 - 35688036
E-mail : msm@gfg.com.pk



Ghulam Faruque
Group

January 26, 2024

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Road
Karachi

The Executive Director /HoD
Offsite –II Department
Supervision Division
Securities & Exchange Commission of Pakistan
63 NIC Building, Jinnah Avenue, Blue Area
Islamabad
Fax No. 051-9100454-9100471-9218595

Dear Sirs,

FINANCIAL RESULTS FOR THE PERIOD ENDED DECEMBER 31, 2023

The Board of Directors of the Company in its meeting held on Friday, January 26, 2024 at 2:30 p.m. at the Registered Office of the Company has recommended the following:

I. **CASH DIVIDEND**

NIL

II. **BONUS SHARES**

NIL

III. **RIGHT SHARES**

The Board has decided to increase paid-up capital of the Company by issue of further 20,000,000 (Twenty million) ordinary shares, having face value of Rs. 10/- (Rupees Ten) each, as approximately 42.957% Right Shares (in proportion of approximately 42.957 shares for every 100 shares held) at a price of Rs. 25 (Rupees Twenty Five) per share (inclusive of a premium of Rs. 15 (Rupees Fifteen) per share) over the par value of Rs. 10/-. The aforesaid premium is being charged in accordance with the provision contained in Regulation 3 of the Companies (Further Issue of Shares) Regulations, 2020.

Following details are enclosed:

1. Certified true copy of the Extracts of the Resolutions passed by the Board of Directors of the Company at the Board Meeting (**Annexure B**).
2. Statement with respect to the details of the Right Issue, including the quantum of issue, issue size, issue price, purpose of issue, utilization of proceeds, benefits of the issue to the Company and its shareholders, risk factors and justification for issue of shares at premium (**Annexure C**).
3. Draft copy of the notice of the Right Issue to the Shareholders prior to its publication in the newspapers (**Annexure D**).

IV. **ANY OTHER ENTITLEMENT/CORPORATE ACTION**

NIL



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V. ANY OTHER PRICE SENSITIVE INFORMATION

The financial results of the Company for the period ended December 31, 2023 are annexed herewith (**Annexure A**).

The dates of closure of the Share Transfer Books of the Company, to determine the entitlement of the Right Shares will be communicated in due course after finalization of the offer letter / document in accordance with the provisions of the Companies (Further Issue of Shares) Regulations, 2020.

The Quarterly Report of the Company for the period ended December 31, 2023 will be transmitted through PUCARS separately within the specified time.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours sincerely,
For **Mirpurkhas Sugar Mills Limited**

Aslam Faruque
Chief Executive

Encl.: As stated above

Annexure - A

**MIRPURKHAS SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2023**

	December 31, 2023	December 31, 2022
	----- (Rupees in '000) -----	
Turnover - net	2,795,111	858,960
Cost of sales	(2,379,558)	(794,778)
Gross profit	415,553	64,182
Distribution cost	(87,756)	(10,271)
Administrative expenses	(83,281)	(59,090)
Other operating expenses	(559)	(43,366)
	(171,596)	(112,727)
Other income	17,306	462,863
Operating profit	261,263	414,318
Finance cost	(362,024)	(124,374)
	(100,761)	289,944
Share of profit in associates - net	10,773	350,077
(Loss) / Profit before taxation	(89,988)	640,021
Taxation	(42,273)	(16,112)
(Loss) / Profit after taxation	(132,261)	623,909
		(Re-stated)
Earnings per share - basic & diluted (Rupees)	(2.84)	13.40


Aslam Faruque
Chief Executive





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Annexure - B

Extract of the Resolution passed by the Board of Directors of Mirpurkhas Sugar Mills Limited (the "Company") at its meeting held on Friday, January 26, 2024 at the Registered Office of the Company

IT IS HEREBY RESOLVED that the issued capital of the Company be and is hereby increased from Rs. 465,578,880 to Rs. 665,578,880 divided into 66,557,888 shares of Rs. 10/- each; that 20,000,000 shares of Rs. 10/- be issued for cash at a premium of Rs. 15/- each payable in full, in the proportion of approximately 42.957 shares for every 100 shares held @ Rs. 25/- (including premium of Rs. 15/- per share); that the Board of Directors and Company Secretary be and are hereby authorized to deal with all such matters arising in respect thereof; that any two Directors of the Company be and are hereby authorized to sign the new share certificates of the Company.

FURTHER RESOLVED THAT the following are the quantum, size, price and purpose of the Rights Issue, along with the utilization of proceeds, benefits of the same to the Company and its shareholders, the risk factors associated with the Rights Issue, and the justification for the issue of shares at a premium in accordance with Regulation 3(1)(iii) of the Companies (Further Issue of Shares) Regulations, 2020.

Quantum of Issue (i.e. as a percentage of existing paid-up capital)

The quantum of the Right Issue is approximately 42.957% of the existing paid-up capital (Ordinary Shares) of the Company i.e. approximately 42.957 right shares for every 100 ordinary shares held by the shareholders of the Company.

Right Issue Size

The Company shall issue 20,000,000 (Twenty million) ordinary shares, at a price of Rs. 25/- (Rupees Twenty-Five) per share, aggregating to Rs. 500,000,000 (Rupees Five Hundred Million):

Issue Price per share

Rs. 25/- (Rupees Twenty-Five) per share (i.e. inclusive of a premium of Rs. 15/- (Rupees Fifteen) per share).

Handwritten signature



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Purpose of the Right Issue

The purpose of the Right Issue is to raise funds to enable the Company to reduce current debt levels and favorably improve its capital structure, by reducing leverage in an increasing interest rate environment, meet growing working capital requirements and to improve the Company's profitability and financial ratios which is expected to maximize shareholder return.

Utilization of Proceeds of the Right Issue

The purpose of the Right Issue is repayment of the debts and managing working capital requirements of the Company. Further, the proceeds from the Right Issue will be utilized towards reducing the Company's current borrowings and will augment the Company's liquidity in a more optimal capital structure with reduced leverage. This will improve the attractiveness of the Company for investors, owing to lower finance costs and improvement in margins.

Benefits of the Right Issue to the Company and its Shareholders

The subscription amount from the Right Issue will augment the Company's liquidity, resulting in a reduction of the Company's current debt; thus, enabling the Company to smoothly and effectively implement its business plan by making available the required liquidity for meeting its working capital requirements. The Right Issue will also support the Company in maintaining an optimum level of debt and will also result in reduced finance cost.

Risks Factors associated with the Right Issue, if any

There are no significant risk factors associated with the Right Issue. The substantial shareholders and directors of the Company have confirmed that they shall subscribe to (or arrange the subscription of) their respective right entitlements, while the balance portion of the Right Issue will be underwritten in accordance with the applicable laws. The Right Issue of the Company is being made at Rs. 25/- per share, which is less than the current share price in the market and hence there is no major investment risk associated with the Right Issue. Normal risks associated with the business will remain. The Company is well placed in the market with proven track record, which will help to mitigate such risk factors.

Justification for Issue of Right Shares at Premium

Considering the current market price of shares of the Company, the premium charged over the par value is justified and is also in line with the prevailing market practice.

Minimum Subscription amount

None

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FURTHER RESOLVED THAT the letter of offer, as prescribed under Section 83(2) of the Companies Act, 2017 shall be issued / signed jointly by any two (2) Directors of the Company in compliance with the applicable laws.

FURTHER RESOLVED THAT Mr. Aslam Faruque, the Chief Executive Officer and Mr. Wasif Khalid, the Director of the Company, be and are hereby authorized by all the Directors of the Company, to sign the circular accompanying the letter of offer, once finalized in accordance with the procedure stipulated under the Companies (Further Issue of Shares) Regulations, 2020.

FURTHER RESOLVED THAT any unsubscribed shares may be offered and allotted to such persons as the Directors may deem fit in accordance with Section 83(1)(a)(iv) of the Companies Act, 2017, including the sponsors / substantial shareholders, Directors or associated undertakings of the Company or any third party, before calling upon the underwriters to subscribe to any unsubscribed shares.

FURTHER RESOLVED THAT the Chief Executive and / or the Company Secretary and / or the Chief Financial Officer, be and are hereby severally authorized to prepare / finalize the draft offer document / letter and share it with the Securities and Exchange Commission of Pakistan ("SECP") and Pakistan Stock Exchange Limited ("PSX"), and revise the same based on the observations and changes of the SECP and PSX as may be deemed fit by them, in the manner prescribed under the Companies (Further Issue of Shares) Regulations, 2020, along with preparing and submitting other necessary documents in this respect. While the draft offer letter shall be placed on the PSX, public comments on the same shall not be required to be solicited.

FURTHER RESOLVED THAT the Chief Executive Officer, and / or the Chief Financial Officer, and / or the Company Secretary, be and are hereby severally authorized, such that any one of them may do all or any of the following for and on behalf and in the name of the Company:

- (i) Appoint / negotiate with consultants / advisors / auditors and underwriter(s) to the Rights Issue, to finalize terms and conditions and sign underwriting agreements(s), other documents and settle / finalize fees, underwriting commission, take up commission and third-party expenses and / or any other expenses relating to the Rights Issue;

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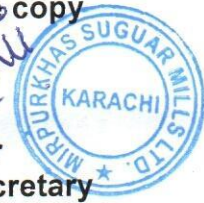


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- (ii) To prepare the schedule for issue of right shares including date of payment, and to make any amendment in the said schedule, appointment of banker(s) to the issue, announce book closure dates, and to take all necessary actions, in respect of the Rights Issue and ancillary matters thereto, as required by the SECP, PSX, Central Depository Company of Pakistan Limited ("CDC") (including, but not limited to, induction of the offer for right shares in the Central Depository System of the CDC or any other authority / body;
- (iii) to decide and announce the closure of the share transfer books of the Company, including the dates thereof, to determine entitlements of the shareholders of the Company with respect to the Right Issue;
- (iv) To open, maintain, operate and close bank accounts for the purpose of amounts received from subscription of rights shares;
- (v) To credit right shares once allotted by the Board and file returns / documents as required by SECP / PSX / CDC along with the auditors' certificates; and
- (vi) To take all other necessary steps, and do all other acts, deeds and things, to prepare the offer letter, circular accompanying the offer letter as required under Section 83 (3) of the Companies Act, 2017, schedule for issue of right shares and any other documents and to make any amendment in the said documents and schedule and to take all necessary action as may be required in this regard including execution of any documents and agreements or any ancillary or incidental actions to give effect to the above resolutions.

Certified true copy

Hina Mir
Hina Mir
Company Secretary





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Annexure - C

Statement pertaining to Quantum of Issue, Issue Size, Issue Price, Purpose of the Issue, Utilization of Proceeds of the Issue, Benefits of the Issue to the Company and the shareholders, Risk Factors, Justification for Issue at Premium and Minimum Subscription Amount, under Rule 3 of the Companies (Further Issue of Shares) Regulations, 2020

Quantum of Issue (i.e. as a percentage of existing paid-up capital)

The quantum of the Right Issue is approximately 42.957% of the existing paid-up capital (Ordinary Shares) of the Company i.e. approximately 42.957 right shares for every 100 ordinary shares held by the shareholders of the Company.

Right Issue Size

The Company shall issue 20,000,000 (Twenty million) ordinary shares, at a price of Rs. 25/- (Rupees Twenty-Five) per share, aggregating to Rs. 500,000,000 (Rupees Five Hundred Million).

Issue Price per share

Rs. 25/- (Rupees Twenty Five) per share (i.e. inclusive of a premium of Rs. 15/- (Rupees Fifteen) per share).

Purpose of the Right Issue

The purpose of the Right Issue is to raise funds to enable the Company to reduce current debt levels and favorably improve its capital structure, by reducing leverage in an increasing interest rate environment, meet growing working capital requirements and to improve the Company's profitability and financial ratios which is expected to maximize shareholder return.

Utilization of Proceeds of the Right issue

The purpose of the Right Issue is repayment of the debts and managing working capital requirements of the Company. Further, the proceeds from the Right Issue will be utilized towards reducing the Company's current borrowings and will augment the Company's liquidity in a more optimal capital structure with reduced leverage. This will improve the attractiveness of the Company for investors, owing to lower finance costs and improvement in margins.

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Benefits of the Right Issue to the Company and its Shareholders

The subscription amount from the Right Issue will augment the Company's liquidity, resulting in a reduction of the Company's current debt; thus, enabling the Company to smoothly and effectively implement its business plan by making available the required liquidity for meeting its working capital requirements. The Right Issue will also support the Company in maintaining an optimum level of debt and will also result in reduced finance cost.

Risk Factors associated with the Right Issue, if any

There are no significant risk factors associated with the Right Issue. The substantial shareholders and directors of the Company have confirmed that they shall subscribe to (or arrange the subscription of) their respective right entitlements, while the balance portion of the Right Issue will be underwritten in accordance with the applicable laws. The Right Issue of the Company is being made at Rs. 25/- per share, which is less than the current share price in the market and hence there is no major investment risk associated with the Right Issue. Normal risks associated with the business will remain. The Company is well placed in the market with proven track record, which will help to mitigate such risk factors.

Justification for Issue of Right Shares at Premium

Considering the current market price of shares of the Company, the premium charged over the par value is justified and is also in line with the prevailing market practice.

Minimum Subscription amount

None

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Annexure - D

NOTICE OF RIGHT ISSUE

Members are hereby notified that the Board of Directors of Mirpurkhas Sugar Mills Limited (the "Company") in their meeting held on Friday, January 26, 2024 has decided to issue further capital by offering 20,000,000 (Twenty million) ordinary right shares of Rs. 10/- (Rupees Ten) each at a price of Rs. 25/- (Rupees Twenty Five only) per share (i.e. inclusive of a premium of Rs. 15 (Rupee Fifteen only), in the ratio of approximately 42.957 right shares for every 100 existing ordinary shares of Rs. 10/- (Rupees Ten only) each held (i.e. approximately 42.957%), against payment to the Company of the price of the shares subscribed, which shares shall rank pari passu in all respects with the existing ordinary shares of the Company.

The dates of closure of the Share Transfer Books of the Company, to determine the entitlement of the Right Shares will be communicated in due course after finalization of the offer letter / document in accordance with the provisions of the Companies (Further Issue of Shares) Regulations, 2020.



Hina Mir
Company Secretary