Annual Report 2023

2023

A YEAR OF GROWTH & RESILIENCE

mehransugar.com

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Building a Lagacy, **Embracing the Future**

Welcome to our Annual Report, a showcase of our achievements, progress, and commitment to excellence throughout the year.



Leading with Vision, Inspiring Success

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.



Celebrating Breakthroughs, Inspiring Progress

KEY FIGURES

	2023	2022	
Sugarcane Crushing (Tons)	**804,872**	856,944	▼
Sugar Production (Tons)	**85,796**	95,642	▼
Sucrose Recovery (%)	**10.66**	11.16	▼
Revenue from Sugar (Rs. in billion)	**11.24**	6.84	▲
Molasses Production (Tons)	**37,867**	40,185	▼
Revenue from molasses (Rs. in billion)	**1.12**	0.845	▲
Revenue from bagasse (Rs. in million)	**304**	291	▲
Profit before Tax (Rs. in billion)	**2.28**	0.39	▲
Taxes to exchequer (Rs. in billion)	**2.52**	1.19	▲
Profit after tax (Rs. in billion)	**1.44**	0.29	▲
Market Capitalization (Rs. in billion)	**3.23**	2.18	▲



A year in Financial Highlights

Key Power Indicators on the basis of Unconsolidated

Net Revenue

2023

10,984 M

⬆ 59.2%

2022

Rs. 6,898M

Gross Profit

2023

2,364 M

⬆ 198.8%

2022

Rs. 807M

Operating Profit

2023

2,164 M

⬆ 312.7%

2022

Rs. 524M

Pre-Tax Profit

2023

2,281 M

⬆ 479.2%

2022

Rs.394M

Debt to Equity Ratio
2023
13.77%
-63.94%
2022
38.19%

Free Cashflow
2023
1,469M
796.58%
2022
(211)M

Net Operating Cash Flow
2023
1,790M
130.9%
2022
Rs. (553)M

Current Ratio
2023
1.60
42.5%
2022
0.92

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. Syed Ehtesham-ud-din	Resident Director
Mr. Ubaid-ur-Rehman	Senior GM Technical
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. Ehtesham-ud-din	
Mr. Ali Hassan	





Auditors
Grant Thornton Anjum Rahman
Chartered Accountants

Legal Advisor
Hafeez Pirzada Law Associates
Advocate & Legal Consultants
KMS Law Associates
Advocates & Corporate Consultants

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.

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.

WEAKNESS

- 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.

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

Delve into our financial performance, including revenue growth, profitability, and key financial metrics that demonstrate our strong fiscal health.

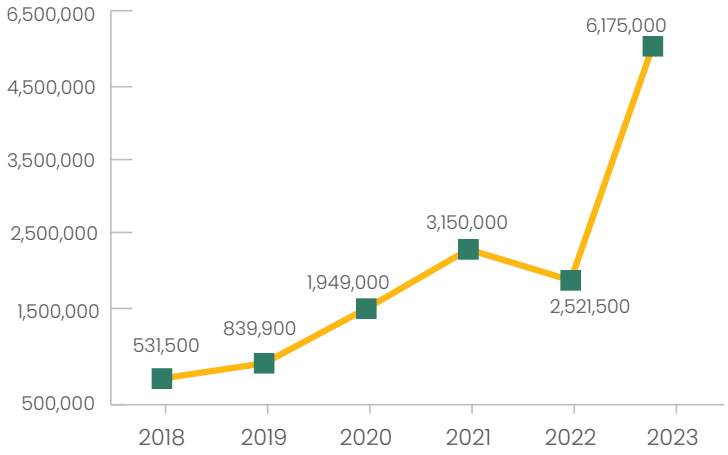

MEHRAN SUGAR MILLS LIMITED

Investor Relations

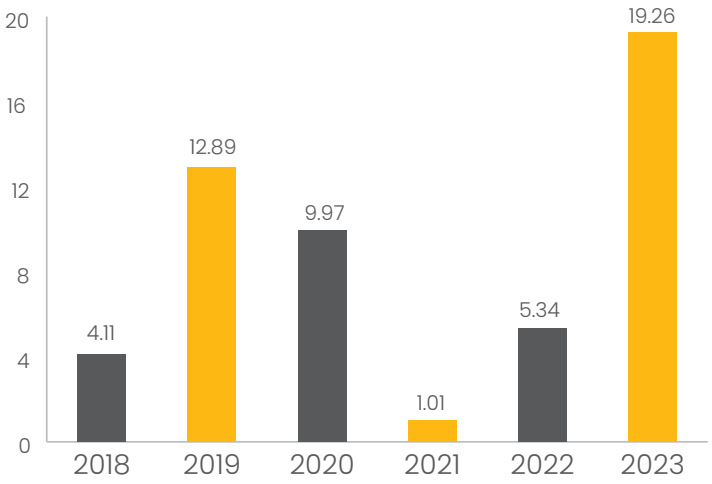
Share Registrar	CDC Share Registrar Services Limited CDC House, 99-B, Block B, S.M.C.H.S. Main Shahra-e-Faisal, Karachi – 74400 Ph: (92-21) 111-111-500
Date of Annual General meeting	26/01/2024

	2023	2022	2021	2020	2019	2018
Number of Shares (Issued / Paid-up)	**74,927,609**	60,547,564	48,927,325	46,597,452	40,519,524	32,031,245
Earning per share	**19.26**	5.34	1.01	9.97	12.89	4.11
Break-up value per share	**51.78**	45.41	51.01	55.96	59.60	81.46
Market Capitalization (Rs. in million)	**3,229.38**	2,176.68	2,250.66	3,455.20	2,329.87	3,387.30
Market value of share on 30th September	**43.10**	35.95	46.00	74.15	57.50	105.75
P/E Ratio	**2.24**	6.73	45.54	7.44	4.46	25.73
Cash Dividend %	**75.00**	7.50	15.00	12.50	32.50	30.00
Cash Dividend (Rs. in million)	**554.01**	40.37	73.39	58.25	127.08	96.09
Bonus Shares %	**10.00**	25.00	10.00	5.00	25.00	15.00
Number of shares Traded	**6,175,000**	2,521,500	3,150,000	1,949,000	839,900	531,500
Highest price during the year	**50.44**	50.80	73.00	91.44	122.80	140.00
Lowest price during the year	**28.31**	33.10	45.24	48.00	48.45	94.00

Mehran's Shares Turnover



Earnings per share



Envisioning Tomorrow, Embracing Opportunities

Gain insights into our strategic direction, growth prospects, and upcoming initiatives as we look towards an exciting future.



Management Team



Mr. Ahmed Ebrahim Hasham
Managing Director

Joined Mehran in 2000
Bachelor of Arts (Economics and IR) Tufts University, Medford MA, USA
Work Experience:
23 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:
39 years of practical experience with multinational and national companies.



Mr. Syed Ehtesham-ud-Din
Resident Director

Joined Mehran in 2004
Bachelor of Arts

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



Mr. Ubaid-Ur-Rehman
Senior GM Technical

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

Work Experience:
41 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:
15 years of practical experience with various manufacturing sectors

Horizontal & Vertical Analysis

STATEMENT OF PROFIT OR LOSS

Rupees in million

HORIZONTAL ANALYSIS	2023		2022	
	Rs.	%	Rs.	%
Turnover	10,983.53	59.23	6,898.03	13.76
Cost of sales	(8,619.57)	41.52	(6,090.62)	12.23
Gross Profit	2,363.96	192.78	807.41	26.78
Distribution costs	(84.23)	16.08	(72.56)	60.51
Administrative expenses	(309.74)	21.27	(255.40)	(2.55)
Other expenses	(98.01)	(12.41)	(111.89)	(24.02)
Other income	292.23	86.31	156.85	(32.93)
Share of Profit from associates	911.79	107.16	440.14	614.53
Provision for impairment on long-term investment	-	-	-	(100.00)
Allowance for expected credit loss on long-term receivables	(160.17)	260.04	(44.49)	(38.99)
Finance costs	(635.30)	20.71	(526.32)	98.95
Profit before taxation	2,280.53	479.20	393.74	2,101.22
Taxation	(837.59)	702.46	(104.38)	150.28
Net (Loss) / Profit for the year	1,442.95	398.67	289.36	(1,314.99)

VERTICAL ANALYSIS	2023		2022	
	Rs.	%	Rs.	%
Turnover	10,983.53	100.00	6,898.03	100.00
Cost of sales	(8,619.57)	(78.48)	(6,090.62)	(88.30)
Gross Profit	2,363.96	21.52	807.41	11.70
Distribution costs	(84.23)	(0.77)	(72.56)	(1.05)
Administrative expenses	(309.74)	(2.82)	(255.40)	(3.70)
Other expenses	(98.01)	(0.89)	(111.89)	(1.62)
Other income	292.23	2.66	156.85	2.27
Share of Profit from associates	911.79	8.30	440.14	6.38
Provision for impairment on long-term investment	-	-	-	-
Allowance for expected credit loss on long-term receivables	(160.17)	(1.46)	(44.49)	(0.64)
Finance costs	(635.30)	(5.78)	(526.32)	(7.63)
Profit before taxation	2,280.53	20.76	393.74	5.71
Taxation	(837.59)	(7.63)	(104.38)	(1.51)
Net (Loss) / Profit for the year	1,442.95	13.14	289.36	4.19

2021		2020		2019		2018	
Rs.	%	Rs.	%	Rs.	%	Rs.	%
6,063.54	(5.62)	6,424.68	20.95	5,311.77	10.87	4,790.79	(12.91)
(5,426.68)	(8.94)	(5,959.54)	32.69	(4,491.46)	6.91	(4,201.11)	(19.72)
636.86	36.92	465.14	(43.30)	820.31	39.11	589.68	120.03
(45.21)	(3.97)	(47.08)	(20.96)	(59.56)	(46.56)	(111.45)	34.21
(262.08)	19.71	(218.92)	(14.16)	(255.03)	(7.69)	(276.26)	13.58
(147.26)	2,311.60	(6.11)	(51.96)	(12.71)	(81.68)	(69.39)	641.61
233.87	(10.59)	261.56	231.00	79.02	(53.39)	169.54	(53.26)
61.60	(19.92)	76.92	(76.32)	324.89	(4.45)	340.02	239.63
(122.43)	(100.00)	-	-	-	-	-	-
(72.92)	174.73	(26.54)	(100.00)	-	-	-	-
(264.55)	(22.72)	(342.32)	(11.03)	(384.77)	81.15	(212.41)	8.00
17.89	(89.00)	162.65	(68.24)	512.15	19.18	429.72	116.43
(41.70)	(63.93)	(115.62)	6.75	(108.31)	543.77	(16.82)	(74.84)
(23.82)	(150.64)	47.03	(88.36)	403.83	(2.20)	412.90	213.57

2021		2020		2019		2018	
Rs.	%	Rs.	%	Rs.	%	Rs.	%
6,063.54	100.00	6,424.68	100.00	5,311.77	100.00	4,790.79	100.00
(5,426.68)	(89.50)	(5,959.54)	(92.76)	(4,491.46)	(84.56)	(4,201.11)	(87.69)
636.86	10.50	465.14	7.24	820.31	15.44	589.68	12.31
(45.21)	(0.75)	(47.08)	(0.73)	(59.56)	(1.12)	(111.45)	(2.33)
(262.08)	(4.32)	(218.92)	(3.41)	(255.03)	(4.80)	(276.26)	(5.77)
(147.26)	(2.43)	(6.11)	(0.10)	(12.71)	(0.24)	(69.39)	(1.45)
233.87	3.86	261.56	4.07	79.02	1.49	169.54	3.54
61.60	1.02	76.92	1.20	324.89	6.12	340.02	7.10
(122.43)	(2.02)	-	-	-	-	-	-
(72.92)	(1.20)	(26.54)	(0.41)	-	-	-	-
(264.55)	(4.36)	(342.32)	(5.33)	(384.77)	(7.24)	(212.41)	(4.43)
17.89	0.30	162.65	2.53	512.15	9.64	429.72	8.97
(41.70)	(0.69)	(115.62)	(1.80)	(108.31)	(2.04)	(16.82)	(0.35)
(23.82)	(0.39)	47.03	0.73	403.83	7.60	412.90	8.62

Horizontal ANALYSIS

STATEMENT OF FINANCIAL POSITION

Rupees in million

	2023		2022	
	Rs.	%	Rs.	%
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	2,397.95	(2.03)	2,447.68	3.16
Right-of-Use-Assets	65.72	31.59	49.94	(3.17)
Long-term receivable	-	(100.00)	160.17	(21.74)
Long-term investment	1,803.70	54.57	1,166.91	10.95
Long-term deposits	3.44	-	3.44	303.14
	4,270.80	11.56	3,828.13	3.98
CURRENT ASSETS				
Biological assets	12.85	(47.68)	24.56	3.32
Stores and spare parts	151.58	5.04	144.31	30.59
Stock-in-trade	592.61	(61.85)	1,553.31	176.60
Trade debts	288.60	187.39	100.42	44.14
Loans and advances	129.28	104.35	63.26	15.08
Trade deposits and short-term prepayments	77.96	587.42	11.34	75.00
Other receivables	63.50	63,081.00	0.10	(89.86)
Short-term investments	913.98	24.79	732.42	(44.39)
Taxation – net	55.53	(4.95)	58.42	5.80
Cash and bank balances	46.80	40.67	33.27	206.63
	2,332.69	(14.28)	2,721.41	23.08
TOTAL ASSETS	6,603.49	0.82	6,595.89	11.93
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Share capital	749.28	23.75	605.48	23.75
Reserves	3,130.17	45.99	2,144.18	6.86
	3,879.45	41.09	2,749.65	10.17
NON-CURRENT LIABILITIES				
Long-term financing	391.50	(39.02)	642.02	(30.41)
Lease liabilities	48.60	44.86	33.55	9.63
Market committee fee payable	46.84	(5.29)	49.45	(3.38)
Deferred liabilities	3.28	(17.40)	3.97	(7.67)
Deferred income - government grant	98.72	(4.49)	103.37	46.08
Deferred taxation - net	678.77	1,341.50	47.09	(40.83)
Provision for quality premium	-	-	-	(100.00)
	1,267.72	44.15	879.45	(31.20)
CURRENT LIABILITIES				
Trade and other payables	557.15	21.95	456.87	(3.09)
Contract liabilities (advances from customers)	408.68	(19.22)	505.94	1,362.58
Unclaimed dividend	23.38	18.63	19.71	1.94
Accrued mark-up	27.52	(71.49)	96.52	90.43
Short-term borrowings	14.21	(98.87)	1,258.05	18.25
Provision for market committee fee	23.44	52.29	15.39	125.61
Current portion of non-current liabilities	142.71	(65.04)	408.20	3.36
Sales tax and federal excise duty payable	259.23	25.77	206.11	168.03
Income tax payable	-	-	-	-
	1,456.32	(50.91)	2,966.79	40.03
TOTAL EQUITY AND LIABILITIES	6,603.49	0.12	6,595.89	11.93

2021		2020		2019		2018	
Rs.	%	Rs.	%	Rs.	%	Rs.	%
2,372.81	8.29	2,191.14	0.02	2,190.68	1.03	2,168.33	(0.91)
51.58	(35.94)	80.52	100.00	-	-	-	-
204.66	(26.27)	277.58	100.00	-	-	-	-
1,051.77	(14.88)	1,235.65	(9.30)	1,362.37	14.46	1,190.22	21.74
0.85	-	0.85	(1.16)	0.86	(1.15)	0.87	(21.63)
3,681.67	(2.75)	3,785.74	6.52	3,553.92	5.79	3,359.42	6.08
23.77	42.99	16.62	9.03	15.25	73.52	8.79	(50.26)
110.50	0.14	110.34	7.73	102.42	0.74	101.67	21.21
561.56	823.91	60.78	(94.27)	1,060.60	(9.13)	1,167.16	(3.18)
69.67	282.67	18.21	(76.99)	79.13	(39.40)	130.58	(25.17)
54.98	18.80	46.27	(60.34)	116.69	0.54	116.07	(21.76)
6.48	48.70	4.36	(52.93)	9.26	(28.12)	12.88	66.13
0.99	21.45	0.82	(99.74)	317.56	(45.32)	580.80	12,824.15
1,317.09	18.86	1,108.08	11.32	995.38	(20.92)	1,258.74	51.60
55.22	40.29	39.36	(2.21)	40.25	(51.11)	82.33	50.75
10.85	6.98	10.14	(98.49)	672.98	4,118.22	15.95	(44.53)
2,211.11	56.26	1,414.98	(58.50)	3,409.53	(1.88)	3,474.98	35.96
5,892.78	13.31	5,200.72	(25.31)	6,963.45	1.89	6,834.40	19.43
489.27	5.00	465.97	15.00	405.20	26.50	320.31	-
2,006.55	(6.30)	2,141.53	6.56	2,009.70	(12.20)	2,289.01	20.60
2,495.83	(4.28)	2,607.51	7.98	2,414.90	(7.45)	2,609.32	17.63
922.59	(18.05)	1,125.82	53.00	735.83	(1.29)	745.41	66.11
30.60	4.60	29.26	42.08	20.59	13.10	18.21	(42.54)
51.18	78.48	28.68	22.64	23.38	(10.45)	26.11	(60.42)
4.30	(3.24)	4.45	(6.66)	4.76	(0.47)	4.79	(1.91)
70.76	1,857.80	3.61	100.00	-	-	-	-
79.58	(53.45)	170.97	(14.34)	199.58	(11.60)	225.77	(21.67)
119.29	-	119.29	-	119.29	-	119.29	-
1,278.31	(13.75)	1,482.07	34.31	1,103.44	(3.17)	1,139.58	18.86
471.46	3.77	454.31	(32.89)	676.96	50.93	448.53	0.77
34.59	(5.20)	36.49	(91.22)	415.59	46.99	282.73	(53.50)
19.33	3.66	18.65	5.41	17.69	(9.28)	19.50	(45.48)
50.68	149.20	20.34	(83.79)	125.50	154.80	49.25	52.37
1,063.92	257.04	297.98	(82.98)	1,750.71	(10.99)	1,966.89	76.08
6.82	(84.48)	43.97	17.48	37.42	23.10	30.40	52.25
394.93	199.21	131.99	(59.93)	329.36	44.53	227.88	23.70
76.90	(28.41)	107.41	16.90	91.88	52.36	60.31	(41.57)
-	-	-	-	-	-	-	-
2,118.64	90.67	1,111.14	(67.75)	3,445.11	11.66	3,085.50	21.21
5,892.78	13.31	5,200.72	(25.31)	6,963.45	1.89	6,834.40	19.43

VERTICAL ANALYSIS

STATEMENT OF FINANCIAL POSITION

Rupees in million

	2023 Rs.	2023 %	2022 Rs.	2022 %
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	2,397.95	36.31	2,447.68	37.11
Right-of-Use-Assets	65.72	1.00	49.94	0.76
Long-term receivable	-	-	160.17	2.43
Long-term investment	1,803.70	27.31	1,166.91	17.69
Long-term deposits	3.44	0.05	3.44	0.05
	4,270.80	64.68	3,828.13	58.04
CURRENT ASSETS				
Biological assets	12.85	0.19	24.56	0.37
Stores and spare parts	151.58	2.30	144.31	2.19
Stock-in-trade	592.61	8.97	1,553.31	23.55
Trade debts	288.60	4.37	100.42	1.52
Loans and advances	129.28	1.96	63.26	0.96
Trade deposits and short-term prepayments	77.96	1.18	11.34	0.17
Other receivables	63.50	0.96	0.10	0.00
Short-term investments	913.98	13.84	732.42	11.10
Taxation – net	55.53	0.84	58.42	0.89
Cash and bank balances	46.80	0.71	33.27	0.50
	2,332.69	35.33	2,721.41	41.26
TOTAL ASSETS	6,603.49	100.00	6,595.89	100.00
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Share capital	749.28	11.35	605.48	9.18
Reserves	3,130.17	47.40	2,144.18	32.51
	3,879.45	58.75	2,749.65	41.69
NON-CURRENT LIABILITIES				
Long-term financing	391.50	5.93	642.02	9.73
Lease liabilities	48.60	0.74	33.55	0.51
Market committee fee payable	46.84	0.71	49.45	0.75
Deferred liabilities	3.28	0.05	3.97	0.06
Deferred income - government grant	98.72	1.50	103.37	1.57
Deferred taxation - net	678.77	10.28	47.09	0.71
Provision for quality premium	-	-	-	-
	1,267.72	19.20	879.45	13.33
CURRENT LIABILITIES				
Trade and other payables	557.15	8.44	456.87	6.93
Contract liabilities (advances from customers)	408.68	6.19	505.94	7.67
Unclaimed dividend	23.38	0.35	19.71	0.30
Accrued mark-up	27.52	0.42	96.52	1.46
Short-term borrowings	14.21	0.22	1,258.05	19.07
Provision for market committee fee	23.44	0.36	15.39	0.23
Current portion of non-current liabilities	142.71	2.16	408.20	6.19
Sales tax and federal excise duty payable	259.23	3.93	206.11	3.12
Income tax payable	-	-	-	-
	1,456.32	22.05	2,966.79	44.98
TOTAL EQUITY AND LIABILITIES	6,603.49	100.00	6,595.89	100.00

2021		2020		2019		2018	
Rs.	%	Rs.	%	Rs.	%	Rs.	%
2,372.81	40.27	2,191.14	42.13	2,190.68	31.46	2,168.33	31.73
51.58	0.88	80.52	1.55	-	-	-	-
204.66	3.47	277.58	5.34	-	-	-	-
1,051.77	17.85	1,235.65	23.76	1,362.37	19.56	1,190.22	17.42
0.85	0.01	0.85	0.02	0.86	0.01	0.87	0.01
3,681.67	62.48	3,785.74	72.79	3,553.92	51.04	3,359.42	49.15
23.77	0.40	16.62	0.32	15.25	0.22	8.79	0.13
110.50	1.88	110.34	2.12	102.42	1.47	101.67	1.49
561.56	9.53	60.78	1.17	1,060.60	15.23	1,167.16	17.08
69.67	1.18	18.21	0.35	79.13	1.14	130.58	1.91
54.98	0.93	46.27	0.89	116.69	1.68	116.07	1.70
6.48	0.11	4.36	0.08	9.26	0.13	12.88	0.19
0.99	0.02	0.82	0.02	317.56	4.56	580.80	8.50
1,317.09	22.35	1,108.08	21.31	995.38	14.29	1,258.74	18.42
55.22	0.94	39.36	0.76	40.25	0.58	82.33	1.20
10.85	0.18	10.14	0.20	672.98	9.66	15.95	0.23
2,211.11	37.52	1,414.98	27.21	3,409.53	48.96	3,474.98	50.85
5,892.78	100.00	5,200.72	100.00	6,963.45	100.00	6,834.40	100.00

489.27	8.30	465.97	8.96	405.20	5.82	320.31	4.69
2,006.55	34.05	2,141.53	41.18	2,009.70	28.86	2,289.01	33.49
2,495.83	42.35	2,607.51	50.14	2,414.90	34.68	2,609.32	38.18
922.59	15.66	1,125.82	21.65	735.83	10.57	745.41	10.91
30.60	0.52	29.26	0.56	20.59	0.30	18.21	0.27
51.18	0.87	28.68	0.55	23.38	0.34	26.11	0.38
4.30	0.07	4.45	0.09	4.76	0.07	4.79	0.07
70.76	1.20	3.61	0.07	-	-	-	-
79.58	1.35	170.97	3.29	199.58	2.87	225.77	3.30
119.29	2.02	119.29	2.29	119.29	1.71	119.29	1.75
1,278.31	21.69	1,482.07	28.50	1,103.44	15.85	1,139.58	16.67
471.46	8.00	454.31	8.74	676.96	9.72	448.53	6.56
34.59	0.59	36.49	0.70	415.59	5.97	282.73	4.14
19.33	0.33	18.65	0.36	17.69	0.25	19.50	0.29
50.68	0.86	20.34	0.39	125.50	1.80	49.25	0.72
1,063.92	18.05	297.98	5.73	1,750.71	25.14	1,966.89	28.78
6.82	0.12	43.97	0.85	37.42	0.54	30.40	0.44
394.93	6.70	131.99	2.54	329.36	4.73	227.88	3.33
76.90	1.30	107.41	2.07	91.88	1.32	60.31	0.88
-	-	-	-	-	-	-	-
2,118.64	35.95	1,111.14	21.37	3,445.11	49.47	3,085.50	45.15
5,892.78	100.00	5,200.72	100.00	6,963.45	100.00	6,834.40	100.00

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

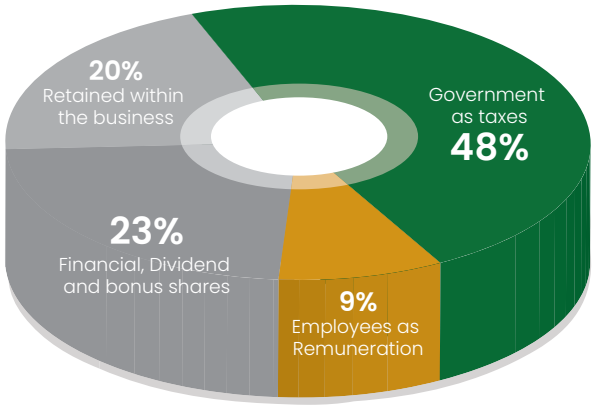
- Two Mosques - Factory & Colony.
- Recreation Centre at officers mess equipped with Indoor Games, TV, Videos and other facilities.
- Cricket Ground, Tennis Court, Park, School/ College Bus facility.
- Private Electric Generator for Uninterrupted Power Supply and Solar Power for Renewable Cheap Energy.
- 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

Economic Value Added

Statement of Value Addition

	2023 Rupees	%	2022 Rupees	%
WEALTH GENERATED				
Gross revenue	**12,664,172,003**		**7,982,754,657**	
Other Income	**292,230,718**		**156,850,337**	
Share of profit from associates	**911,791,339**		**440,137,609**	
	13,868,194,060		**8,579,742,603**	
Expenses	**(8,524,470,858)**		**(5,966,657,798)**	
Wealth generated	**5,343,723,202**	100	**2,613,084,805**	100
WEALTH DISTRIBUTED				
To Government				
Sales Tax, Income Tax, Road Cess, WWF	**2,551,037,554**	48	**1,201,694,650**	46
To Employees				
Salaries, WPPF, Benefits and Other related cost	**508,971,761**	9	**402,533,104**	15
To Providers of capital				
Mark-up on borrowed funds	**635,304,325**	12	**526,315,499**	20
Shareholders as Dividend/Bonus shares	**619,856,100**	11	**183,324,793**	7
	1,255,160,425	23	**709,640,292**	27
Retained with the business				
Depreciation	**191,653,178**	4	**188,352,453**	7
Retained profit	**836,900,284**	16	**110,864,306**	5
	1,028,553,462	20	**299,216,759**	12
	5,343,723,202	100	**2,613,084,805**	100

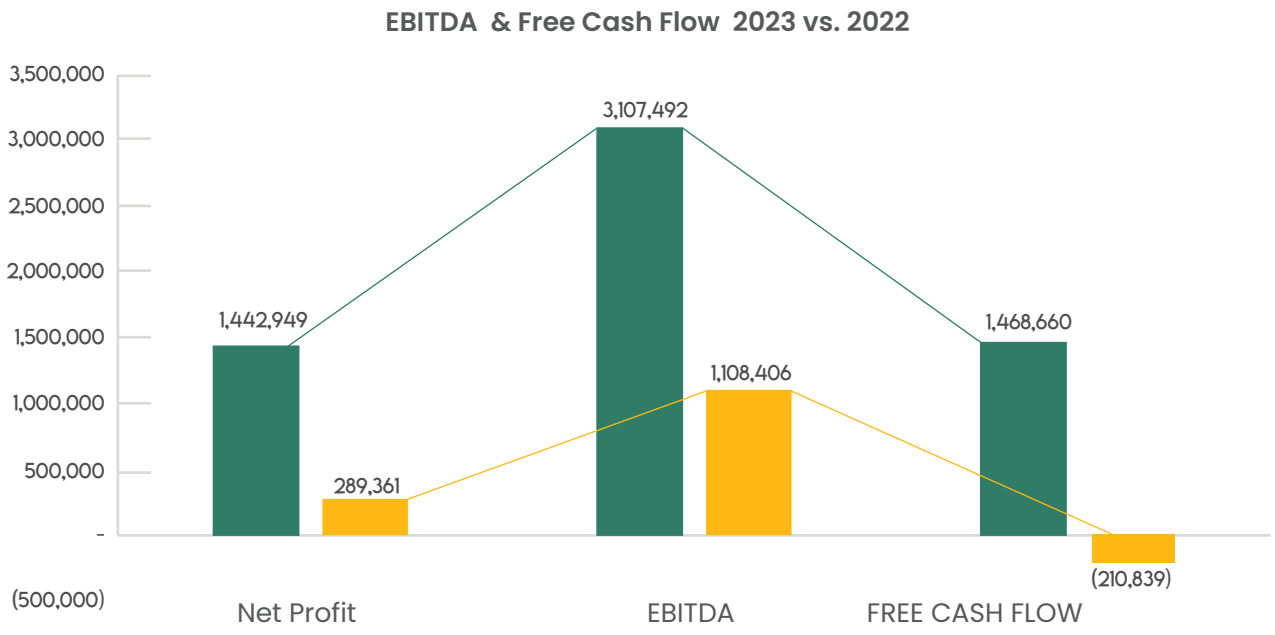
Value addition and distribution during the year 2023 Rs. 5,343.72 million



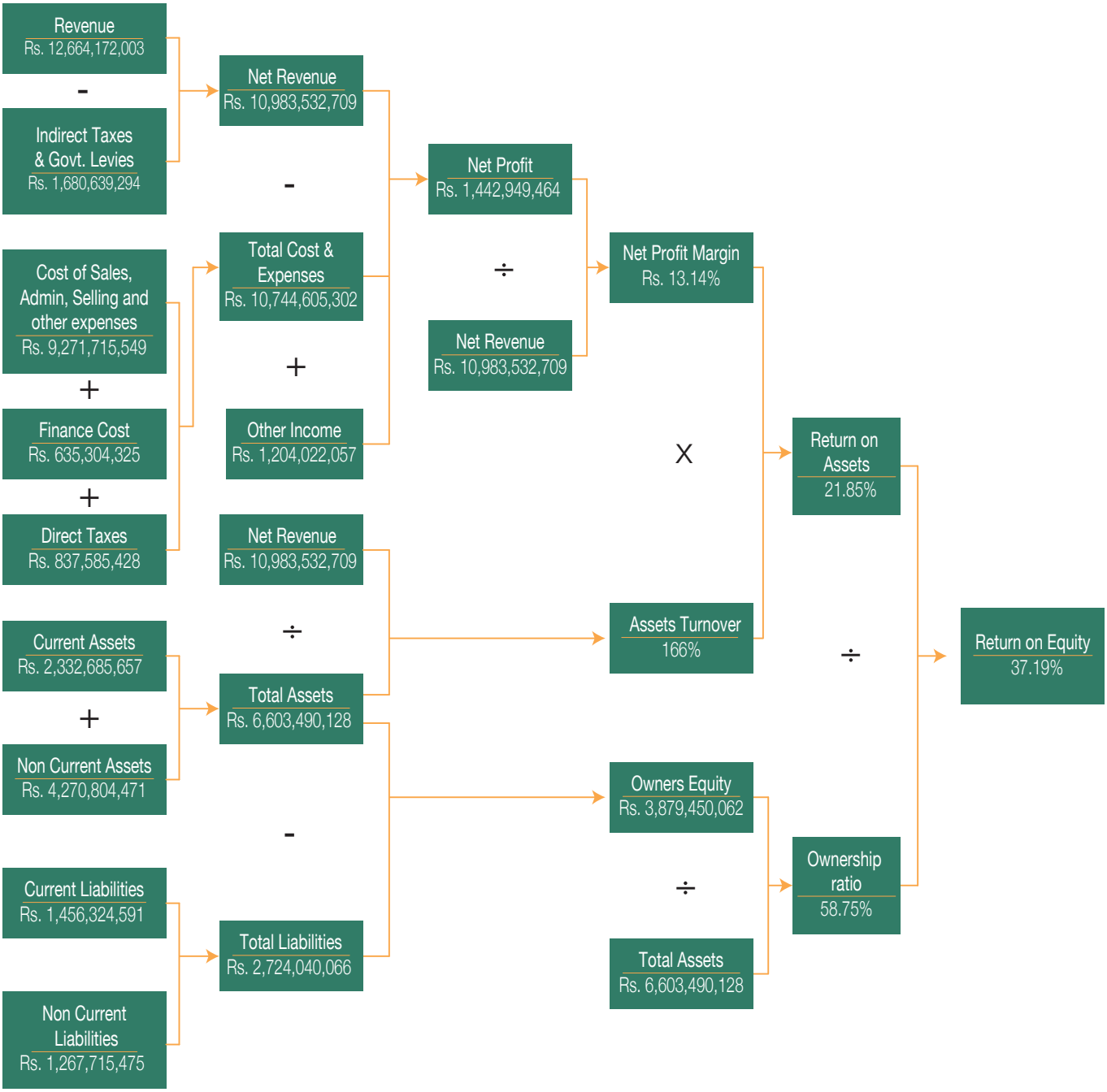
Economic Value Added

Statement of EBITDA and Free Cashflow

	2023 Rupees	2022 Rupees
Net Profit	**1,442,949**	289,361
Add:		
Finance Cost	**635,304**	526,315
Income Tax Expenses	**837,585**	104,377
Depreciation	**191,653**	188,352
EBITDA	**3,107,492**	1,108,406
Less:		
Income Tax Paid	**(203,286)**	(140,821)
Working Capital	**(637,056)**	(483,372)
Finance Cost Paid	**(676,502)**	(452,536)
CAPEX	**(121,988)**	(242,516)
	(1,638,832)	(1,319,245)
Free Cash Flow	**1,468,660**	(210,839)



Dupont Analysis



Six Years' Review at a Glance

	2023	2022	2021	2020	2019	2018
Operational Trends						
Sugarcane crushed - M.Tons	**804,872**	856,944	682,253	654,339	702,259	1,043,279
Sugar produced - M.Tons	**85,796**	95,642	73,092	72,821	80,332	120,200
Sucrose recovery - %	**10.66**	11.16	10.72	11.13	11.44	11.52
Balance Sheet			Rupees in million			
Share capital	**749.28**	605.48	489.27	465.97	405.20	320.31
Reserves	**3,130.17**	2,144.17	2,006.55	2,141.53	2,009.70	2,289.01
Shareholders' equity	**3,879.45**	2,749.65	2,495.82	2,607.50	2,414.90	2,609.32
Non current liabilities	**1,267.72**	879.45	1,278.32	1,482.08	1,103.44	1,139.58
Current liabilities	**1,456.32**	2,966.79	2,118.64	1,111.14	3,445.11	3,085.50
Total Equity & Liabilities	**6,603.49**	6,595.89	5,892.78	5,200.72	6,963.45	6,834.40
Fixed Assets	**2,463.67**	2,497.62	2,372.81	2,191.14	2,190.68	2,168.33
Non current assets	**1,807.13**	1,330.51	1,308.86	1,594.60	1,363.24	1,191.09
Current assets	**2,332.69**	2,767.76	2,211.11	1,414.98	3,409.53	3,474.98
Total assets	**6,603.49**	6,595.89	5,892.78	5,200.72	6,963.45	6,834.40
Financial Trends			Rupees in million			
Turnover	**10,983.53**	6,898.03	6,063.54	6,424.68	5,311.77	4,790.79
Gross profit	**2,363.96**	807.41	636.86	465.14	820.31	589.68
Operating profit	**2,164.22**	524.40	416.19	454.59	572.03	302.12
EBITDA	**3,085.74**	1,108.41	437.95	661.88	1,067.79	808.84
EBIT	**2,280.53**	920.06	282.44	185.37	512.15	772.04
Pre-tax profit	**2,280.53**	393.74	17.89	162.65	512.15	429.72
After-tax profit / (loss)	**1,442.95**	289.36	(23.82)	47.03	403.83	412.90
Capital Expenditure	**121.99**	410.00	28.54	267.65	178.29	242.63
Cash Flows			Rupees in million			
Operating activities	**1,914.75**	(310.81)	(341.22)	440.52	1,149.39	(647.40)
Investing activities	**211.37**	430.11	(447.70)	276.15	(167.93)	(515.78)
Financing activities	**(866.25)**	(291.02)	23.69	73.21	(324.43)	1,150.37
Cash and Cash equivalents	**32.58**	(1,224.79)	(1,053.07)	(287.84)	672.98	15.95
Profitability Indicators			Percentage			
Grosss profit margin	**21.52**	11.70	10.50	7.24	15.44	12.31
Net profit margin	**13.14**	4.19	(0.39)	0.73	7.60	8.62
Return on shareholders' equity	**37.19**	10.52	(0.95)	1.80	16.72	15.82
Return on capital employed	**44.31**	25.35	7.48	4.53	14.56	20.59
Return on total assets	**21.85**	4.39	(0.40)	0.90	5.80	6.04
EBITDA margin	**28.09**	16.07	7.22	10.30	20.10	16.88

	2023	2022	2021	2020	2019	2018
Operating Performance						
Inventory turnover ratio	**8.03**	**5.76**	**17.44**	10.63	4.03	3.54
Inventory turnover in days	**45**	**63**	**21**	34	91	103
Debtors turnover ratio	**22.06**	**33.17**	**52.37**	42.58	15.72	20.24
Debtors turnover in days	**17**	**11**	**7**	9	23	18
Creditors turnover ratio	**61.56**	**46.47**	**34.52**	18.56	18.53	39.58
Creditors turnover in days	**6**	**8**	**11**	20	20	9
Operating cycle in days	**56**	**66**	**17**	23	94	112
Total assets turnover ratio	**1.66**	**1.10**	**1.09**	1.06	0.77	1.40
Fixed assets turnover ratio	**4.43**	**2.80**	**2.66**	2.93	2.44	4.42
Capital employed turnover ratio	**2.50**	**1.86**	**1.54**	1.69	1.46	2.56
Investment Valuation						
Earnings per share	**19.26**	**3.86**	**(0.49)**	1.01	9.97	12.89
Break-up value per share	**51.78**	**45.41**	**51.01**	55.96	59.60	81.46
Price earning ratio	**2.24**	**9.31**	**(93.88)**	73.42	5.77	8.20
Dividend yield (%)	**17.40**	**2.09**	**3.26**	1.69	5.65	2.31
Dividend payout (%)	**38.95**	**n/a**	**n/a**	123.76	32.60	79.08
Market value per share on 30th September	**43.10**	**35.95**	**46.00**	74.15	57.50	105.75
Cash Dividend (%)	**75.00**	**7.50**	**15.00**	12.50	32.50	30.00
Bonus Shares (%)	**10.00**	**25.00**	**10.00**	5.00	25.00	15.00
Financial gearing						
Debt Ratio	**0.41**	**0.58**	**0.58**	0.50	0.65	0.62
Debt : Equity Ratio	**0.70**	**1.40**	**1.36**	0.99	1.88	1.62
Interest cover ratio	**4.59**	**1.75**	**1.07**	1.48	2.33	3.02
Liquidity measurement						
Current ratio	**1.60**	**0.93**	**1.04**	1.27	0.99	1.13
Quick ratio/Acid test ratio	**1.40**	**0.85**	**0.91**	1.04	0.92	1.06
Value addition			Rupees in million			
Government as taxes	**2,551.04**	**1,201.69**	1,141.39	752.42	313.94	268.60
Employees as remuneration	**508.97**	**402.53**	340.22	371.98	366.67	366.67
Financial charges to providers of finance	**635.30**	**526.32**	342.32	384.78	212.41	212.41
Shareholders as dividend and bonus shares	**619.86**	**183.32**	81.55	224.70	144.14	144.14
Retained within the business	**1,028.55**	**299.22**	387.65	213.67	381.46	413.64

Gratitude, Collaboration, and Continue Success



Express our sincere appreciation to all stakeholders, including clients, partners, employees, and shareholders, for their unwavering support and dedication



CEOs Message on ESG

I am pleased to present the Sustainability Report of Mehran Sugar Mills Limited, reflecting our firm commitment to Environmental, Social, and Governance (ESG) initiatives. This report determines the Company's commitment to serving our country, our valued employees, community, and society at large through sustainable practices.

Amongst a constantly challenging economic and business environment, including but not limited to high interest rates, high inflation, rupee devaluation coupled with uncertainty and political instability, the Company actively promotes and aims to play its vital role in ESG related matters for the long run sustainability of the country, company and its stakeholders.

In today's report I'll spend more time talking about the environment since it's a topic which remains important and relevant with the COP 28 just being hosted in Dubai.

We firmly believe that our business nature and our raw material sugarcane has by itself a strong potential to allow a sustainable and an environmentally friendly process. Sugarcane has many magical properties such as sugar, water, Baggasse, mud and molasses all of which are sustainable and reusable.

Sugarcane allows for the saving of large qty's of Baggasse which are used in our boilers as a clean sustainable fuel providing both steam and electricity for the mills operations. Our energy efficiency initiatives have allowed us to save excess Baggasse and sell it to other users who then replace it with fossil fuels.

While our seasonal plant operational requirements are met by our own Baggasse, whereas for our off season electricity we have aimed to go totally off grid. We have thus installed 800 KW of Solar power in tranches starting from 2016. This initiative has allowed us to sell our excess solar requirements into the grid which compensates for the electricity we use when solar power is not being generated.

With an aim and near completion to being self-sufficient in our power requirements we took on the challenge to being self-sufficient in our water requirements as well.

Over the years we have constantly strived to reduce our mills water consumption by investing heavily in automation of our refinery house which is a heavy water consumer for most mills in the industry. We have also implemented 3 stages of WMP (Water Management Plans) to reduce excess water at every stage of manufacturing.

Today we are proud to say that whatever water sugarcane brings in with it (50 percent of crop weight is water) is the only source of water we use at our factory. We than have a state of the art ETP plant whereby we clean the water, store it and use it year round for our agriculture requirements.

Minimizing our environmental impact and conserving resources remains a top priority. We have substantially reduced water usage and carbon footprint by adopting water recycling and waste water treatment plants like ETP. We are committed to minimizing environmental impacts by reducing wastes and emissions. Mehran is proud to be one of the pioneers in establishing a fly ash discharge system as well and the technology has won accolades in the industry.

The Company diligently implements an Energy Management System to ensure optimal energy usage like, use of VFDs with conventional motors and conventional lights to be replaced with LED lights with an aim to be 100 percent LED by this year. (More fully explained in relevant section of the ESG related disclosures and details as given below).

Our future focus would be on the usage of Electric mobility. We see huge potential in this sphere since sugar mills have the potential to generate net excess electricity and can eventually charge their entire transport fleet for sugarcane movement as well as for its own internal transport mobility.

We as a Company remain unwavering in our commitment towards a sustainable future that ensures our continued success and positively impacts the world around us.

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



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)

1. HEALTH, SAFETY AND ENVIRONMENT (HSE).

Management of Mehran is always committed to provide safe and secure work environment. In this regards our HSE department has conducted department wise various awareness and training workshops for safety protocols, firefighting and self-defense during the year ended.

Our time to time periodic activities and their scope along with learning outcome is tabulated as below:

HSE Training Schedule 2023				
Sr.	Topic	Date	Craft	Attendees
1	Emergency Response Plan	22-May-2023	Turbine Operators	12
2	Welding job	29-May-2023	Mill House Welders	06
3	Fire Drill	05-June-2023	Emergency Response Team Shift-C	05
4	Emergency Response Plan	12-June-2023	Boiler Staff	30
5	Manual Handling	21-June-2023	Riggers	10
6	Fire Drill	26-June-2023	Emergency Response Team Shift-B	05
7	First Aid	07-July-2023	Tandem-A	All Staff
		08-July-2023	Tandem-B	All Staff
8	Civil Defence Training	15-July-2023	All Departments	35
9	Work At Height	19-July-2023	Fabricators & Welders	20
10	Emergency Response Plan	24-July-2023	Electrical staff	25

2. ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) AT MEHRAN SUGAR.

ESG is a system for measuring the sustainability of a company in three specific categories: environmental, social and governance. It has developed into a broad framework that addresses key aspects including environmental and social impact, as well as how governance structures can be changed to enhance stakeholder well-being. We believe unwaveringly that stakeholder value maximization is possible on a long-term basis by implementing best-in-class.

ESG protocols and therefore, ESG remains a key dimension in our strategic decision making. Alongside on the path to growth, we also continue upon our journey of Excellence and building Enterprise of the Future, by delivering on our

Environment Social and Governance agenda. With the evolved ESG agenda, we have embarked upon on some amazing projects pertaining to all the key elements of ESG that are shaping the sustainability of business and industries in Pakistan. Some of them are briefed as under:









RENEWABLE ENERGY AND CONSERVATION

Our Company initiated first solar projects way back in 2015-16 and started from 118KW project and completed four smaller projects with cumulative generation capacity of 250 KW. Our Company obtained first time generation license from National Electric Power Regulatory Authority in March 2021. After successful launching and obtaining generation license for NEPRA for supply of surplus power through net metering, the management committed to further enhance solar energy generation by 550 KWs during the year ended September 30, 2023. This is in addition to our previous solar project of 250KWs. So, cumulative solar energy projects as on date are of 800 KW, which suffice our more than 90% requirements of the factory operations including repair works at mills, offices and residential colony electric requirements during off season as well. Whereas, during season we operate our mills through our own bagasse based boilers at an average of 10.5 TO 11 megawatts. Our company has also obtained generation license from NEPRA for these additional projects during the year as well. By adopting these measures we will not be getting any electricity from nation grid for our seasonal and off season operations as well. However, we will be in a position to export surplus electricity to national grid through net metering.

This will improve the reliability of the power system by absorbing the variations of the Solar Plant and improve the overall generation efficiency and allow quick response in case of any power faults enabling 24/7 operations.

Considering the global environmental challenges, it is important to invest in such technologies, especially on the industrial level. Being an industry leader, we understand our responsibility towards the environment and through such investments, we are committed to ensuring a sustainable future.

Solar Projects







From energy conservation point of view management is also committed and adding YOY basis VFDs with all conventional motors, currently we have added 10.78MW VFDs in various houses of the project and we aim to add more 5MW VFDs at remaining various station within next 2 to 3 years. Further, we have also converted conventional lights into LED lights in various areas of mills and also in streets lights of residential area and offices as well. Remaining Houses of our mills like Mill House and Boiler House will also be shifted with LED lights in next couple of years.

Extensive training and its related training materials are disseminated to associates encouraging them to conserve energy by switching off extra electrical appliances when not used and / or during breaks. The signboards around the factory premises have also been placed to emphasize associates energy conservation.

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 (MSM) 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. MSM is now using only cane water for its processing. The cost of effluent treatment was about USD 1.70 million.

NATURE OF BUSINESS

Effluent flow reduction Sugar cane is a unique crop in that it brings all the elements required for sugar manufacturing along with the sugar, including fiber for energy production and water required for processing. Ideally, there is no need for additional water if cane water is utilized properly. Considering this, a water balance of the plant was developed for all the inflows and outflows. The basic equation of the factory water balance was:

- Water In = Water out
- Water In = Water in Cane + Water from other sources (canal/ground water)
- Water Out = Water out from factory through product, by-product, evaporation and effluent

The following methodology was adopted for reducing the effluent flow:

1. A water balance of the plant was carried out.
2. A list of water consuming and draining points was prepared. This was important to know the sources of canal water usage and water draining to effluent.
3. A list of all the municipal/sewage water points, including bathrooms, toilets and kitchen waters of the factory, was prepared for separate disposal to the nearby town's municipal drain.
4. The philosophy of 5 Rs (Refuse, Reduce, Reuse, Repurpose and Recycle) was adopted for conservation of effluent.

LATEST UPDATE

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..

IMPARTING QUALITY EDUCATION ABOVE ALL FOUNDATION:

We have established three school under administration of The City Foundation TCFs in various villages near by 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:





USMAN MEMORIAL HOSPITAL

Our commitment to philanthropy is exemplified through our role to run and operate, a non-profit organization registered trust dedicated to the welfare of society.

Established in 1982 by Haji Hasham Haji Ahmed in memory of his son Muhammad Usman, UMH was acquired by Usman Memorial Hospital Foundation in May 2016 and then closed for major renovation, expansion, and upgrading of its entire facilities during 2016 to 2018. All the hospital equipment is replaced with brand new state of the art including radiology equipment, operating theatres, CSSD, lab, and blood bank.

UMH today is one of the best secondary care hospitals in Karachi, delivering quality healthcare at affordable rates in comforting air-conditioned ambiance with trained and caring staff.

Our dedication to ensuring that quality healthcare is available to all is confirmed by our Patient Welfare program.

Welfare Contribution

The Usman Memorial Hospital relies upon the trust and support of its Patrons and donors to meet the ever-increasing needs of our underprivileged patients. UMH solicits support for Patient Welfare Fund and for building additional healthcare facilities.

Mehran sugar always aims to play its part in collection of donation in addition to other valued donors. We have specified a certain proportion out of profits of our sugar division to be donated to this welfare UMH institution.



Mr Muhammad Hussain Hasham our Group Director is the Chairman trustee Board of the UMH where he is extensively engaged in community welfare projects. He is working extensively in the field of social welfare at large.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Sustainability is not just a goal, but a journey for Mehran, nurturing our commitment towards our people and planet to transform our society into a wide-ranging sustainable prosperous nation.

Mehrans'Corporate Social Responsibility (CSR) Programs Are aimed at enabling communities by improving their socio-economic status to ensure inclusive and sustainable development and creating conducive environment for business assuring sustainable continuity of the operations benefitting all stakeholders. In this regard we are in continuous touch with our growers for introducing various cultivation and sowing method with latest technologies and reducing their labour cost and improving yields:

Several training workshops during off season are conducted at various premises of our valued growers and we introduced and trained them for:

- To use Mechanical planter for sowing which will reduce labour cost and also sowing with accurate seed rate. It also improve germination ratio as well.
- To use 4 feet ridge space for sowing, which will improve yield and also ease out harvesting as well by introducing mechanized way of harvesting.
- To use stubble shaver for removal of unwanted plants from the field.
- To use trash mulcher for managing and storing trashed left in the filed after harvesting as a organic matter

Sr#	Sector	Total # Grower
1	Gate-1	37
2	Shahpur	25
3	Huri-1	32
4	Huri-2	23
5	Gate-2	25
6	Kamaro Sharif	33
7	Khesano Mori	35
8	Tando Adam	30
9	Quba Stop	35
10	Fazil Stop	28
11	Beerani	13
12	Dalore Mori	14
13	Hala /Bakar Mori	45
Total		**375**



FLOOD RELIEF & REHABILITATION PLAN

Demonstrating solidarity during any national level crisis, Mehran always responded instantly to provide relief to the communities suffering in such catastrophic calamities, in its own area of responsibility and in the most appropriate manner by providing all out support to the displaced populace. Mehran showed its commitments follows:

Direct engagement with local affected by mobilizing Mehran field teams and resources outsourcing from urban to rural. In this regard various Doctors teams along with their teams were deputed at various area and number of medical camps were arranged which are out lined as below::

1ST FREE MEDICAL CAMP ON DATED 04-09-2022

PLACE OF CAMP: AT SECTOR USMAN SHAH HURI.

MSM RECORD PATIENT ENTRY:	MALE PATIENTS:	225
	FEMALE PATIENTS:	507
	TOTAL PATIENTS:	732

2nd FREE MEDICAL CAMP ON DATED 18-09-2022

PLACE OF CAMP: AT SECTOR GATE 1 IQBAL MARRIAGE HALL TANDO ALLAHYAR.

MSM RECORD PATIENT ENTRY:	MALE PATIENTS:	1210
	FEMALE PATIENTS:	653
	TOTAL PATIENTS:	1863




عثمان میموریل اسپتال فاؤنڈیشن
مفت طبی کیمپ ء مفت دوائیون

Chairman's Message



The year under review was a difficult year because of political unrest and uncertainty. Reduced demand, extraordinary inflationary effects, higher interest rates, and fiscal reforms all had a negative effect on the business environment. The country's foreign exchange reserves are heavily impacted by a decline in exports and remittances from abroad. Due to import restrictions, the supply chain cycle of imported material also suffered.

Your company performed well and set new records for revenue and profitability in spite of unfavorable circumstances. Because of the lower than anticipated production, the national sugar market remained volatile. Reduced crops in Brazil, Thailand, and India allowed international markets to remain bullish. Pakistan was able to tap into this bullish export market but only only export 250,000 metric tons

The Board is fully aware that corporate accountability depends on clearly defined corporate governance procedures. Our entire commitment is to uphold the highest standards of corporate governance in order to preserve stakeholder value. The Board has guided the company in all of its strategic affairs with diligence and effectiveness.

The Board is conscious of the difficulties that lie ahead as we concentrate our efforts on achieving sustainable growth in a sector that serves a sizable portion of our rural economy.

The company's operations are based on prudence, diligence, and consideration for others. Our company thinks that one of the main reasons for our success has been and always will be giving back to the environment and our community. We always endeavour to our basic principles and work to build lasting relationships with all stakeholders. With a dedicated management team and an experienced Board, we are well-prepared to tackle the ongoing difficulties.

I appreciate the support of all stakeholders. Their belief in us during this challenging time has lifted our spirits and given us profound vigor.

We pray to Almighty Allah to enable the Company to sustain its success and for the nation to prosper.

Muhammad Kasim Hasham

Chairman

Directors' Report

On behalf of the Board, I am pleased to present financial results for the year ended September 30, 2023.

ABOUT THE COMPANY

In December 1965, Mehran Sugar Mills Limited (the Company) was incorporated as a public limited company. The company's primary activity is the production of refined sugar and ethanol through its own manufacturing facilities or investments. The sugar plant is located near Tando Allahyar Sind. We have collaborated with our farmers over the years to develop a cane area with high yielding and early maturing varieties, which has given us a competitive advantage in terms of cane proximity and mill recovery.

Our current focus is to invest in state-of-the-art technologies and turn our facility into one of Pakistan›s most energy-efficient and sustainable sugar manufacturing companies.

Your company has been awarded the coveted Top 25 PsX awards three times and the most recent being in 2020.

In 2004, Mehran formed Unicol Limited with two sugar mills in an equally owned joint venture. Initially conceived as a green field ethanol project, Unicol Limited can currently produce up to 72 tonnes of CO_2 and 200,000 liters of ethanol per day. With steady growth, Unicol has emerged as the leading exporter of ethanol from Pakistan, winning the coveted top 100 exporters award.

In 2023 Unicol completed the successful acquisition of a sugar Mill near Sial More Sarghoda which should further integrate the balance sheet and increase revenue to USD 100 Million.

ECONOMY OUTLOOK

In FY23, Pakistan's economy faced several challenges due to persistent structural deficiencies and multiple, unprecedented internal and international supply shocks. The situation worsened during FY23 as a result of the floods' effects, the ongoing internal unrest, the approaching conclusion of the IMF's ninth review of the EFF program, and unfavourable global financial conditions.

The FY23 floods, which caused a significant supply shock, had a negative impact on the economy. The ensuing supply chain interruptions affected the external and fiscal accounts in addition to increasing inflationary pressures and limiting economic activity. The nation was able to pay its external debts, but a significant depreciation of the PKR occurred in FY23 as a result of a decline in the SBP's foreign exchange reserves and unfavourable trend in the foreign exchange market.

Throughout the year, the SBP and the government continued to impose number of short-term import restrictions in an effort to ease the strain on the external account. The impact of supply constraints and different demand compression measures implemented since late FY22 were exacerbated by the restricted availability of inputs, which slowed down economic activity and, consequently, exports. In addition, FX restrictions and currency rate depreciation intensified the effects of supply shortages brought on by floods and increased inflationary pressures.

The cumulative impact of these events caused Pakistan's macroeconomic performance to significantly worsen in FY23. While average National CPI (NCPI) inflation surged to a multi-decade high, real GDP growth dropped to its lowest point sinceFY52.

In response to the growing macroeconomic difficulties, the SBP kept up the tightening of monetary policy that it had begun in September 2021. After increasing the policy rate by 675 basis points (bps) the year before, the SBP increased it by a total of 825 bps during FY23. In addition, a number of administrative actions were taken to reduce domestic demand and ease pressure on the external account. In addition, during the second part of FY23, the government implemented new tax policies to increase revenue collection.

During FY23, significant supply disruptions combined with a weaker rupee drove import inflation. Additionally, rising domestic uncertainty combined with rising energy prices, tax increases, and other levies kept inflation on a strong

and persistent uptrend for the majority of the year. These supply shocks had an impact on general prices and inflation expectations, which caused NCPI inflation to peak at 29.2 percent in FY23, a multi-decade high that was roughly in line with SBP's revised inflation projection range of 27 to 29 percent. This was in spite of a decline in domestic demand brought on by several contractionary policies that have been in place since last year.

Crucially, core inflation stayed in the double digits for the entire year, indicating that rising food and energy prices had a significant second-round effect on wages, broader prices, and inflation expectations.

Pakistan's economy has begun to show some early signs of improvement following a turbulent year. Towards the end of FY23, the nation was able to obtain a US$ 3.0 billion Stand-By Arrangement (SBA) from the IMF, which somewhat reduced the country's immediate risks. Along with bilateral inflows of US$ 3 billion, the SBA's first disbursement of US$ 1.2 billion in July 2023 assisted in reversing the trend of declining SBP foreign exchange reserves.

In addition, compared to previous forecasts, the July 2023 World Economic Outlook indicates that there is a slight improvement in the outlook for global economic growth in 2023. In a similar manner, prices for non-energy global commodities have decreased from the previous year. The economy of Pakistan might benefit from these tendencies. Additionally, a predicted uptick in rice and cotton production will aid in the expansion of agriculture in FY24.

The future outlook looks cautiously optimistic with interest rates expected to reduce to 16-17 percent by June 2024 and to continue to decrease till June 2025.

GLOBAL SUGAR INDUSTRY OUTLOOK

Due to the recent devaluation of the currency and structural changes in the sugar industry, particularly the use of sugarcane to directly produce ethanol instead of sugar, the world sugar market is currently trading at a ten-year high, which has made Pakistan's sugar industry more competitive on a global scale. Exports now bring in 50% more money than local sales, which has never happened before in the last two decades. This situation has also given the Pakistan Sugar industry a margin of safety since its cost of production remains below world sugar prices. Due to the restrictions on exports by India, Pakistan sugar has more potential in the international market.

INDUSTRY REVIEW

The impact of the floods in 2022–2023 proved to make the season a challenging and extremely short one. Farmer crops were devastated and sugarcane being a sturdy crop withstood the damage to a certain degree. This situation compelled farmers to begin harvesting early, which decreased farm yields and recovery.

Even though the lower yields from flooding were anticipated halfway through the season, the sugar industry was not expecting such a major shortfall. The changed sentiment m of a reduced crop led to an unfavourable price war across the country which raised the price of sugarcane and consequently the cost of sugar production.

The minimum support price was raised by the Sindh government to Rs. 302/40 kgs from Rs. 250/40 kgs plus QP the previous year. The cost of production was bound to increase significantly due to this 20% increase over the previous year thus the market price pressures on cane compounded the situation further.

A tighter cane market meant payments for cane buying were on a daily basis. Thus enough liquidity was needed to make growers' payments on time. Due to this and a sharp rise in markup rates, the cost of producing sugar went up considerably. These days, the finance cost (being above 20 percent) associated with short-term working capital requirements (for cane procurement) is a crucial cost element that must be taken into account while making a sales policy.

Eventually Season 2022–2023 concluded with a sugar production of 6.6 million tons, a 16% decrease from the previous year's 7.9 million tons. The industry as a whole had predicted a crop of 8.0 million tons, so this significant decrease was unexpected and unaccounted for. The industry had expected huge exports for the year which were thus not possible.

Since the country had a huge carryover from the previous year, thus even with the lower crop, the sugar stocks were enough to meet annual needs. Sadly, the industry and the nation lost out on the enormous export potential that would have allowed for an additional 1.0 million tons of exports, generating USD 550–650 million in valuable foreign exchange.

Upon observing the large anticipated crop and carryover at the beginning of the season, the government decided to begin exporting, albeit wisely in small quantities at 250,000 tons. Though Punjab and KP were able to quickly implement their export quota, regrettably, the matter of quota allocation amongst mills was litigated in Sind and required court intervention before it could be resolved. Eventually the matter was resolved and exports were made possible. A certain portion of margins from export proceeds however remain subjudice and most mills have deposited them in court.

Sugar prices for the year remained steady till there was clarity on the shorter crop. Once the sentiment for sugarcane prices changed it coupled that with sugar prices as well. However in August/September sugar prices once again started reducing in anticipation of the new crushing season starting and carryover stocks begin larger than early expected.

OPERATIONAL AND FINANCIAL REVIEW

Operational Highlights	**2023**	2022
Crushing - M. Tons	**804,872**	856,944
Sucrose Recovery	**10.66%**	11.16%
Sugar Production - M. Tons	**85,796**	95,642
Molasses production - M. Tons	**37,867**	39,811
Molasses Recovery	**4.70%**	4.65%

Financial Highlights	**2023**	2022
	(Rupees in Thousands except EPS)	
Turnover	**12,664,172**	7,982,755
Sales tax	**1,680,639**	1,084,728
Gross Profit	**2,363,963**	807,406
Gross Profit margin	**21.52%**	11.70%
Profit before tax	**2,280,535**	393,738
Profit before tax margin	**20.76%**	5.71%
Net Profit after tax	**1,442,949**	289,361
Net Profit margin	**13.14%**	4.19%
Earnings per share	**19.26**	4.28

The salient features of these financial and operational outcomes are listed below.

- Sales Turnover rose by 59% over the prior year. The significant carryover of sugar stocks and the rise in the selling prices of sugar, molasses, and bagasse contributed to increase in turnover. Regular sales at various levels and careful observation of sales activity continued to support the bottom line.

- A 479% rise was made in profit before taxes. Alongside core operations, Unicol made a healthy contribution totaling Rs. 911 million. The core income was bolstered by an increase in selling price, and Unifoods investments' sales proceeds also helped the bottom line. It should be mentioned that these results also included the costs of carrying over stocks from the prior year.

- One of the main items under the expense head is the cost of financing. It has gone up by 21% from the previous year. The cost of borrowing has skyrocketed mostly as a result of policy rate increases. The company's business decision to pay growers for their sugarcane on time continues to be a significant factor. Sugarcane planting takes a comparatively longer time, and it is essential to pay the farmer on time to guarantee that he remains involved in the crop's plantation.

- Our sucrose recovery reduced due to early harvesting of sugarcane and impact of floods on the crop.
- Gross Profit margin improved on account of increase in selling price.
- During the year, dividend income from equity investments was Rs. 78.70 million. It is anticipated that this head's revenue stream will continue to match the budget.
- The gain on equity investments was Rs. 84.8 million.

UNICOL LIMITED

During the year, the Company's performance set a new record. Profits climbed to Rs. 2.7 Billion.

Unicol has continued to grow and remain profitable with both its Ethanol and CO2 segment performing well.

The reason for outlier results for the year can largely be attributed to higher prices in Europe for Ethanol due to the gas crisis of the previous year within the continent. This along with timely buying of molasses (prices increased by 30-35 percent locally during the season) allowed Unicol to perform well.

Considering record profitability at the company the board of Unicol approved its first major acquisition of a sugar mill near Sial More, Sarghoda, Punjab. The total cost of the acquisition including capex which was over Rs. 7.0 Billion should allow Unicol to grow sales and profitability in the future. It will also allow Unicol to diversify its revenue base and give more strategic raw material to the distillery.

We foresee the ethanol business become a mature business with more distilling capacity coming online. Thus this acquisition should allow future growth potential.

We are pleased to report that the new sugar mill started crushing in end November. We are optimistic that its production targets set for the initial year shall be met.

Following are the key data related to Unicol Ltd:

Financial Highlights	Units	2023	2022
Sales	Rs. in '000	15,064,436	8,916,824
Gross profit	Rs. in '000	4,971,482	2,460,374
% Gross profit	%	33%	27.59%
Profit before tax	Rs. in '000	2,903,732	1,486,450
Profit after tax	Rs. in '000	2,734,950	1,319,797
% Net profit	%	18.16%	14.80%
Earnings per share	.Rs	18.23	8.80

FUTURE OUTLOOK

For the 2023–24 crushing season, the Provincial Sind Government has set a Minimum Support Price of Rs. 425/40kg, which represents a 41% increase over the previous year. However the Punjab government has set a price of Rs. 400/40 kg.

Any significant difference in provincial prices would result in unfavourable competition, which would create structural differences within the country and huge disparity in the cost of production. As an industry we feel prices across the country should be kept aligned and similar.

Since sugarcane is currently planted on less than 5% of the country's agricultural land, we believe that prices for the crop and subsequently sugar need to rise to an extent which allows land not to be diverted to competing crops.

It is anticipated that national production in 2023–24 will be the same as it was in 2022–23 which would be around 6.6-6.7 million tons.

Since consumption will also remain steady we might have a small surplus for the year however this position will be clearer in our Q1 2024 report.

Given the scarcity of new farmland and the high returns on competing crops, the industry as a whole must make significant efforts to increase farm productivity and yields. A higher volume of sugarcane will only be possible with increased farm yield. This would boost farmer profitability and enable mills to achieve higher capacity utilisation in the future. By providing Fertilizer, pesticides, and related products, we have begun helping farmers in this direction. Depending on the success of this year's investment, we hope to expand the scope in years to come.

Although the industry places great importance on cane development, we also believe that less government intervention is necessary. The industry's growth is being impeded by the ongoing anomaly between sugarcane prices and sugar prices. In the long run, the government, growers, millers, and consumers will all benefit greatly from a resolution of this issue. In this regard, significant work is required to establish a framework for this development.

Our 850 KW solar project is now operational, and starting next year, it should significantly lower our off-season bills due to its net metering benefits.

Since the execution of the IMF program and the anticipated reduction in inflation/interest rates we have started to increase our portfolio investment. We feel these investments should support our profitability in the coming year.

Stable sugar cane and sugar prices are essential to maintaining core operations' profitability. There will be more clarity on both as the year proceeds however we are cautiously optimistic.

The profitability of Unicol will boost the bottom line. This will largely depend on the ethanol, CO_2 and sugar divisions operating optimally. Due to the execution of the IMF program and the possibility of positive cash flow by the end of the fiscal year, we have started to increase our portfolio investment after previously gradually reducing it due to uncertainties.

Stable sugar prices are essential to maintaining core operations' profitability. The profitability of Unicol will boost the bottom line. Nevertheless, following the purchase of a sugar mill by Unicol, financing costs will have an impact on the company's earnings until a portion of the long-term debt is paid off. Furthermore, the market may be eased by Brazil's conversion of its sugarcane to ethanol production and its stability in the European market. Price is therefore anticipated to stay range-bound.

It is imperative that prompt decisions are made for the benefit of the entire industry during the remaining part of the year.

ACKNOWLEDGEMENT

Our goal is to improve shareholder satisfaction through hard work. We value the commitment and hard work of the executives, employees, and staff, and we hope that they will continue to add even more fervor and energy to the productivity and success of the company in the future.

The report contains a thorough review of the business's corporate governance compliance and CSR as well as ESG initiatives, along with a shareholding pattern as of September 30, 2023.

For and on behalf of the Board of Directors



Ahmed Ebrahim Hasham

Chief Executive Officer



Mohammad Hussain Hasham

Director

January 05, 2024

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 2023 تک شیئر ہولڈنگ پیٹرن بھی شامل ہے۔

حسب الحکم بورڈ آف ڈائریکٹرز

جنوری 05 2024

Ahmed Ebrahim

احمد ابراہیم ہاشم
چیف ایگزیکٹیو آفیسر

M. Hussain

محمد حُسین ہاشم
ڈائریکٹر

بہتر اقسام کی جانب راغب کرنا بے حد ضروری ہے تا کہ مل کو بہتر ریکوری والے گنے کی دستیابی ممکن ہو سکے۔ تاہم اس میں کچھ وقت لگے گا۔

چینی کی صنعت، گنے کی ترقی اور کاشتکار کے مفاد کو بہت اہمیت دیتی ہے تاہم اس میں حکومت کی جانب سے یک طرفہ طور پر گنے کی امدادی قیمت مقرر کرنے سے چینی کی صنعت کے لئے مسائل جنم لیتے ہیں، اس دیرینہ مسئلہ کو گنے اور چینی کی قیمتوں توازن سے بآسانی حل کیا جاسکتا ہے۔ اس مسئلے کے حل سے حاصل ہونے والے ثمرات سے حکومت، کاشتکار، ملرز اور صارف سب ہی مستفید ہونگے، لہذا ضرروی ہے کہ اس کے حل کے لئے، مزید کوئی وقت ضائع کئے بغیر فوری طور پر قابل عمل طریقہ کار وضع کیا جائے۔

ہمارے 850 کلوواٹ کے شمسی منصوبے نے کام شروع کر دیا ہے اور اگلے سال سے نیٹ میٹرنگ کی سہولت کی بدولت ہمارے آف سیزن کے بجلی کے بلوں میں نمایاں کمی ہو گی۔

بنیادی کارروائیوں کے منافع کو بر قرار رکھنے کے لئے مستحکم گنے اور چینی کی قیمتیں ضروری ہیں۔ نئے سال کے ساتھ ہی اس متعلق صورتحال واضح ہو جائے گی، تاہم بہتری کی امید ہے۔

یونیکول کا منافع ہمارے بجٹ میں قابل بھروسا سہارا ثابت ہو گا۔ یہ منافع ایتھنول، CO_2 اور شوگر ڈویژنوں کی بہتر کارکردگی اور قیمتوں پر منحصر ہو گا۔ حکومت کی جانب سے بہتر طریقے سے آئی ایم ایف پروگرام پر عمل درآمد اور مالی سال کے آخر تک مثبت نقد بہاؤ کے امکان کے پیش نظر، اپنے پورٹ فولیو میں دوبارہ سرمایہ کاری میں اضافہ کرنا شروع کر دیا ہے جبکہ اس سے پہلے غیر یقینی صورتحال کے باعث ہم نے آہستہ آہستہ اپنے پورٹ فولیو میں کمی کر دی تھی

کمپنی کو منافع بخش رہنے کے لئے چینی کی قیمتوں کا مستحکم رہنا بے حد ضروری ہے جبکہ یونیکول سے حاصل ہونے والا منافع اس کا مددگار رہے گا لیکن یونیکول کے ذریعہ شوگر مل کی خریداری کے لئے طویل مدتی قرض کی ادائیگی تک کمپنی کی آمدنی پر اثر انداز ہوتا رہے گا، مزید برآں، برازیل کے گنے کو براہ راست ایتھنول کی پیداوار کے حصول لئے استعمال کرنے اور یورپی مارکیٹ میں اس کے استحکام تک سے مارکیٹ میں آسانی ہو سکتی ہے۔

یہ بے حد ضروری ہے کہ سال کے بقیہ حصے کے دوران پوری صنعت کے فائدے کے لئے فوری فیصلے کیے جائیں۔

اس رپورٹ میں کاروبار کی کارپوریٹ گورننس کی تعمیل اور سی ایس آر کے ساتھ ساتھ ای ایس جی اقدامات کا مکمل جائزہ لیا گیا ہے، اس کے ساتھ ساتھ 30 ستمبر 2023 تک شیئر ہولڈنگ پیٹرن بھی شامل ہے

بنیادی منافع کی شرح	(٪)	33.00٪	27.59٪
قبل از ٹیکس منافع	روپے ہزاروں میں	2,903,732	1,486,450
بعد از ٹیکس منافع	روپے ہزاروں میں	2,734,950	1,319,797
بعد از ٹیکس منافع کی شرح	(٪)	18.16٪	14.80٪
فی حصص آمدنی	روپے	18.23	8.80

مستقبل کا منظر نامہ

2023-24 کے سیزن کے لئے سندھ کی صوبائی حکومت نے کم سے کم امدادی قیمت 425 روپے فی 40 کلو گرام مقرر کی ہے جو کہ پچھلے سال کے مقابلے میں 41 فیصد زیادہ ہے جبکہ پنجاب کی صوبائی حکومت نے کم سے کم امدادی قیمت 400 روپے فی 40 کلو گرام طے کی ہے

صوبائی حکومتوں کی جانب سے قیمت کے اس فرق کے نتیجے میں سندھ کی شوگر ملز کے لئے پنجاب کے مقابلے میں پیداواری لاگت میں نمایاں فرق ہو گا جو کہ چینی کی فروخت کے وقت پنجاب کی ملوں کو تقابلی فائدہ ہو گا جبکہ دونوں صوبوں میں تیار ہونے والی چینی پورے ملک میں یکساں ریٹ میں فروخت ہوتی ہے تو اس لئے بہتر ہوتا کہ پورے ملک میں ایک ہی قیمت پر اتفاق کیا جاتا۔

توقع ہے کہ سیزن 2023-24 میں بھی پیداوار لگ بھگ سیزن 2022-23 کے برابر ہو گی جو کہ 6.6 یا 6.7 ملین ٹن کے قریب متوقع ہے۔

اس سال بھی کھپت کے مستحکم رہنے کی توقع ہے جبکہ ہمارے پاس برآمد کرنے کے لئے کچھ اضافی چینی کے ذخیرہ کی توقع بھی ہے، لیکن اس حوالے سے اصل صورتحال 2024 کی پہلی سہ ماہی میں واضح ہو گی۔

ہمیں مستقبل میں گنے کے زیر کاشت رقبہ میں اضافے کی ضرورت ہے اس کے لئے ہمیں نہ صرف زیر کاشت رقبہ میں اضافہ کرنا ہو گا بلکہ گنے کے موجودہ زیر کاشت رقبہ کو بھی کاشتکار سے جدید طریقوں سے ہم آہنگ کروانا ہو گا تاکہ اس کی فی ایکڑ پیداوار میں بھی اضافہ ہو جس سے گنے کے کاشتکار کو زیادہ فائدہ حاصل ہو اور یہ دوسری فصلیں کاشت کرنے والے کاشتکاروں کے لئے پرکشش اور قابل ترغیب فصل بن سکے اس سلسلے میں ہم نے کھاد، کیڑے مار دوائیاں اور متعلقہ مصنوعات فراہم کرکے، اس سمت میں کسانوں کی مدد و رہنمائی شروع کر دی ہے اور آئندہ آنے والے برسوں میں اس دائرہ کار کو بڑھایا جائے گا۔ نیز کاشتکاروں کو گنے کی

- قیمتوں میں اضافے کے سبب منافع کی بنیادی شرح میں اضافہ ہوا۔
- سال کے دوران منافع منقسمہ سے منافع 78.70 ملین روپے ہوا، جو کہ بجٹ کی ضروریات کو پورا کرنے میں مدد گار ثابت ہوا۔
- حصص میں سرمایہ کاری پر 83.8 ملین روپے کا منافع ریکارڈ کیا گیا۔

یونی کول لمیٹڈ

متذکرہ عرصے کے دوران کمپنی نے اپنی اچھی کارکردگی میں مزید بہتری لاتے ہوئے ایک نیا ریکارڈ قائم کیا اور منافع 2.7 ارب روپے ریکارڈ کیا۔

ایتھنول اور کاربن ڈائی آکسائیڈ دونوں پلانٹس نے بہترین کارکردگی کا مظاہرہ کیا۔

مجموعی منافع میں اضافے کی وجہ یورپ میں پچھلے سال کے گیس کے بحران کی وجہ سے ایتھنول کی مانگ اور اس کے نتیجے میں قیمتوں میں اضافہ ہے۔(واضح رہے کہ سیزن کے دوران مولیسس کی قیمتوں میں 30 سے 35 فیصد اضافہ ہوا تھا) اس کے علاوہ مولیسس کی بروقت خریداری بھی منافع میں اضافے کا سبب ہے جس سے ایتھنول کی لاگت میں کمی آئی اور بنیادی منافع کی شرح بھی بہتر رہی۔

کمپنی کے غیر معمولی منافع کو دیکھتے ہوئے یونیکول کے بورڈ آف ڈائریکٹرز نے پنجاب میں ایک شوگر مل کی خریداری کا فیصلہ کیا۔ جس کی کل لاگت 7.0 ارب روپے سے زیادہ ہے، یہ شوگر مل مستقبل میں یونیکول کو مزید منافع بخش رہنے اور ترقی میں مدد گار ثابت ہوگی۔ یہ مل یونیکول کو اپنے آمدنی کی بنیاد کو متنوع بنانے اور ڈسٹلری کو مزید خام مال فراہم کرنے میں بھی معاون ثابت ہوگی۔

ہمیں قوی امید ہے کہ مستقبل میں بھی ایتھنول کا کاروبار مستقل، پختہ اور منافع بخش رہے گا اس کے لئے ڈسٹلنگ صلاحیت میں اضافہ اور جدت ضروری ہے۔

ہمیں یہ اطلاع دیتے ہوئے خوشی ہوئی ہے کہ نئی شوگر مل نے نومبر کے آخر میں کرشنگ شروع کر دی۔ ہم پُر امید ہیں کہ پیداوار کے اہداف پورے ہو جائیں گے۔

یونی کول سے متعلق اہم مالیاتی اعداد و شمار مندرجہ ذیل ہیں:

مالیاتی معلومات (فنانشل ہائی لائٹس)		ستمبر 2023	ستمبر 2022
مجموعی فروخت (ٹرن اوور)	روپے ہزاروں میں	15,064,436	8,916,824
بنیادی منافع	روپے ہزاروں میں	4,971,482	2,460,374

مالیاتی معلومات	ستمبر 2023	ستمبر 2022
روپے ہزاروں میں ماسوائے فی حصص آمدنی		
مجموعی فروخت	12,664,172	7,982,755
سیلز ٹیکس	1,680,639	1,084,728
بنیادی منافع	2,363,963	807,406
بنیادی منافع کی شرح	21.52٪	11.70٪
قبل از ٹیکس منافع	2,280,535	393,738
قبل از ٹیکس منافع کی شرح	20.76٪	5.71٪
بعد از ٹیکس منافع	1,442,949	289,361
بعد از ٹیکس منافع کی شرح	13.14٪	4.19٪
فی حصص آمدنی	19.26	4.28

بنیادی عوامل جو اِن نتائج کا سبب ہیں

- مجموعی فروخت میں پچھلے سال کے مقابلے میں 59 فیصد اضافہ ہوا۔ چینی، مولیسس اور بگاس کی قیمتوں میں اضافہ نے مجموعی فروخت میں اضافہ کیا۔ پورے سال مسلسل فروخت نے بہتر نتائج حاصل کرنے میں مدد کی۔
- قبل از ٹیکس منافع میں 479 فیصد اضافہ ہوا۔ چینی، بگاس اور مولیسس سے ہونے والے نفع کے علاوہ یونی کول سے حاصل ہونے والے 911 ملین روپے کے منافع نے بھی مالیاتی نتائج کو بہتر کرنے میں مدد کی۔ قیمتوں میں اضافے کے علاوہ یونی فوڈز کی فروخت سے حاصل ہونے والی رقم بھی مجموعی منافع میں اضافے کی وجہ ہے۔ واضح رہے کہ پچھلے سال کے ذخائر جو اس سال فروخت ہوئے ان کی لاگت بھی اس میں شامل ہے۔
- اس سال کی لاگت میں ایک بڑا عنصر مالیاتی اخراجات (سود) بھی ہے جو کہ پچھلے سال کے مقابلے میں 21 فیصد زیادہ ہے مالیاتی اخراجات میں اضافے کی بڑی وجہ شرح سود میں اضافہ ہے، اس کے علاوہ ہماری کاشتکاروں کو نقد فوری ادائیگی کی ترجیح بھی ایک وجہ ہے جس کی وجہ کاشتکاروں کو گنے جیسی طویل المدت فصل کی جانب مائل رکھنا اور ان کی حوصلہ افزائی بھی ہے۔
- سیلاب کی وجہ سے چونکہ گنے کی کٹائی جلدی کی گئی جس کی وجہ سے ریکوری میں کمی واقع ہوئی۔

سیزن 2023-2022 کے اختتام پر چینی کی کل پیداوار 6.6 ملین ٹن رہی، جو پچھلے سال کے 7.9 ملین ٹن سے 16 فیصد کم ہے۔ مجموعی طور پر پیداوار کا اندازہ 8.0 ملین ٹن کا تھا، لہذا یہ نمایاں کمی غیر متوقع تھی۔ صنعت نے اس سال کے لئے بڑی برآمدات کی توقع کی تھی، لیکن پیداوار میں کمی کی وجہ سے یہ ممکن نہ ہو سکا۔

چونکہ اس سال ملک میں پچھلے سال کے چینی کے وافر ذخائر موجود تھے، اور اس سال کی کم فصل کے باوجود بھی، سالانہ ضروریات کو پورا کرنے کے لئے چینی کے وافر ذخائر موجود تھے۔ لیکن افسوس کی بات یہ ہے کہ بروقت برآمدات کی اجازت نہ ملنے سے چینی کی صنعت اور ملک کثیر زرمبادلہ حاصل کرنے سے محروم رہ گیا جس سے اضافی ذخیرہ میں سے صرف 1.0 ملین ٹن برآمدات کی اجازت سے 650-550 ملین امریکی ڈالر قیمتی زرمبادلہ حاصل ہو سکتا تھا۔

سیزن کے آغاز میں متوقع بڑی فصل اور پچھلے سال کے چینی کے ذخائر کا مشاہدہ کرنے کے بعد، حکومت نے 250,000 ٹن برآمد کی اجازت دینے کا فیصلہ کیا۔ پنجاب اور کے پی اپنے برآمدی کوٹے پر عملدرآمد میں کامیاب ہوگئے، لیکن افسوس کی بات یہ ہے کہ ملوں کے لئے سندھ میں کوٹہ مختص کرنے کا معاملہ سندھ ہائی کورٹ جا پہنچا، اور برآمدات تاخیر سے ممکن ہو پائیں۔

چونکہ فصل کم ہونے کی پیش گوئی موجود تھی اس لئے چینی کی قیمتیں مستحکم رہیں اس دوران گنے کی قیمتوں کے بارے میں رجحانات بدل جانے کے بعد چینی کی قیمتوں میں بھی ردوبدل آتا گیا۔ تاہم اگست / ستمبر میں چینی کی قیمتوں میں ایک بار پھر نئے کرشنگ سیزن کے شروع ہونے کی توقع میں کمی ہونا شروع ہوگئی اور چینی کے اضافی ذخائر ابتدائی توقع سے بڑھنا شروع ہوگئے۔

آپریشنل اور مالیاتی جائزہ

آپریشنل معلومات	ستمبر 2023	ستمبر 2022
کرشنگ (میٹرک ٹن)	804,872	856,944
سکروز کی ریکوری	10.66٪	11.16٪
چینی کی پیداوار (میٹرک ٹن)	85,796	95,642
مولیسس کی پیداوار (میٹرک ٹن)	37,867	39,811
مولیسس کی ریکوری	4.70٪	4.65٪

شوگر انڈسٹری کا عالمی جائزہ

کرنسی کی قدر میں حالیہ کمی اور شوگر کی صنعت میں بُنیادی تبدیلیوں، خاص طور پر چینی کے بجائے براہ راست ایتھنول تیار کرنے کے لئے گنے کے استعمال کی وجہ سے، عالمی شوگر مارکیٹ فی الحال پچھلے دس سال کے مقابلے میں اس وقت اعلی سطح پر ہے، جس نے پاکستان کی چینی کی صنعت کو عالمی سطح پر مسابقتی بنادیا ہے۔ چینی کی برآمدی قیمتیں اب مقامی قیمتوں سے 50 فیصد زیادہ ہیں ایسا پچھلی دو دہائیوں میں پہلے کبھی نہیں ہوا۔ اس صورتحال نے پاکستان شوگر انڈسٹری کو بھی مطابقتی بنادیا ہے کیونکہ اس کی پیداوار کی لاگت چینی کی عالمی قیمتوں سے کم ہے۔ جبکہ ہندوستان میں برآمدات پر پابندی کی وجہ سے پاکستانی چینی کی بین الاقوامی مارکیٹ میں زیادہ مواقع موجود ہیں۔

صنعت کا جائزہ

2022-2023 میں سیلاب کے منفی اثرات نے سیزن کو انتہائی مختصر بنادیا اس سیلاب سے کسانوں کی دیگر فصلیں بالکل تباہ ہو گئیں، وہیں گنے کی فصل جو کہ اس حوالے سے دیگر فصلوں کے مقابلے میں مضبوط اور محفوظ سمجھی جاتی ہے، یہ فصل کُلی طور پر تباہی سے تو بچ گئی لیکن سیلاب کے مضر اثرات نے اس فصل کو بھی جُزوی طور پر نقصان پہنچایا، اس صورتحال نے کسانوں کو فصل کی جلد کٹائی شروع کرنے پر مجبور کیا جس کی وجہ سے گنے کی فی ایکڑ پیداوار اور ملوں کی سکروز ریکوری میں کمی واقع ہوئی۔

سیلاب سے گنے کی پیداوار میں کمی کا خدشہ تھا لیکن اس کی شدت کا صنعت کو اندازہ بھی نہیں تھا، گنے کی کمی کی وجہ سے ملوں کے درمیان مسابقت کا ماحول پیدا ہوا جس سے گنے کی مارکیٹ کی قیمت میں اضافہ ہوا جس کی وجہ سے چینی کی پیداواری لاگت بڑھ گئی۔

سندھ حکومت نے گنے کی کم از کم امدادی قیمت پچھلے سال 250/40 کلوگرام علاوہ کوالٹی پریمیم سے بڑھا کر 302 روپے فی 40 کلوگرام علاوہ کوالٹی پریمیم کر دی، جس کی وجہ سے پیداواری لاگت میں نمایاں اضافہ ہوا اور اس طرح گنے کی مارکیٹ میں قیمتوں کے دباو نے صورتحال کو مزید پیچیدہ بنادیا۔

گنے کی خریداری مسابقت کی وجہ سے گنے کی قیمت روزانہ کی بنیاد پر ادا کی گئی جس کے لئے بینکوں سے بھاری رقم قرض کے طور پر حاصل کی گئی اس کے علاوہ سود کی شرح میں ہونے والے مسلسل اضافے نے مالیاتی لاگت میں بہت زیادہ اضافہ کر دیا، جس کا اثر چینی کی مجموعی لاگت میں اضافے کی صورت میں سامنے آیا۔ سیل پالیسی بناتے وقت اب اس قلیل مدتی سرمایہ کی ضرورت اور اس پر ادا ہونے والے سود کی رقم (جو کہ اس وقت 20 فیصد سے اوپر ہے) کو بھی مد نظر رکھنا ہو گا۔

لئے متعدد انتظامی اقدامات کیے گئے۔ اس کے علاوہ، مالی سال 2023 کے دوسرے حصے کے دوران، حکومت نے محصولات کی وصولی میں اضافے کے لئے ٹیکس کی نئی پالیسیاں نافذ کیں۔

مالی سال 2023 کے دوران، روپے کی کمزوری کے ساتھ ساتھ زرمبادلہ کی فراہمی میں بھی نمایاں رکاوٹوں نے درآمدی افراط زر میں اضافہ کیا، مزید برآں، ملک میں بڑھتی ہوئی غیر یقینی صورتحال، توانائی کی روز افزوں بڑھتی قیمتیں، ٹیکس میں اضافے اور دیگر محاصل کے ساتھ مل کر سال کے زیادہ تر عرصے میں افراط زر میں مستقل اضافے کا سبب بنیں۔ رسد میں جاری رکاوٹوں کا اثر عام قیمتوں اور افراط زر پر پڑا، جس کی وجہ سے این سی پی آئی افراط زر مالی سال 2023 میں 29.2 فیصد پر پہنچ گئی، جو کئی دہائیوں کی بلند ترین سطح ہے، جو کہ مرکزی بینک کی ترمیم شدہ افراط زر کے تخمینہ 27 سے 29 فیصد کے مطابق تھا۔ طب میں کمی کے باوجود اتنا زیادہ افراط زر پچھلے سال سے جاری متضاد اور متزلزل پالیسی کی وجہ سے ہے۔

اہم بات یہ ہے کہ بنیادی افراط زر پورے سال تک ڈبل ہندسوں میں رہی، جس سے کھانے اور توانائی کی قیمتوں میں اضافہ، اجرت، دیگر متعلقہ قیمتوں اور افراط زر میں اضافہ کا سبب بنیں ان کا اثر ایک دوسرے پر نمایاں ہوتا ہے۔

پاکستان کی معیشت میں ایک مشکل ترین سال گذارنے کے بعد بہتری کی کچھ ابتدائی علامات ظاہر ہونا شروع ہوئی ہیں۔ مالی سال 2023 کے اختتام تک، ملک آئی ایم ایف سے 3 ارب امریکی ڈالر عارضی بندوبست (ایس بی اے) کے طور پر حاصل کرنے میں کامیاب ہو گیا، جس نے ملک میں جاری ڈالر کی قلت کے خطرات کو کسی حد تک کم کیا۔ 3 ارب امریکی ڈالر کے معاہدے اور جولائی 2023 میں اسی بندوبست کے تحت 1.2 ارب امریکی ڈالر کی فراہمی نے مرکزی بینک کے زرمبادلہ کے ذخائر میں کمی کے رجحان کو تبدیل کرنے میں مددگار ثابت ہوئی۔

اس کے علاوہ، پچھلی پیش گوئیوں کے مقابلے میں، جولائی 2023 ورلڈ اکنامک آؤٹ لُک کے مطابق 2023 میں عالمی معاشی نمو کے میں معمولی بہتری آئی ہے۔ اسی طرح سے، غیر توانائی کے عالمی اشیاء کی قیمتوں میں پچھلے سال کے مقابلے میں کمی واقع ہوئی ہے۔ پاکستان کی معیشت ان رجحانات سے فائدہ اٹھا سکتی ہے۔ مزید برآں، چاول اور روئی کی پیداوار میں اضافے سے مالی سال 2024 میں زراعت کی توسیع میں مدد ملے گی

محتاط اندازے کے مطابق مستقبل میں اُمید اور توقع ہے کہ جون 2024 تک سود کی شرح 16-17 فیصد تک ہو جائے گی اور جون 2025 تک یہ کمی جاری رہے گی۔

ملکی معیشت کا مجموعی جائزہ

مالی سال 2023 میں، پاکستانی معیشت کو بہت سے چیلنجوں کا سامنا رہا، جن کی وجوہات داخلی اور بین الاقوامی حالات ہیں، ملک کے اندرونی حالات کی وجہ سے بے چینی اور بے یقینی کی کیفیت ہے جبکہ بین الاقوامی حالات کی وجہ سے سپلائی کے مسائل پیدا ہوئے ہیں نیز سیلاب کے تباہ کن اثرات نے ہماری معیشت کو بہت زیادہ نقصان پہنچایا۔ آئی ایم ایف کے ای ایف ایف پروگرام کے نویں جائزے کے اختتام کے اختتامی اثرات اور بین الاقوامی غیر یقینی حالات کی وجہ سے عالمی مالی معاملات دباو کا شکار ہیں جس کے نتیجے میں مالی سال 2023 کے دوران مالی صورتحال بہتر نہیں رہی ہے۔

مالی سال 2023 میں سیلاب کی وجہ سے، سپلائی میں رکاوٹ پیدا ہوئی جس کی وجہ سے پیداوار میں نمایاں کمی واقع ہوئی جس کے معیشت پر انتہائی منفی اثرات مرتب ہوئے سیلاب کی وجہ سے درپیش مسائل نے نہ صرف افراط زر کے بڑھنے میں معاون کا کردار ادا کیا بلکہ جاری معاشی سرگرمیوں کو محدود کرنے کے علاوہ بیرونی مالی اکاونٹس کو بھی متاثر کیا، ملکی معیشت اپنے بیرونی قرضوں کی سالانہ ادائیگی کی صلاحیت رکھتی تھی لیکن ایس بی پی کے زرمبادلہ کے ذخائر میں کمی اور زرمبادلہ کی مارکیٹ میں جاری منفی رجحان کے نتیجے میں مالی سال 2023 میں پاکستانی روپے کی قدر میں نمایاں کمی واقع ہوئی۔

مالی سال 2023 میں حکومت اور ایس بی پی نے بیرونی اکاونٹ پر دباو کو کم کرنے کی کوشش جاری رکھی اور اس کوشش کے تحت مالی سال 2022 کے آخر سے نافذ کردہ قلیل المدتی درآمد پر عائد پابندیوں کی پالیسی اختیار کی۔ جس نے طلب کو محدود کیا جس سے معاشی سرگرمی میں کمی واقع ہوئی اور جس کا نتیجہ برآمدات میں کمی کی صورت میں سامنے آیا اس کے علاوہ زرمبادلہ کی پابندیوں، کرنسی کی شرح میں کمی، سیلاب اور افراط زر کے بڑھتے ہوئے دباو نے بھی معاشی نمو میں کمی میں نمایاں کردار ادا کیا۔

ان وجوہات کے مجموعی اثرات کی وجہ سے مالی سال 2023 میں پاکستان کی معاشی کارکردگی میں نمایاں کمی واقع ہوئی اگرچہ اوسط قومی سی پی آئی (این سی پی آئی) افراط زر کئی دہائیوں کے اعلی درجے پر پہنچ گئی، لیکن اصل جی ڈی پی کی ترقی مالی سال 1952 کے بعد سے کم ترین مقام پر پہنچ گئی۔

بڑھتی ہوئی معاشی مشکلات کے تدارک کے لئے، ایس بی پی نے مالیاتی پالیسی میں اُس سختی کو برقرار رکھا جو اس نے ستمبر 2021 میں شروع کی تھی۔ ایک سال قبل پالیسی کی شرح میں 675 بیسس پوائنٹس (بی پی) کا اضافہ کرنے کے بعد، ایس بی پی نے مالی سال 23 کے دوران اس میں کل 825 بی پی ایس کا اضافہ کیا۔ اس کے علاوہ، گھریلو طلب کو کم کرنے اور بیرونی اکاؤنٹ پر دباؤ کم کرنے کے

ڈائریکٹرز رپورٹ

30 ستمبر 2023 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، ہمارا بُنیادی کاروبار چینی اور دیگر متعلقہ مصنوعات کی تیاری اور اس کے ساتھ ساتھ سرمایہ کاری بھی ہے ہماری فیکٹری ضلع ٹنڈوالہیار میں واقع ہے، ہم نے ضلع ٹنڈوالہیار میں زیادہ پیداوار اور جلد تیار ہونے والی گنے کی اقسام کو اپنے علاقے کے کسانوں میں متعارف کرایا جس کی وجہ سے ہمیں دوسری ملوں کے مقابلے میں اپنے علاقے میں زیادہ گنا دستیاب ہے اور سکروز ریکوری بھی مقابلتاً بہتر ہے۔

ہماری پوری توجہ اس وقت توانائی کی بچت کے لئے جدید ترین ٹیکنالوجی کے حصول پر ہے، جس کے لئے ہم اپنی مل میں اضافی سرمایہ کاری بھی کر رہے ہیں ہماری بھرپور کوشش ہے کہ ہم پاکستان بھر میں اپنی صنف میں سب سے کم توانائی خرچ کرنے والی فیکٹری کے طور پر پہچانے جائیں۔

مہران شوگر ملز کو اب تک 3 مرتبہ کراچی اسٹاک ایکسچینج کی طرف سے بہترین کارکردگی کا مظاہرہ کرنے والی 25 بہترین کمپنیوں کے اعزاز سے نوازا گیا ہے، آخری مرتبہ یہ اعزاز 2020 میں حاصل ہوا۔

کمپنی نے 2004 میں دو مشترکہ شراکت 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 لیڈر کی حیثیت رکھتا ہے اور اسے برآمدات میں ٹاپ 100 ایکسپورٹرز میں شامل کرتے ہوئے ایکسپورٹ ٹرافی سے نوازا گیا ہے۔

2023 میں یونیکول نے سیال موڑ 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۔

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
3	Mr. Mohammed Hussain Hasham – Director (Non-Executive)	3
4	Mr. Khurram Kasim – Director (Non-Executive)	3
5	Mr. Ahmed Ebrahim Hasham – Chief Executive Officer	4
6	Mr. Muhammad Iqbal – Director (Non-Executive)*	1
7	Mr. Muhammad Amin Mukaty – Director (Independent)**	1
8	Mr. Hasan Aziz Bilgrami (Independent)	4
9	Mr. Iftikhar Soomro (Independent)	4
10	Mrs. Anushey A. Hasham – Director (Female / Non-Executive)	2

*Mr. Muhammad Iqbal appointed to fill casual vacancy in the Board of directors and did not contest in the election held in January 2023.

** Mr. Muhammad Amin Mukaty was elected as director and served for three years as independent Director and did not contest in the election held in January2023.

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.

During the FY'23 election of directors was held and following members were elected:

1) Mr. Muhammad Kasim Hasham- Non-Executive Director

2) Mr. Ahmed Ebrahim Hasham- Chief Executive Officer

3) Mr. Muhammad Hussain Hasham- Executive Director

4) Mr. Khurram Kasim- Non-Executive Director

5) Mrs. Anushey A. Hasham- Female Director

6) Mr. Hasan Aziz Bilgrami- Independent Director

7) Mr. Iftikhar Soomro- Independent Director

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. Four meetings of the audit committee were held during the year. Attendance of the members was as follows:

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

* Mr. Mohammed Hussain Hasham ceased to be the member of Audit Committee from August 2023.

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, 2023. M/s Grant Thornton Anjum Rahman; Chartered Accountants, being eligible, have offered themselves for re-appointment for the year ending September 30, 2024, 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, 2023 was Rs. approx 120 million (un-audited);
- There is also an un-funded gratuity scheme. On the basis of actuarial valuation conducted during 2023, a net liability of Rs. 3.28 million as at September 30, 2023 has been provided;
- The Pattern of Shareholding as at 30th September, 2023 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) inherited 5,471,211 shares from his father Late Mr. Mohammed Ebrahim Hasham (Ex-Chief Executive offier)

Mr. Ahmed Ebrahim Hasham (Chief Executive Officer) bought 977,584 shares

*Mr. Mohammed Hussain Hasham (Non-Executive Director) sold 200,000 shares

*Mr. Mohammed Hanif Aziz (Chief-Financial Officer) bought 18,500 shares

M/s Mogul Tobacco Co. (Pvt) Ltd. (an associated company by common directorship) bought 865,281 shares and sold 428,584 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, 2023 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 Hasham

Chief Executive Officer

Mohammad Hussain Hasham

Director

January 05, 2024

Karachi:

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 2023 ended 30 September 2023

b. Human Resource and Remuneration Committee: (Two) Half yearly meetings during FY 2023 ended 30 September 2023.

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.

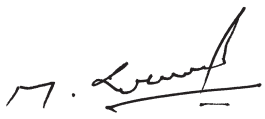
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance 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
CHAIRMAN



Ahmed Ebrahim Hasham
CHIEF EXECUTIVE OFFICER

Grant Thornton
An instinct for growth™

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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 2023 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 that 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 2023.

Chartered Accountants

Place: Karachi

Date: January 05, 2024

UDIN: CR2023100933K5X7Dtmv

our numbers has been promising this year.

UNCONSOLIDATED
FINANCIAL STATEMENTS


Profit and Loss Statement

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INDEPENDENT AUDITOR'S 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 2023, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the unconsolidated 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 and to the best of our information and according to explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 September 2023 and of the profit, total comprehensive income, 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 Unconsolidated 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.

S. No.	Key audit matters	How the matter was addressed in our audit
1.	**Contingencies**	
	As disclosed in note 32 to the unconsolidated financial statements, the Company has contingent liabilities in respect of various matters, which are pending adjudication before respective authorities and courts of law. Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules and regulations, probability of outcome and financial impact and recognition and measurement of any provisions that may be required against such contingencies in accordance with applicable financial reporting standards. Due to significance of amounts involved, uncertainties with respect to the outcome of matters and use of management judgments and estimates, we considered this as a key audit matter.	Our key procedures amongst others included the following: - obtained and reviewed details of the pending matters and discussed the same with the Company's management; - reviewed the correspondences between the Company and the relevant authorities, and tax and legal advisors; - obtained and reviewed confirmations from the Company's external tax and legal advisors for their views on the probable outcome of the open tax assessments and other contingencies; - assessed the adequacy and appropriateness of disclosures for compliance with the requirements of applicable financial reporting framework.
2.	**Property, plant and equipment**	
	As disclosed in note 6 to the unconsolidated financial statements, property, plant and equipment amounts to Rs. 2,397.952 million which constitutes 36% of the total assets of the Company as of 30 September 2023. Given the significance of property, plant, and equipment and its related depreciation to the Company's overall final results, we have identified it as a key audit matter.	Our key procedures amongst others included the following: - We obtained an understanding of the Company's process with respect to capital expenditure and tested the Company's controls in this area relevant to our audit. - We physically verified the Company's fixed assets and tested the amounts. We reviewed the relevant documents with reference to the acquisition of newly acquired assets and assessed whether cost capitalization meets the recognition criteria of an asset in accordance with IAS 16 – "Property, plant and equipment". - We evaluated the basis used by the management for determining useful life of assets and the depreciation charged in thereto. - We 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 statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

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 (XVII 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: January 05, 2024

UDIN: AR202310093XNAbC5dsh

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	**2,397,952,211**	2,447,675,227
Right-of-use assets	7	**65,718,360**	49,943,215
Long-term receivables	8	**-**	160,173,441
Long-term investments	9	**1,803,697,500**	1,166,906,145
Long-term deposits		**3,436,400**	3,436,400
		4,270,804,471	3,828,134,429
CURRENT ASSETS			
Biological assets	10	**12,848,750**	24,556,050
Stores and spare parts	11	**151,581,936**	144,306,826
Stock-in-trade	12	**592,614,705**	1,553,309,866
Trade debts	13	**288,597,782**	100,420,895
Loans and advances	14	**129,276,926**	63,262,744
Trade deposits and short-term prepayments		**77,961,056**	11,341,092
Other receivables	15	**63,496,884**	100,469
Short-term investments	16	**913,979,145**	732,422,221
Taxation – net		**55,532,497**	58,423,416
Cash and bank balances	17	**46,795,976**	33,265,542
		2,332,685,657	2,721,409,121
Non-current assets held for sale	18	**-**	46,349,034
TOTAL ASSETS		**6,603,490,128**	6,595,892,584
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
150,000,000 ordinary shares of Rs.10/- each		**1,500,000,000**	750,000,000
Issued, subscribed and paid-up share capital	19	**749,276,090**	605,475,641
Reserves	20	**3,130,173,972**	2,144,175,312
		3,879,450,062	2,749,650,953
NON-CURRENT LIABILITIES			
Long-term financing	21	**391,504,062**	642,015,721
Lease liabilities	22	**48,601,679**	33,550,788
Market committee fee payable	23	**46,835,731**	49,451,951
Deferred liabilities	24	**3,280,132**	3,971,207
Deferred income - government grant	25	**98,724,221**	103,369,766
Deferred taxation	26	**678,769,650**	47,087,847
		1,267,715,475	879,447,280
CURRENT LIABILITIES			
Trade and other payables	27	**557,146,014**	456,871,134
Contract liabilities	28	**408,681,857**	505,943,198
Unclaimed dividend		**23,378,823**	19,707,001
Accrued mark-up		**27,520,528**	96,518,298
Short-term borrowings	29	**14,213,010**	1,258,052,978
Provision for market committee fee	30	**23,440,691**	15,391,972
Current portion of non-current liabilities	31	**142,709,752**	408,198,116
Sales tax and federal excise duty payable		**259,233,916**	206,111,655
		1,456,324,591	2,966,794,351
CONTINGENCIES AND COMMITMENTS	32		
TOTAL EQUITY AND LIABILITIES		**6,603,490,128**	6,595,892,584

The annexed notes from 1 to 53 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended September 30, 2023

	Note	2023 Rupees	2022 Rupees
Turnover - gross	33	**12,664,172,003**	7,982,754,657
Sales tax		**(1,680,639,294)**	(1,084,727,723)
Turnover - net		**10,983,532,709**	6,898,026,934
Cost of sales	34	**(8,619,569,874)**	(6,090,620,461)
Gross profit		**2,363,962,835**	807,406,473
Distribution costs	35	**(84,227,705)**	(72,561,036)
Administrative expenses	36	**(309,735,486)**	(255,399,713)
Other expenses	37	**(98,009,043)**	(111,892,450)
Other income	38	**292,230,718**	156,850,337
		(199,741,516)	(283,002,862)
Operating profit		**2,164,221,319**	524,403,611
Share of profit from associates – net	9.2	**911,791,339**	440,137,609
Allowance for ECL on long-term receivables	8.2	**(160,173,441)**	(44,487,436)
Finance costs	39	**(635,304,325)**	(526,315,499)
Profit before taxation		**2,280,534,892**	393,738,285
Taxation	40	**(837,585,428)**	(104,376,800)
Net profit for the year		**1,442,949,464**	289,361,485
			Restated
Basic and diluted earning per share	41	**19.26**	3.86

The annexed notes from 1 to 53 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended September 30, 2023

	Note	2023 Rupees	2022 Rupees
Net profit for the year		**1,442,949,464**	289,361,485
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods - net of tax			
Actuarial gain on defined benefit plan		**555,650**	617,210
Gain on disposal of investments designated at fair value through other comprehensive income		**13,251,269**	1,105,114
Unrealised gain on remeasurement of investments designated at fair value through other comprehensive income		**-**	3,105,290
		13,806,920	4,827,614
Total comprehensive income for the year - net of tax		**1,456,756,384**	294,189,099

The annexed notes from 1 to 53 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended September 30, 2023

	Issued, subscribed and paid-up capital	Reserves						Total equity
		Capital	Revenue		Other components of equity		Sub-total	
		Share Premium	General reserve	Unappropriated profits	FV reserve of financial assets at FVOCI	Acturial gain on defined benefit plan		
	---------- Rupees ----------							
Balance as at 01 October 2021	489,273,246	63,281,250	85,000,000	1,864,001,210	(8,596,106)	2,867,529	2,006,553,882	2,495,827,128
Bonus shares issued for the year ended 30 September 2021 in the ratio of 10 ordinary shares for every 100 shares held	48,927,325	-	-	(48,927,325)	-	-	(48,927,325)	-
Interim dividend for the year ended 30 September 2022 @ Re. 0.75 per share	-	-	-	(40,365,274)	-	-	(40,365,274)	(40,365,274)
Bonus shares issued for the year ended 30 September 2022 in the ratio of 12.5 Ordinary shares for every 100 shares held	67,275,070			(67,275,070)			(67,275,070)	
Net profit for the year	-	-	-	289,361,485	-	-	289,361,485	289,361,485
Other comprehensive income for the year	-	-	-	-	4,210,404	617,210	4,827,614	4,827,614
Total comprehensive income for the year	-	-	-	289,361,485	4,210,404	617,210	294,189,099	294,189,099
Transfer of fair value reserve of investments designated at FVOCI on account of disposal	-	-	-	(4,714,802)	4,714,802	-	-	-
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)	-	-	(102,174,448)	(102,174,448)
2nd Interim dividend for the year ended 30 September 2023 @ Re. 3 per share	-	-	-	(224,782,827)	-	-	(224,782,827)	(224,782,828)
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	13,806,920	13,806,920
Total comprehensive income for the year	-	-	-	1,442,949,464	13,251,269	555,650	1,456,756,384	1,456,756,384
Transfer of fair value reserve of equity instruments designated at FVOCI on account of disposal	-	-	-	13,580,369	(13,580,369)	-	-	-
Balance as at 30 September 2023	749,276,090	63,281,250	85,000,000	2,977,852,332	-	4,040,389	3,130,173,972	3,879,450,062

The annexed notes from 1 to 53 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, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**2,359,426,669**	393,738,285
Adjustments for non-cash charges and other items:			
Depreciation			
- Operating fixed assets	6.1.1	**169,902,182**	165,577,019
- Right of use assets	7.1	**21,750,996**	22,775,434
Ammortization of deferred income - government grant	38	**(24,017,604)**	(24,076,144)
Share of profit from associates	9	**(911,791,339)**	(440,137,609)
Gain on disposal of operating fixed assets and right-of-use assets	38	**(2,292,835)**	(3,127,465)
Finance costs	39	**635,304,325**	526,315,499
Provision for gratuity	24.3	**968,674**	921,944
Provision for market committee fee	34	**8,048,716**	8,569,439
Gain on disposal of non-current assets held for sale	38	**(92,056,444)**	-
Allowance for ECL	8.2	**160,173,441**	44,487,436
(Gain) / loss on disposal of investments at fair value through profit or loss	38	**(67,804,613)**	101,424,239
Unrealised (gain) / loss on remeasurement of investments at fair value through profit or loss	38	**(16,711,371)**	97,849,599
Working capital changes	42	**637,055,703**	(483,372,464)
		518,529,831	(102,083,992)
Staff gratuity paid	24.1	**(830,420)**	(330,821)
Income taxes paid		**(203,286,385)**	(140,820,631)
Finance costs paid		**(676,501,955)**	(452,535,869)
Market Committee fee paid		**(6,189,153)**	(6,189,155)
Long term deposits - net		**-**	(2,584,000)
Net cash generated from / (used in) operating activities		**1,912,256,810**	(310,806,183)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		**(121,987,992)**	(242,515,905)
Proceeds from disposal of operating fixed assets and right-of-use assets		**3,740,000**	3,925,889
Investments made during the year		**(1,177,929,667)**	(2,093,227,518)
Proceeds from disposal of investments		**1,094,140,516**	2,436,929,630
Proceeds from disposal of non-current assets held for sale		**138,405,484**	-
Dividends received		**274,999,984**	324,999,981
Net cash generated from investing activities		**211,368,325**	430,112,077
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing repaid		**(523,091,993)**	(230,797,953)
Lease rentals paid		**(19,877,287)**	(20,233,181)
Dividends paid		**(323,285,453)**	(39,989,695)
Net cash used in financing activities		**(866,254,733)**	(291,020,829)
Net increase / (decrease) in cash and cash equivalents		**1,257,370,402**	(171,714,935)
Cash and cash equivalent at the beginning of the year		**(1,224,787,436)**	(1,053,072,501)
Cash and cash equivalent at the end of the year		**32,582,966**	(1,224,787,436)
Cash and cash equivalents			
Cash and bank balances	17	**46,795,976**	33,265,542
Short-term borrowings	29	**(14,213,010)**	(1,258,052,978)
		32,582,966	(1,224,787,436)

The annexed notes from 1 to 53 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | 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 2022, 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 2023. 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 Allowance for expected credit loss (ECL)

The Company uses a provision matrix to calculate ECLs for trade receivables and other receivables. The provision rates are based on days past due for grouping of various customer segments that have similar loss pattern. Considering the nature of the financial assets, the Company has applied the simplified approach as per IFRS 9 for trade debts and has calculated ECL based on life-time ECL. The Company has applied general approach for all other assets.The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic condition. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in future.

4.3 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.

4.4 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.

4.5 Employees' benefits

Certain actuarial assumptions have been adopted as disclosed in note 25 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.

4.6 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgement as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future event(s).

5 SIGNIFICANT 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 less accumulated impairment, if any.

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.

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

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 cost less provision for slow moving and obsolete items, if any. Cost is determined by the weighted moving average cost method. Items in transit, if any, are valued at cost comprising invoice value plus other charges incurred thereon up to the reporting date. Provision for slow moving, damaged and obsolete items are charged to unconsolidated statement of profit or loss. Ageing and value of items of stores and spares are reviewed at each reporting date to record provision for any obsolete items.

5.7 Stock-in-trade

Stock-in-trade is valued at the lower of cost, determined on weighted moving average cost method, and estimated net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Items in transit, if any, are valued at cost comprising invoice value plus other charges incurred thereon up to the reporting date.

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 Non-current assets held for sale

Assets held for sale are classified as held for sale if their carrying amounts will be recovered principally through sale rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less costs to sell.

5.12 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.

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.

5.13 Taxation

Current

Provision for current taxation is based on the taxable income for the year determined in accordance with Income Tax Ordinance, 2001. The charge for current tax is calculated using prevailing tax rates and includes adjustments for prior years or otherwise considered necessary for such years. Current tax is charged to the unconsolidated statement of profit or loss except to the extent it relates to items recognised directly in other comprehensive income in which case it is recognised in the unconsolidated statement of other comprehensive income.

Deferred

Deferred tax is recognised using the liability method, on all temporary differences arising at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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 the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside unconsolidated statement of profit or loss is recognised outside unconsolidated statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in unconsolidated statement of other comprehensive income or directly in equity.

5.14 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.

5.15 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.

5.16 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.

5.17 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.

5.18 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset.

5.19 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 (OCI), and fair value through profit or loss. 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.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'Solely Payments of Principal and Interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both 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 classified into following categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) 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.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the unconsolidated statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

These include financial assets held for trading, financial assets designated upon initial recogniton at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. These are carried at fair value with net changes in fair value recognised in the unconsolidated statement of profit or loss.

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

ECL for all debt instruments not held at fair value through profit or loss. 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 fair value through profit or loss, 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 at fair value through profit or loss

The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in unconsolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation 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.

5.20 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).

5.21 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 is recognised on an accrual basis.

5.22 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.

5.23 Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (i.e. a singe segment at the Company level). Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

5.24 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.

5.25 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.

5.26 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs to sell of the asset.

In determining fair value less costs to sell, the recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other fair value indicators.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the unconsolidated statement of profit or loss.

6 PROPERTY, PLANT AND EQUIPMENT

		2023 Rupees	2022 Rupees
Operating fixed assets	6.1	**2,209,371,259**	2,213,684,001
Capital work-in-progress	6.2	**188,580,952**	233,991,226
		2,397,952,211	2,447,675,227

6.1 Operating fixed assets

	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**	

*Include assets transferred from CWIP amounting to Rs. 140.13 million (2022: Rs. 386.55 million).

6.1 Operating fixed assets

Description	COST			ACCUMULATED DEPRECIATION			BOOK VALUE	
	At 01 October 2021	Additions* / (deletions)	At September 30, 2022	At October 01, 2021	Charge for the year* / (deletions)	At September 30, 2022	At September 30, 2022	Rate
	Rupees							%
Freehold land	83,394,207	-	83,394,207	-	-	-	83,394,207	-
Buildings on freehold land								
- Factory	317,098,063	3,607,470	320,705,533	190,783,511	12,902,015	203,685,526	117,020,007	10%
- Non-factory	51,623,372	-	51,623,372	22,630,324	1,449,652	24,079,976	27,543,396	5%
Plant, machinery and equipment	3,134,677,827	400,004,289	3,534,682,116	1,507,759,167	142,131,114	1,649,890,281	1,884,791,835	7.50%
Furniture and fittings	9,663,353	313,500	9,976,853	5,538,923	435,956	5,974,879	4,001,974	10%
Vehicles	76,968,864	118,600	76,967,482	74,957,396	409,189	75,304,894	1,662,588	20%
		(119,982)			(61,691)			
Office premises	85,022,551	-	85,022,551	31,987,817	2,651,737	34,639,554	50,382,997	5%
Office equipment	6,448,547	833,610	7,282,157	4,338,024	276,567	4,614,591	2,667,566	10%
Electric installation	39,576,951	2,554,134	42,131,085	14,042,802	2,759,698	16,802,500	25,328,585	10%
Weighbridge and scales	4,561,889	220,000	4,781,889	2,479,089	226,613	2,705,702	2,076,187	10%
Workshop tools and other equipment	6,341,923	-	6,341,923	5,375,518	96,641	5,472,159	869,765	10%
Computers	15,781,694	1,390,000	17,171,694	12,746,995	1,106,660	13,853,655	3,318,039	30%
Air conditioners and refrigerators	20,082,216	956,200	21,038,416	9,280,383	1,131,177	10,411,560	10,626,856	10%
	3,851,241,457	409,997,803	4,261,119,278	1,881,919,949	165,577,019	2,047,435,277	2,213,684,001	
		(119,982)			(61,691)			
2022	3,851,241,457	409,877,821	4,261,119,278	1,881,919,949	165,515,328	2,047,435,277	2,213,684,001	

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

	Note	2023 Rupees	2022 Rupees
Cost of sales	34	**163,955,359**	159,565,733
Administrative expenses	36	**5,946,823**	6,011,286
		169,902,182	165,577,019

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 2021	44,225,036	359,264,385	403,489,421
	Capital expenditure incurred / advances made during the year	(10,467,980)	227,527,241	217,059,261
	Transfered to operating fixed assets	(22,923,355)	(363,634,101)	(386,557,456)
	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**
	Transfered 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**

		Note	2023			2022		
			Vehicles	Farms	Total	Vehicles	Farms	Total
7	**RIGHT-OF-USE ASSETS**		---------- Rupees ----------			---------- Rupees ----------		
	As at 01 October							
	Cost		**119,945,930**	**18,624,311**	**138,570,241**	100,671,640	18,624,311	119,295,951
	Accumulated depreciation		**(71,369,715)**	**(17,257,311)**	**(88,627,026)**	(55,927,147)	(11,789,312)	(67,716,459)
	Net book value		**48,576,215**	**1,367,000**	**49,943,215**	44,744,493	6,834,999	51,579,492
	Net carrying value basis							
	Opening net book value		**48,576,215**	**1,367,000**	**49,943,215**	44,744,493	6,834,999	51,579,492
	Additions during the year		**38,870,100**	**-**	**38,870,100**	21,879,290	-	21,879,290
	Disposals during the year		**(1,343,959)**	**-**	**(1,343,959)**	(740,133)	-	(740,133)
	Depreciation charged during the year		**(20,383,996)**	**(1,367,000)**	**(21,750,996)**	(17,307,435)	(5,467,999)	(22,775,434)
	Closing net book value		**65,718,360**	**-**	**65,718,360**	48,576,215	1,367,000	49,943,215
	As at 30 September							
	Cost		**156,211,030**	**18,624,311**	**174,835,341**	119,945,930	18,624,311	138,570,241
	Accumulated depreciation		**(90,492,670)**	**(18,624,311)**	**(109,116,981)**	(71,369,715)	(17,257,311)	(88,627,026)
	Net book value		**65,718,360**	**-**	**65,718,360**	48,576,215	1,367,000	49,943,215
	Depreciation % per annum		**20%**	**32%**		20%	32%	
7.1	**Depreciation charge for the year has has been allocated as follows:**							
	Administrative expenses	36	**20,383,996**	**1,367,000**	**21,750,996**	17,307,435	5,467,999	22,775,434

8 LONG-TERM RECEIVABLES	Note	2023 Rupees	2022 Rupees
Subsidy receivable		304,117,888	304,117,888
Others	8.1	42,510,996	42,510,996
		346,628,884	346,628,884
Allowance for ECL	8.2	(346,628,884)	(186,455,443)
		-	160,173,441

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.

8.2 Allowance for ECL	Note	2023 Rupees	2022 Rupees
Balance at beginning of the year		186,455,443	141,968,007
Charge for the year		160,173,441	44,487,436
Balance at end of the year		346,628,884	186,455,443

9 LONG-TERM INVESTEMNTS			
Subsidary	9.1	-	-
Associates	9.2	1,803,697,500	1,166,906,145
		1,803,697,500	1,166,906,145

9.1 Subsidary - Mehran Energy Limited			
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	9.1.1	(42,596,739)	(42,596,739)
		-	-

9.1.1 In prior years the company has created full provision against investment in its subsidary

	Unicol Limited (note 9.2.1)	UniEnergy Limited (note 9.2.2)	Total
	---------- Rupees ----------		
9.2 Associates			
2023			
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%	

2022	Unicol Limited	UniEnergy Limited	Total
	---------- Rupees ----------		
Opening balance	1,031,591,605	20,176,912	1,051,768,517
Share of profit from associates	439,932,307	205,302	440,137,609
Dividends received	(324,999,981)	-	(324,999,981)
Closing balance	1,146,523,931	20,382,214	1,166,906,145
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 UL is to manufacture and sell ethanol and carbon dioxide (Co2). The share of the Company in the net asset has been determined on the basis of financial statements as of 30 September 2023. The summarised financial information of UL is as follows:

Aggregate amount of:	2023 Rupees	2022 Rupees
- assets	15,463,061,000	7,043,293,000
- liabilities	10,113,539,000	3,603,711,000
- revenue	15,064,436,134	8,916,824,000
- profit after taxation	2,734,950,000	1,319,797,000

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 2023. The summarised financial information of UEL is as follows:

Aggregate amount of:	2023 Rupees	2022 Rupees
- assets	104,078,688	105,341,346
- liabilities	973,500	3,010,689
- profit after taxation	1,162,519	615,911

10 BIOLOGICAL ASSETS	Note	Rupees	Rupees
Carrying value at beginning of the year		**24,556,050**	23,767,355
Increase due to cultivation		**2,291,969**	6,929,660
Change in fair value less costs to sell of standing crop	38.1	**10,556,781**	17,626,390
		37,404,800	48,323,405
Reduction due to harvesting	38.1	**(24,556,050)**	(23,767,355)
Carrying value at the end of the year		**12,848,750**	24,556,050

10.1 The Company is engaged in cultivation of different sugarcane varieties. These varieties are then provided to growers for multiplication. During the year, the Company harvested 61,913 maunds (2022: 92,203 maunds) sugarcane at the yield of 403 maunds per acre of area under cultivation (2022: 596 maunds per acre). Approximately, 7,724 maunds (2022:36,169 maunds) were supplied to growers for variety multiplication while remaining sugarcane was used for crushing at mill.

11 STORES AND SPARE PARTS	2023 Rupees	2022 Rupees
Stores	**78,392,873**	68,303,872
Spare parts	**73,189,063**	76,002,954
	151,581,936	144,306,826

12 STOCK-IN-TRADE		
Sugar		
- Work-in-process	**4,822,450**	4,726,932
- Finished goods	**550,703,834**	1,502,829,454
Bagasse		
- Finished goods	**37,088,421**	45,753,480
	592,614,705	1,553,309,866

13 TRADE DEBTS – unsecured		
Considered good	**288,597,782**	100,420,895
Considered doubtful	**16,987,867**	16,987,867
	305,585,649	117,408,762
Allowance for ECL	**(16,987,867)**	(16,987,867)
	288,597,782	100,420,895

13.1 The aging of trade debts is as follows:

Neither past due nor impaired	**288,597,782**	100,420,895

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

			2023 Rupees	2022 Rupees
	Unicol Limited		2,173,500	2,206,024
14	**LOANS AND ADVANCES – considered good**			
	Loans to employees		5,312,167	3,371,310
	Advances			
	- to suppliers		32,554,001	45,086,116
	- to cane growers		88,426,559	12,153,609
	- to employees		2,984,199	2,651,709
			123,964,759	59,891,434
			129,276,926	63,262,744
15	**OTHER RECEIVABLES - considered good**			
	Recievable against sale of investments		63,496,884	-
	Others		-	100,469
			63,496,884	100,469
16	**SHORT-TERM INVESTMENTS**			
	Fair value through other comprehensive income (FVOCI)			
	Equity securities		-	20,059,000
	Fair value through profit or loss (FVPL)			
	Equity securities	16.1	611,821,122	712,363,221
	Mutual funds	16.2	302,158,023	-
			913,979,145	732,422,221

16.1 Fair value through profit or loss (FVPL) - Equity Securities

2023	2022		2023	2022
Number of shares		Quoted companies	Rupees	Rupees
1,500,000	415,000	Bank Al Habib Limited	67,545,000	22,410,000
-	125,000	Cherat Cement Company Limited	-	14,446,250
200,000	400,000	MCB Bank Limited	25,870,000	47,804,000
-	800,000	United Bank Limited	-	91,912,000
100,185	101,900	Jubilee Life Insurance Company Limited	9,395,349	15,183,100
276,542	100,000	Lucky Cement Limited	156,063,712	49,656,000
-	500,000	Aisha Steel Mills Limited	-	5,170,000
1,500,455	500,455	Maple Leaf Cement Factory Limited	44,923,623	13,942,676
-	250,000	Habib Bank Limited	-	17,427,500
1,000,491	950,491	Meezan Bank Limited	114,666,274	104,316,387
-	10,000	Indus Motors Limited	-	9,430,100
-	100,000	D.G.K.Cement Limited	-	6,062,000
-	500,000	Amreli Steel Limited	-	13,480,000
-	100,000	Engro Corporation Limited	-	23,152,000
-	100,011	International Steel Limited	-	5,513,606
-	250,000	Tariq Glass Limited	-	28,715,000
-	42,200	JDW Sugar Mills Limited	-	10,972,000
500,000	250,000	Interloop Limited	22,580,000	15,737,500
-	250,000	Fertilizer Engro Pakistan Limited	-	19,505,000
-	100,000	Systems Limited	-	37,748,000
429,226	-	Bankislami Pakistan Limited	7,507,163	-
-	210,000	Bank Al Falah Limited	-	6,538,401
-	400,000	Fauji Fertilizer Company Limited	-	40,524,000
50,000	20,000	Mari Petroleum Company Limited	78,005,001	31,296,201
500,000	100,000	Oil & Gas Development Company Limited	48,230,000	7,572,000
-	100,000	Pakistan Oilfields Limited	-	34,912,000
-	110,000	Cherat Packaging Limited	-	11,819,500
-	300,000	Hub Power Company Limited	-	20,973,000
500,000	100,000	Pakistan Petroleum Limited	37,035,000	6,145,000
			611,821,122	712,363,221

16.2 Fair value through profit or loss (FVPL) - Mutual Funds

2023	2022		2023	2022
Number of Units			Rupees	Rupees
1,764,198.48	-	MCB Investment Management Ltd.	100,705,829	-
1,890,505.82	-	Al Meezan Investment Management Ltd.	101,148,111	-
971,822.97	-	Alfalah Assets Management Ltd.	100,304,083	-
			302,158,023	-

17 CASH AND BANK BALANCES

	2023 Rupees	2022 Rupees
Cash in hand	126,066	57,013
Cash with banks - current accounts		
- Local	16,275,322	25,696,682
- Foreign	30,394,588	7,511,847
	46,669,910	33,208,529
	46,795,976	33,265,542

18 NON CURRENT ASSET HELD FOR SALE

During the year, the Company has disposed off the previously classified 'non-current assets held for sale' and has received full consideration there against, amounting to Rs. 138.405 million resulting in a gain of Rs. 92.056 million.

19 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2023 (Number of shares)	2022 (Number of shares)		2023 Rupees	2022 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	54,228,814	- bonus shares	686,088,590	542,288,141
74,927,609	60,547,564		749,276,090	605,475,641

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

20 RESERVES

	Note	2023 Rupees	2022 Rupees
Capital reserve			
Share premium		63,281,250	63,281,250
Revenue reserves			
General reserve		85,000,000	85,000,000
Unappropriated profits		2,977,852,332	1,992,080,223
		3,062,852,332	2,077,080,223
Other components of equity			
Actuarial gains on defined benefit plan		4,040,389	3,484,739
FV reserve of financial assets at FVOCI		-	329,100
		3,130,173,972	2,144,175,312

21 LONG-TERM FINANCING – secured

	Note	Installments		Mark-up	2023	2022
		Number	Commencing from		Rupees	Rupees
Bank Al Habib Limited		20 quarterly	Dec-15	3 months KIBOR plus 0.8% per annum	-	10,000,000
Bank Al Habib Limited		20 quarterly	Jan-19	3 months KIBOR plus 1% per annum	-	131,250,000
Bank Al Habib Limited	21.1	20 quarterly	Oct-19	3 months KIBOR plus 1% per annum	**65,625,000**	121,875,000
Bank Al Falah Limited		20 quarterly	Feb-18	6 months KIBOR plus 0.5% per annum	-	75,000,000
Allied Bank Limited		20 quarterly	Jul-19	3 months KIBOR plus 0.4% per annum	-	225,000,000
MCB Bank Limited	21.2	20 quarterly	Jul-19	3 months KIBOR plus 1.25% per annum	**75,000,000**	137,500,000
MCB Bank Limited		8 quarterly	Apr-21	SBP+1%	-	20,725,527
MCB Bank Limited	21.3	32 quarterly	Apr-21	SBP+3%	**309,647,448**	307,019,415
MCB Bank Limited	21.4	39 quarterly	Apr-23	SBP+1%	**9,726,540**	-
MCB Bank Limited	21.5	39 quarterly	Aug-23	SBP+1%	**1,528,128**	-
Bank Islami Ltd	21.6	39 quarterly	Jan-23	SBP+4%	**30,616,487**	-
					492,143,603	1,028,369,942
Less : Current portion					**(100,639,541)**	(386,354,221)
					391,504,062	642,015,721

21.1 Represents long term finance obtained from Bank Al Habib Limited. The finance is secured by way of first pari passu charge over plant and machinery of the Company. The total facility of the finance amounts to Rs. 150 million.

21.2 Represents long term finance obtained from MCB Bank Limited. The finance is secured by way of first pari passu charge over plant and machinery of the Company. The total facility of the finance amounts to Rs. 200 million.

21.3 Represents financing obtained under the Temporary Economic Refinancing Facility (TERF) for plant and machinery introduced by State Bank of Pakistan. The loan is initially recorded at present value discounted at the effective interest rate i.e. 3 months KIBOR + 1% and the difference of the actual proceeds and present value is recognized as a deferred income - government grant. The total facility of the loan amounted to Rs.500 million and it is secured by charge against the plant and machinery of the company.

21.4 Represents financing obtained under the SBP Financing Scheme for Renewable Energy for plant and machinery introduced by State Bank of Pakistan. The loan is initially recorded at present value discounted at the effective interest rate i.e. 3 months KIBOR + 3% and the difference of the actual proceeds and present value is recognized as a deferred income - government grant. The total facility of the loan amounted to Rs.19.47 million and it is secured by charge against the plant and machinery of the company.

21.5 Represents financing obtained under the SBP Financing Scheme for Renewable Energy for plant and machinery introduced by State Bank of Pakistan. The loan is initially recorded at present value discounted at the effective interest rate i.e. 3 months KIBOR + 3% and the difference of the actual proceeds and present value is recognized as a deferred income - government grant. The total facility of the loan amounted to Rs. 3.29 million and it is secured by charge against the plant and machinery of the company.

21.6 Represents financing obtained under the SBP Financing Scheme for Renewable Energy for plant and machinery introduced by State Bank of Pakistan. The loan is initially recorded at present value discounted at the effective interest rate i.e. 3 months KIBOR + 3% and the difference of the actual proceeds and present value is recognized as a deferred income - government grant. The total facility of the loan amounted to Rs. 50 million and it is secured by charge against the plant and machinery of the company.

21.7 Following are the changes in the long term financing for which cash flows have been classified as financing activities in the statement of cash flows:

	Note	2023 Rupees	2022 Rupees
Balance at beginning of the year		**1,028,369,942**	1,294,854,630
Adjustment / proceeds from long-term financing		**69,392,212**	181,130,443
Amount recognized as government grant		**(37,151,950)**	(60,686,873)
Unwinding of finance cost		**24,017,604**	32,360,784
Payments made during the year		**(592,484,205)**	(419,289,042)
Balance at end of the year		**492,143,603**	1,028,369,942
Less: current portion	31	**(100,639,541)**	(386,354,221)
		391,504,062	642,015,721

22 LEASE LIABILITIES

Lease liabilities		**63,743,043**	46,455,330
Less : current portion	31	**(15,141,364)**	(12,904,542)
	22.1	**48,601,679**	33,550,788

22.1 Movement of lease liabilities:

	2023			2022		
	Vehicles	Farms	Total	Vehicle	Farms	Total
	---------- Rupees ----------			---------- Rupees ----------		
Opening balance	**46,455,330**	**-**	**46,455,330**	41,765,022	5,060,489	46,825,511
Additions during the year	**37,165,000**	**-**	**37,165,000**	19,863,000	-	19,863,000
Finance cost during the year	**11,539,560**	**-**	**11,539,560**	6,016,349	168,511	6,184,860
Payments during the year	**(31,416,847)**	**-**	**(31,416,847)**	(21,189,041)	(5,229,000)	(26,418,041)
Closing balance	**63,743,043**	**-**	**63,743,043**	46,455,330	-	46,455,330
Current portion of lease liabilities	**(15,141,364)**	**-**	**(15,141,364)**	(12,904,542)	-	(12,904,542)
	48,601,679	**-**	**48,601,679**	33,550,788	-	33,550,788

22.2 The following are the amounts recognised in unconsolidated statement of profit or loss:

	Note	2023 Rupees	2022 Rupees
Depreciation of right-of-use assets	7.1	**21,750,996**	22,775,434
Interest expense on lease liabilities	39	**11,539,560**	6,184,860
		33,290,556	28,960,294

22.3 Future period lease payments and interest expense:

	2023			2022		
	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	**31,982,210**	**13,314,309**	**18,667,901**	20,649,218	6,728,172	13,921,046
Later than 1 year but not more than 5 years	**59,787,198**	**14,712,055**	**45,075,143**	40,595,149	8,060,865	32,534,284
	91,769,408	**28,026,364**	**63,743,043**	61,244,367	14,789,037	46,455,330

23 MARKET COMMITTEE FEE PAYABLE	Note	**2023 Rupees**	2022 Rupees
Balance at the beginning of the year		**51,853,527**	54,174,253
Unwinding of finance cost	39	**3,782,536**	3,868,427
Payments during the year		**(6,189,153)**	(6,189,155)
Balance at the end of the year		**49,446,910**	51,853,527
Less : Current portion	31	**(2,611,179)**	(2,401,576)
		46,835,731	49,451,951

23.1 Represents provision for market committee fee for the year from 2008 to 2021. The Company entered into agreement with the Market Committee to settle the above provision in various yearly installments.

24 DEFERRED LIABILITIES	Note	**2023 Rupees**	2022 Rupees
Staff gratuity	24.1	**3,280,132**	3,971,207

24.1 Staff gratuity

Opening balance		**3,971,207**	4,301,305
Provision for the year	24.3	**968,674**	921,944
Benefits paid during the year		**(830,420)**	(330,821)
Actuarial gain on remeasurement	24.4	**(829,329)**	(921,221)
Closing balance		**3,280,132**	3,971,207

24.2 Principal actuarial assumptions	**2023**	2022
Financial assumptions		
Discount rate	**16.75%**	13.25%
Expected rate of increase in salary level	**11.75%**	8.25%
Demographic assumptions		
Expected mortality rate	**SLIC 2001-05**	SLIC 2001-05
Expected withdrawal rate	**High**	High
Long term salary increase rate	**14.75%**	13.25%

	Note	2023 Rupees	2022 Rupees
24.3 Amount recognised in profit or loss			
Current service cost		**497,504**	487,675
Interest cost on defined benefit obligation		**471,170**	434,269
		968,674	921,944
24.4 Amount recognised in OCI			
Financial assumptions		**(173,704)**	(395,679)
Experience adjustments		**(655,625)**	(525,542)
		(829,329)	(921,221)

24.5 Sensitivity analysis	Change in assumption	Increase in defined benefit obligation	Decrease in defined benefit obligation
		2023	
		--------(Rupees)--------	
Discount rate	1%	**48,852**	(47,010)
Salary increase rate	1%	**43,001**	(42,073)

	2023	2022	2021	2020	2019
	---------- (Rupees) ----------				
Present value of defined benefit obligations	**3,280,132**	3,971,207	4,301,305	4,445,294	4,762,469

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

	2023			
	+ 100 bps	**- 100 bps**	**+ 100 bps**	**- 100 bps**
	----------(Rupees)----------			
Present value of defined benefit obligation	**3,233,122**	**3,328,984**	**3,323,133**	**3,238,059**

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.

24.6 Maturity profile

Below is the maturity profile based on the undiscounted payments:	2023 Rupees	2022 Rupees
Year 1	**1,377,152**	789,810
Year 2	**1,560,183**	717,830
Year 3	**361,229**	1,549,748
Year 4	**345,656**	188,455
Year 5	**203,522**	397,677
Year 6 to Year 10	**527,171**	1,753,252
Year 11 and above	**104,605**	4,249,250

24.7 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.

24.8 The expected gratuity expense for the year ending September 30, 2024 works out to Rs. 891,932

24.9 The weighted average duration of the defined benefit obligation at September 30, 2023 is 4.38 years (2022: 4.07 years).

	Note	2023 Rupees	2022 Rupees
25 DEFERRED INCOME - GOVERNMENT GRANT			
Balance at beginning of the year		**109,907,543**	74,220,806
Recognized / adjustment during the year	21.3, 21.4, 21.5, & 21.6	**37,151,950**	59,762,881
Amortization of deferred income - government grant	38	**(24,017,604)**	(24,076,144)
Balance at end of the year		**123,041,889**	109,907,543
Less : current portion	31	**(24,317,668)**	(6,537,777)
		98,724,221	103,369,766

	Note	2023 Rupees	2022 Rupees
26 DEFERRED TAXATION - net			
Taxable temporary differences arising due to:			
Accelerated tax depreciation		**347,049,267**	441,066,087
Share of profit from associates		**474,469,235**	96,298,517
Others		**12,562,871**	13,689,067
		834,081,373	551,053,671
Deductable temporary differences arising due to:			
Allowance for ECL		**(100,522,376)**	(67,643,238)
Unused tax losses / minimum tax		**(40,608,671)**	(401,856,897)
Provisions		**(14,180,676)**	(19,731,477)
Unrealised loss on investments		**-**	(14,734,212)
		(155,311,723)	(503,965,824)
		678,769,650	47,087,847

	Note	2023 Rupees	2022 Rupees
26.1 The movement of deferred taxation is as follows:			
Opening balance		**47,087,847**	79,579,039
Recognised in profit or loss		**631,408,124**	(33,238,808)
Recognised in OCI		**273,679**	747,616
Closing balance		**678,769,650**	47,087,847

27 TRADE AND OTHER PAYABLES

	2023 Rupees	2022 Rupees
Creditors	**105,210,018**	125,517,160
Accrued expenses	**273,462,978**	261,911,083
Payable to provident fund	**1,313,991**	1,283,933
Workers' Welfare Fund	**52,510,733**	24,728,559
Workers' Profit participation fund	**64,393,787**	-
Advance from employees against purchase of vehicles - secured	**26,766,018**	22,582,908
Withholding tax payable	**2,541,161**	2,229,218
Others	**30,947,328**	18,618,273
	557,146,014	456,871,134

28 CONTRACT LIABILITIES

Represents advance received from various customers. Revenue recognised during the year from amounts included in contract liabilities at beginning of the year amounted to Rs. 505.943 million (2022: Rs. 34.592 million).

29 SHORT-TERM BORROWINGS – secured

	2023 Rupees	2022 Rupees
Running finance under markup arrangements	**13,907,890**	724,313,577
Short term cash finance	**305,120**	533,739,401
	14,213,010	1,258,052,978

29.1 The aggregate facilities for short term running finance available from various banks amounted to Rs. 975 million (2022: Rs. 950 million). These facilities are secured against hypothecation of stock-in-trade, plant & machinery, stores, spares & receivables of the Company. These carry mark-up ranging between 0.55% to 0.75% (2022: 0.75% to 1%) per annum above one to three months KIBOR.

29.2 The aggregate facilities for short term cash finance available from various banks amounted to Rs. 5,573 million (2022: Rs. 4,400 million). These carry mark-up ranging between 0.35% to 1% (2022: 0.4% to 1.25%) per annum above one to three months KIBOR. These are secured against pledge of stock-in-trade and plant & machinery.

30 PROVISION FOR MARKET COMMITTEE FEE

Represents provision made for market committee of Rs.10 (2022: Rs.10) per MT of sugar cane crushed for the latest crushing season.

31 CURRENT PORTION OF NON-CURRENT LIABILITIES	Note	2023 Rupees	2022 Rupees
Long-term financing	21	**100,639,541**	386,354,221
Lease liabilities	22	**15,141,364**	12,904,542
Market committee fee payable	23	**2,611,179**	2,401,576
Deferred income - government grant	25	**24,317,668**	6,537,777
		142,709,752	408,198,116

32 CONTINGENCIES AND COMMITMENTS

32.1 Tax Contingencies

During the year ended 30 September 2021, the Deputy Commissioner Inland Revenue (DCIR) had passed orders with respect to tax years 2015, 2016, 2017, 2018 and 2019 u/s 122 and 161 of Income Tax Ordinance 2001 raising 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. Income tax appellate tribunal has ordered these cases and deleted most of the unjustified add backs and remanded back the remaining items (Rs. 153 million, 347 million, 14 million, 63 million and 407 million for tax years 2015, 2016, 2017,2018 and 2019 respectively), albeit minor to the assessing officer for fresh assessment and adjudication. There has been no action from the assessment officer for more than one year. 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.

32.2 Others

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. In this respect, 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.

32.3 Commitments	2023 Rupees	2022 Rupees
Capital commitments	**6,462,900**	18,379,148
Letter of guarantee	**-**	15,420,375

33 TURNOVER – gross	2023 Rupees	2022 Rupees
Sugar	**10,830,651,100**	6,843,553,318
Export	**406,229,824**	-
Molasses	**1,122,500,498**	845,319,668
Bagasse	**303,583,235**	290,796,658
Mud	**1,207,346**	3,085,013
	12,664,172,003	7,982,754,657

Includes sales to Unicol Limited - a related party amounting to Rs. 1,161 million (2022: Rs. 903 million)

34 COST OF SALES	Note	2023 Rupees	2022 Rupees
Manufactured sugar:			
Cost of sugarcane consumed [Including procurement and other related expenses]		**6,608,737,529**	6,192,234,534
Provision for market committee fee		**8,048,716**	8,569,439
Road cess on sugarcane		**5,030,658**	5,356,116
Salaries, wages and other benefits	34.1	**278,335,651**	256,316,354
Stores and spare parts consumed		**358,422,996**	296,582,934
Repairs and maintenance		**139,051,134**	81,772,889
Fuel, electricity and water charges		**21,782,551**	18,671,180
Vehicle running and maintenance expenses		**13,235,865**	6,618,446
Insurance		**17,760,140**	22,387,811
Depreciation on operating fixed assets	6.1.1	**163,955,359**	159,565,733
Others		**44,514,114**	34,290,652
		7,658,874,713	7,082,366,088
Opening stock of work-in-process		**4,726,932**	5,593,142
Closing stock of work-in-process	12	**(4,822,450)**	(4,726,932)
		(95,518)	866,210
Cost of goods manufactured		**7,658,779,195**	7,083,232,298
Opening stock of finished goods		**1,548,582,934**	555,971,097
Closing stock of finished goods	12	**(587,792,255)**	(1,548,582,934)
		960,790,679	(992,611,837)
		8,619,569,874	6,090,620,461

34.1 Includes gratuity expense of Rs. 0.969 million (2022: Rs. 0.922 million) and contribution to provident fund of Rs. 3.092 million (2022: Rs. 3.491 million).

35 DISTRIBUTION COSTS	Note	2023 Rupees	2022 Rupees
Salaries and other benefits	35.1	**3,952,279**	3,565,660
Stacking and loading		**13,220,709**	14,253,497
Others		**67,054,717**	54,741,879
		84,227,705	72,561,036

35.1 Includes contribution to provident fund of Rs.0.0805 millon (2022: Rs. 0.075 million).

		Note	2023 Rupees	2022 Rupees
36	**ADMINISTRATIVE EXPENSES**			
	Salaries and other benefits	36.1	**162,290,044**	142,651,090
	Rent, rates and taxes		**1,296,545**	1,546,179
	Electricity, telephone, fax and postage		**12,889,449**	9,938,511
	Printing and stationery		**2,017,977**	1,405,808
	Travelling and conveyance		**21,811,029**	11,449,296
	Vehicle running and maintenance expenses		**12,175,821**	10,310,987
	Auditor's remuneration	36.2	**4,324,563**	2,929,401
	Legal and professional		**11,389,537**	16,762,406
	Fees and subscription		**12,176,055**	5,277,672
	Insurance		**103,041**	224,567
	Repairs and maintenance		**20,605,178**	15,518,399
	Advertising		**757,700**	1,238,100
	Donations	36.3	**16,136,913**	4,831,678
	Depreciation			
	- Operating fixed assets	6.1.1	**5,946,823**	6,011,286
	- Right-of-use assets	7.1	**21,750,996**	22,775,434
	Other expenses		**4,063,815**	2,528,899
			309,735,486	255,399,713

36.1 Includes contribution to provident fund of Rs.2.788 million (2022: Rs. 2.315 million).

		2023 Rupees	2022 Rupees
36.2	**Auditor's remuneration**		
	Statutory audit fee	**2,189,000**	1,939,000
	Review of half yearly unconsolidated financial information	**425,000**	425,000
	Review of compliance with Code of Corporate Governance	**200,000**	175,000
	Certifications	**162,000**	162,000
	Out of pocket expenses	**281,400**	228,401
		3,257,400	2,929,401

36.3 Includes Rs. 13.113 million paid to Usman Memorial Hospital Foundation(related party). Usman Memorial Hospital Foundation includes directors namely Mr. Mohammed Hussain Hasham and Mr. Ahmed Ebrahim Hasham who are the trustees of the said Foundation. No other directors or their spouses have any interest in any donee's fund to which donation was made in both foundations.

		2023 Rupees	2022 Rupees
37	**OTHER EXPENSES**		
	Workers' Welfare Fund	**27,782,174**	7,234,011
	Worker's profit participation fund	**64,393,787**	-
	Unrealised loss on remeasurement of investments at FVTPL	**-**	97,849,599
	Loss on disposal of investments at FVTPL	**-**	101,424,239
	Exchange loss	**2,493,038**	-
	Others	**3,340,044**	6,808,840
		98,009,043	213,316,689

			2023 Rupees	2022 Rupees
38	**OTHER INCOME**			
	Income from financial assets			
	Dividend income		**78,694,497**	101,633,200
	Exchange gain		**-**	1,899,960
	Gain on disposal of investments at fair value through profit or loss		**67,098,784**	-
	Gain on disposal of non-current asset held for sale	18	**92,056,444**	-
	Realised gain on investments		**941,106**	-
	Unrealised gain on remeasurement of investments		**16,711,371**	-
	Others		**4,098,442**	181,086
			259,600,645	2,290,007
	Income from non-financial assets			
	Farm income – net	38.1	**6,319,634**	8,065,802
	Gain on disposal of operating fixed assets and right-of-use assets		**2,292,835**	3,127,465
	Reversal of provision of quality premium		**-**	119,290,919
	Amortisation of deferred income - government grant	25	**24,017,604**	24,076,144
			32,630,073	154,560,330
			292,230,718	156,850,337
38.1	**Farm income – net**			
	Revenue from farms		**21,997,798**	15,103,479
	Fair value of harvested crop	10	**(24,556,050)**	(23,767,355)
	Harvesting and other charges		**(1,678,895)**	(896,712)
			(4,237,147)	(9,560,588)
	Change in fair value less cost to sell of standing crop		**10,556,781**	17,626,390
			6,319,634	8,065,802
39	**FINANCE COSTS**			
	Markup / interest on:			
	- Long-term financing		**132,047,778**	136,979,981
	- Short-term borrowings		**481,084,864**	376,653,432
	- Lease liabilities	22.2	**11,539,560**	6,184,860
	- Market committee fee payable	23	**3,782,536**	3,868,427
			628,454,738	523,686,700
	Bank charges		**6,849,587**	2,628,799
			635,304,325	526,315,499
40	**TAXATION**			
	Current		**419,395,926**	165,113,475
	Prior		**10,493,106**	(27,497,867)
			429,889,032	137,615,608
	Deferred		**407,696,396**	(33,238,808)
			837,585,428	104,376,800

40.1 Relationship between tax expense and accounting profit

Accounting profit before tax	2,280,534,892
Tax rate	29%
Tax on accounting profit	661,355,119
Tax effect of :	
dividend Income	49,517,227
export Income - FTR	3,606,474
prior year tax	(10,493,106)
super tax	138,910,870
inadmissable expenses	(5,311,157)
	837,585,428
Effective tax rate	37%

41 BASIC AND DILUTED EARNING PER SHARE

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

	Note	2023	2022
Net profit after taxation attributable to ordinary shares - (Rupees)		**1,442,949,464**	289,361,485
Weighted average number of ordinary shares	19	**74,927,609**	74,927,609*
Earnings per share - (Rupees)		**19.26**	3.86*

* Earnings per share and weighted average number of ordinary shares for prior year is restated for effect of bonus shares.

42 WORKING CAPITAL CHANGES

	2023 Rupees	2022 Rupees
(Increase) / decrease in current assets		
Biological assets	**11,707,300**	(788,695)
Stores and spare parts	**(7,275,110)**	(33,804,521)
Stock-in-trade	**960,695,161**	(991,745,627)
Trade debts	**(188,176,887)**	(30,752,765)
Loans and advances	**(66,014,182)**	(8,287,706)
Trade deposits and short-term prepayments	**(66,619,964)**	(4,860,345)
Other receivables	**(63,396,415)**	890,295
	580,919,903	(1,069,349,364)
Increase / (decrease) in current liabilities		
Trade and other payables	**100,274,880**	(14,588,054)
Contract liabilities (advances from customers)	**(97,261,341)**	471,350,792
Sales tax and federal excise duty payable	**53,122,261**	129,214,162
	56,135,800	585,976,900
	637,055,704	(483,372,464)

43 TRANSACTIONS WITH RELATED PARTIES

43.1 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.

43.2 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. 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	-

44 CAPACITY AND PRODUCTION

	Tons of Cane crushing per Day (TCD)	
	Rated Capacity	Average Capacity utilisation
Season 2022 - 2023	12,500 TCD	9,469 TCD
Season 2021 - 2022	12,500 TCD	6,801 TCD

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

45 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

45.1 The aggregate amount, charged in the unconsolidated financial statements for the year are as follows:

	2023					2022				
	Chief Executive Officer	Executive Director	Non-Executive Directors	Executives	Total	Chief Executive	Executive Director	Non-Executive Directors	Executives	Total
	Rupees									
Fee	-	-	1,650,000	-	1,650,000	-	-	2,400,000	-	2,400,000
Salary and other allowances:	18,510,000	2,500,000	-	77,297,540	98,307,540	11,400,000	9,500,000	-	38,714,334	59,614,334
Retirement benefits	1,110,600	150,000		2,295,338	3,555,938	-	380,000	-	844,200	1,224,200
Bonus	2,100,000	-	-	5,386,020	7,486,020	570,000	475,000	-	2,310,200	3,355,200
	21,720,600	2,650,000.00	1,650,000	84,978,898	110,999,498	11,970,000	10,355,000	2,400,000	41,868,734	66,593,734
Number of persons	1	1	8	11	21	1	1	8	6	16

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

46 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.

46.1 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:

	2023 Rupees	2022 Rupees
Trade debts	**288,597,782**	100,420,895
Other receivables	**63,496,884**	100,469
Subsidy receivable	**-**	160,173,441
Bank balances	**46,669,910**	33,208,529
	1,373,853,913	1,616,914,856

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:

46.1.1 Trade debts

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

46.1.2 Bank balances

		2023 Rupees	2022 Rupees
With external credit rating:			
A1+	PACRA	**25,308,264**	1,658,015
A-1+	PACRA	**1,005**	4,539,330
A-1+	JCR – VIS	**17,845,268**	25,351,742
A1	PACRA	**3,515,374**	1,659,442
		46,669,910	33,208,529

46.2 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	-	-	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	378,672,996	-	-	437,700,333
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	96,619,170	406,193,524	118,392,084	486,941,472	1,108,146,250

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
		----------Rupees----------			
Long-term financing	-	-	386,354,221	642,015,721	1,028,369,942
Lease liabilities	-	-	12,904,542	33,550,788	46,455,330
Trade and other payables	42,485,114	387,428,243	-	-	429,913,357
Unclaimed dividend	19,707,001	-	-	-	19,707,001
Accrued markup		96,518,298	-	-	96,518,298
Market committee fee payable	-	-	2,401,576	49,451,951	51,853,527
Short term borrowings	1,258,052,978	-	-	-	1,258,052,978
2022	1,320,245,093	483,946,541	401,660,339	725,018,460	2,930,870,432

46.3 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.

46.3.1 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 decrease the Company's profit before tax by Rs. 27.26 million and a 1% decrease would result in the increase in the Company's profit before tax by the same amount.

46.3.2 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. 74.9 million.

46.3.3 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 2023 the Company is not materialy exposed to such risk.

47 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:

	2023 Rupees	2022 Rupees
Long-term financing	492,143,603	1,028,369,942
Short-term borrowings	14,213,010	1,258,052,978
Total debt	506,356,613	2,286,422,919
Share capital	749,276,090	605,475,641
Reserves	3,130,173,972	2,144,175,312
Total equity	3,879,450,062	2,749,650,953
Capital (Debt + equity)	4,385,806,675	5,036,073,872
Gearing ratio	12%	45%

48 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.

49 OPERATING SEGMENTS

For management purposes, the activities of the Company are organized into one operating segment i.e. manufacture and sale of sugar and its by-products. The Company operates in the said reportable operating segment based on the nature of products, risks and returns, organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in these unconsolidated financial statements are related to the Company's only reportable segment.

The details of customers with whom the revenue from sales transactions amount to 10% or more of the Company's overall revenue is as follows:

	2023 Rupees	2022 Rupees
Revenue - based on the location of customers		
Pakistan	**12,257,942,179**	7,982,754,657
China	**211,523,987**	-
Afghanistan	**194,705,837**	-

50 NUMBER OF EMPLOYEES

Total number of permanent employees as at reporting date	**278**	**258**
Average number of permanent employees during the year	**300**	**305**

51 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on **January 05, 2024** by the Board of Directors of the Company.

52 NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

Subsequent to the year end, the Board of Directors of the Company in its meeting held on **January 05, 2024** has proposed a final cash dividend of **Rs. 3** per share and issue of bonus shares in the proportion of **nil** ordinary shares for every hundred (100) ordinary shares held for the year ended 30 September 2023.

53 GENERAL

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions / better presentation.

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR

our numbers has been promising this year.

CONSOLIDATED FINANCIAL STATEMENTS



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INDEPENDENT AUDITOR'S 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 2023, 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 2023, 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.	Contingencies	
	As disclosed in note 32 to the consolidated financial statements, the Group has contingent liabilities in respect of various matters, which are pending adjudication before respective authorities and courts of law. Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules and regulations, probability of outcome and financial impact and recognition and measurement of any provisions that may be required against such contingencies in accordance with applicable financial reporting standards. Due to significance of amounts involved, uncertainties with respect to the outcome of matters and use of management judgments and estimates, we considered this as a key audit matter.	- Our key procedures amongst others included the following: - obtained and reviewed details of the pending matters and discussed the same with the Group's management; - reviewed the correspondences between the Group and the relevant authorities, and tax and legal advisors; - obtained and reviewed confirmations from the Group's external tax and legal advisors for their views on the probable outcome of the open tax assessments and other contingencies; - assessed the adequacy and appropriateness of disclosures for compliance with the requirements of applicable financial reporting framework.

2.	Property, plant and equipment	
	As disclosed in note 6 to the consolidated financial statements, property, plant and equipment amounts to Rs. 2,397.952 million which constitutes 36% of the total assets of the Group as of 30 September 2023. Given the significance of property, plant, and equipment and its related depreciation to the Group's overall final results, we have identified it as a key audit matter.	Our key procedures amongst others included the following: - We obtained an understanding of the Group's process with respect to capital expenditure and tested the Group's controls in this area relevant to our audit. - We physically verified the Group's fixed assets and tested the amounts. We reviewed the relevant documents with reference to the acquisition of newly acquired assets and assessed whether cost capitalization meets the recognition criteria of an asset in accordance with IAS 16 – "Property, plant and equipment". - We evaluated the basis used by the management for determining useful life of assets and the depreciation charged in thereto. - We 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 Thereon

Management 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: Karachi

Date: January 05, 2024

UDIN: AR202310093c9hMIbQfm

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	**2,397,952,211**	2,447,675,227
Right-of-use assets	7	**65,718,360**	49,943,215
Long-term receivables	8	**-**	160,173,441
Long-term investments	9	**1,803,697,500**	1,166,906,145
Long-term deposits		**3,436,400**	3,436,400
		4,270,804,471	3,828,134,428
CURRENT ASSETS			
Biological assets	10	**12,848,750**	24,556,050
Stores and spare parts	11	**151,581,936**	144,306,826
Stock-in-trade	12	**592,614,705**	1,553,309,866
Trade debts	13	**288,597,782**	100,420,895
Loans and advances	14	**129,276,926**	63,262,744
Trade deposits and short-term prepayments		**77,961,056**	11,341,092
Other receivables	15	**63,496,884**	100,469
Short-term investments	16	**913,979,145**	732,422,221
Taxation – net		**55,532,497**	58,423,416
Cash and bank balances	17	**46,874,022**	33,343,588
		2,332,763,703	2,721,487,167
Non-current assets held for sale	18	**-**	46,349,034
TOTAL ASSETS		**6,603,568,174**	6,595,970,629
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
150,000,000 ordinary shares of Rs.10/- each		**1,500,000,000**	750,000,000
Issued, subscribed and paid-up share capital	19	**749,276,090**	605,475,642
Reserves	20	**3,129,786,668**	2,143,828,009
		3,879,062,758	2,749,303,651
NON-CURRENT LIABILITIES			
Long-term financing	21	**391,504,062**	642,015,721
Lease liabilities	22	**48,601,679**	33,550,788
Market committee fee payable	23	**46,835,731**	49,451,951
Deferred liabilities	24	**3,280,132**	3,971,207
Deferred income - government grant	25	**98,724,221**	103,369,766
Deferred taxation	26	**678,769,650**	47,087,847
		1,267,715,475	879,447,280
CURRENT LIABILITIES			
Trade and other payables	27	**557,611,364**	457,296,481
Contract liabilities	28	**408,681,857**	505,943,198
Unclaimed dividend		**23,378,823**	19,707,001
Accrued mark-up		**27,520,528**	96,518,298
Short-term borrowings	29	**14,213,010**	1,258,052,978
Provision for market committee fee	30	**23,440,691**	15,391,972
Current portion of non-current liabilities	31	**142,709,752**	408,198,116
Sales tax and federal excise duty payable		**259,233,916**	206,111,655
		1,456,789,941	2,967,219,699
CONTINGENCIES AND COMMITMENTS	33		
TOTAL EQUITY AND LIABILITIES		**6,603,568,174**	6,595,970,629

The annexed notes from 1 to 53 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended September 30, 2023

	Note	2023 Rupees	2022 Rupees
Turnover - gross	33	**12,664,172,003**	7,982,754,657
Sales tax		**(1,680,639,294)**	(1,084,727,723)
Turnover - net		**10,983,532,709**	6,898,026,934
Cost of sales	34	**(8,619,569,874)**	(6,090,624,458)
Gross profit		**2,363,962,835**	807,402,476
Distribution costs	35	**(84,227,705)**	(72,561,036)
Administrative expenses	36	**(309,775,486)**	(255,626,613)
Other expenses	37	**(98,009,043)**	(111,892,450)
Other income	38	**292,230,718**	156,850,337
		(199,781,516)	(283,229,762)
Operating profit		**2,164,181,319**	524,172,714
Share of profit from associates – net	9.1	**911,791,339**	440,137,609
Allowance for ECL on long-term receivables	8.2	**(160,173,441)**	(44,487,436)
Finance costs	39	**(635,304,325)**	(526,315,697)
Profit before taxation		**2,280,494,892**	393,507,190
Taxation	40	**(837,585,428)**	(104,376,800)
Net profit for the year		**1,442,909,464**	289,130,390
Net profit attributable to owners of the Holding Company		**1,442,909,464**	289,130,390
			Restated
Basic and diluted earning per share	41	**19.26**	3.86

The annexed notes from 1 to 53 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended September 30, 2023

	Note	2023 Rupees	2022 Rupees
Net profit for the year		**1,442,909,464**	289,130,390
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods - net of tax			
Actuarial gain on defined benefit plan		**555,650**	617,210
Gain on disposal of investments designated at fair value through other comprehensive income		**13,251,269**	1,105,114
Unrealised gain on remeasurement of investments designated at fair value through other comprehensive income		**-**	3,105,290
		13,806,919	4,827,614
Total comprehensive income for the year - net of tax		**1,456,716,383**	293,958,004
Total comprehensive income attributable to owners of the Holding company		**1,456,716,383**	293,958,004

The annexed notes from 1 to 53 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended September 30, 2023

	Issued, subscribed and paid-up capital	Reserves						Total equity
		Capital	Revenue		Other components of equity		Sub-total	
		Share Premium	General reserve	Unappropriated profits	FV reserve of financial assets at FVOCI	Actuarial gain / (loss) on defined benefit plan		
	Rupees							
Balance as at 01 October 2021	489,273,246	63,281,250	85,000,000	1,863,885,001	(8,596,106)	2,867,529	2,006,437,674	2,495,710,920
Bonus shares issued for the year ended 30 September 2021 in the ratio of 10 ordinary shares for every 100 shares held	48,927,325	-	-	(48,927,325)	-	-	(48,927,325)	-
Interim dividend for the year ended 30 September 2022 @ Re. 0.75 per share	-	-	-	(40,365,274)	-	-	(40,365,274)	(40,365,274)
Bonus shares issued for the year ended 30 September 2022 in the ratio of 12.5 Ordinary shares for every 100 shares held	67,275,070			(67,275,070)			(67,275,070)	
Net profit for the year	-	-	-	289,130,390	-	-	289,130,390	289,130,390
Other comprehensive income for the year	-	-	-	-	4,210,404	617,210	4,827,614	4,827,614
Total comprehensive income for the year	-	-	-	289,130,390	4,210,404	617,210	293,958,004	293,958,004
Transfer of fair value reserve of investments designated at FVOCI on account of disposal	-	-	-	(4,714,802)	4,714,802	-	-	-
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)**	**-**	**-**	**(102,174,448)**	**(102,174,448)**
2nd Interim dividend for the year ended 30 September 2023 @ Re. 3 per share	**-**	**-**	**-**	**(224,782,827)**	**-**	**-**	**(224,782,827)**	**(224,782,828)**
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**	**13,806,920**	**13,806,920**
Total comprehensive income for the year	**-**	**-**	**-**	**1,442,909,464**	**13,251,269**	**555,650**	**1,456,716,384**	**1,456,716,384**
Transfer of fair value reserve of equity instruments designated at FVOCI on account of disposal	**-**	**-**	**-**	**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**

CHIEF EXECUTIVE OFFICER

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DIRECTOR

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended September 30, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**2,280,494,892**	393,507,190
Adjustments for non-cash charges and other items:			
Depreciation			
- Operating fixed assets	6.1.1	**169,902,182**	165,577,019
- Right of use assets	7.1	**21,750,996**	22,775,434
Ammortization of deferred income - government grant	38	**(24,017,604)**	(24,076,144)
Share of profit from associates	9	**(911,791,339)**	(440,137,609)
Gain on disposal of operating fixed assets and right-of-use assets	38	**(2,292,835)**	(3,127,465)
Finance costs	39	**635,304,325**	526,315,499
Provision for gratuity	24.3	**968,674**	921,944
Provision for market committee fee	34	**8,048,716**	8,569,439
Gain on disposal of non-current assets held for sale	38	**(92,056,444)**	-
Allowance for ECL	8.2	**160,173,441**	44,487,436
(Gain) / loss on disposal of investments at fair value through profit or loss	38	**(67,804,613)**	101,424,239
Unrealised (gain) / loss on remeasurement of investments at fair value through profit or loss	38	**(16,711,371)**	97,849,599
Working Capital Changes	42	**637,095,706**	(483,145,567)
		518,569,834	(101,857,095)
Staff gratuity paid	24.1	**(830,420)**	(330,821)
Income taxes paid		**(203,286,385)**	(140,816,631)
Finance costs paid		**(676,501,955)**	(452,535,869)
Market Committee fee paid		**(6,189,153)**	(6,189,155)
Long term deposits - net		**-**	(2,584,000)
Net cash generated from / (used in) operating activities		**1,912,256,813**	(310,806,381)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		**(121,987,992)**	(242,515,905)
Proceeds from disposal of operating fixed assets and right-of-use assets		**3,740,000**	3,925,889
Investments made during the year		**(1,177,929,667)**	(2,093,227,518)
Proceeds from disposal of investments		**1,094,140,516**	2,436,929,630
Proceeds from disposal of non-current assets held for sale		**138,405,484**	-
Dividends received		**274,999,984**	324,999,981
Net cash generated from investing activities		**211,368,325**	430,112,077
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing repaid		**(523,091,996)**	(230,797,953)
Lease rentals paid		**(19,877,287)**	(20,233,181)
Dividends paid		**(323,285,453)**	(39,989,695)
Net cash used in financing activities		**(866,254,736)**	(291,020,829)
Net increase / (decrease) in cash and cash equivalents		**1,257,370,402**	(171,715,133)
Cash and cash equivalent at the beginning of the year		**(1,224,709,390)**	(1,052,994,257)
Cash and cash equivalent at the end of the year		**32,661,012**	(1,224,709,390)
Cash and cash equivalents			
Cash and bank balances	17	**46,874,022**	33,343,588
Short-term borrowings	29	**(14,213,010)**	(1,258,052,978)
		32,661,012	(1,224,709,390)

The annexed notes from 1 to 53 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

1 THE GROUP AND ITS OPERATIONS

1.1 Mehran Sugar Mills Limited (the Holding Company) was incorporated in Pakistan as a public limited company in December 1965 under the repealed Companies Act, 1913. The shares of the Holding Company are quoted on Pakistan Stock Exchange Limited. The Holding Company is principally engaged in the manufacturing and sale of sugar and its by-products. The registered office of the Holding Company is situated at 14th floor, Dolmen City Executive Tower, Marine Drive, Block 4, Clifton, Karachi. The mill of the Holding Company is located at Distt. Tando Allahyar, Sindh.

1.2 Mehran Energy Limited (the Subsidiary), a wholly owned subsidiary of Mehran Sugar Mills Limited (the Holding Company) was incorporated in Pakistan as a public unlisted company in October 2016. The Subsidiary is in start-up phase and has not commenced its operations. The principal activities of the Subsidiary will be to build, operate and maintain a 26.5 MW high pressure co-generation bagasse based power plant for the generation and supply of electric power in relation thereof. The Subsidiary obtained letter of intent (LOI) from the Government of Sindh (GoS) on November 07, 2016. However, the Subsidiary will commence its operations upon signing of Energy Purchase Agreement with Central Power Purchasing Agency (CPPA). The EPA has been delayed to a mutual disagreement of terms and conditions between the Subsidiary and CPPA. As the offered terms and conditions of the EPA are not in general acceptable to the electricity producing companies, the matter in dispute is pending before the Islamabad High Court in form of a petition.

The management of the Group is confident that petition will be decided in favour of the subsidiary company and the subsidiary company will secure the project on the allocated tariffs to start its commercial operations accordingly. The Parent Company is committed to provide financial and operational support to the subsidiary company as and when required.

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 Deh Rechal, P.O. Khokhar	Mill and Farm 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 Group'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

These consolidated financial statements comprise the financial statements of the Holding Company and the Subsidiary Company as at the reporting date, here-in-after referred to as 'the Group'.

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

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 Group's accounting period beginning on 01 October 2022, but are considered either to be not relevant or to not have any significant effect on the Group'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 Group's accounting periods beginning on / after 01 October 2023. However, the Group expects that these standards will not have any material impact on the future financial statements of the Group.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group'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 Group'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 Group 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 Group uses the technical resources available with the Group. 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 Allowance for expected credit loss (ECL)

The Group uses a provision matrix to calculate ECLs for trade receivables and other receivables. The provision rates are based on days past due for grouping of various customer segments that have similar loss pattern. Considering the nature of the financial assets, the Group has applied the simplified approach as per IFRS 9 for trade debts and has calculated ECL based on life-time ECL. The Group has applied general approach for all other assets.The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic condition. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in future.

4.3 Inventories

The Group 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.

4.4 Taxation

In making the estimate for income tax payable by the Group, the Group 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.

4.5 Employees' benefits

Certain actuarial assumptions have been adopted as disclosed in note 25 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.

4.6 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgement as the outcome of the future events cannot be predicted with certainty. The Group, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future event(s).

5 SIGNIFICANT 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 less accumulated impairment, if any.

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 Group'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 Group.

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 Group 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 Group 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 Group 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 Group and payments of penalties for terminating a lease, if the lease term reflects the Group 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 Group 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.

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

5.4 Investments

Associates

These are accounted for using equity method of accounting. Investments over which the Group 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 Group’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 Group uses the financial statements of the associates with a lag of three months for applying the equity method of accounting. Further, the Group 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 cost less provision for slow moving and obsolete items, if any. Cost is determined by the weighted moving average cost method. Items in transit, if any, are valued at cost comprising invoice value plus other charges incurred thereon up to the reporting date. Provision for slow moving, damaged and obsolete items are charged to consolidated statement of profit or loss. Ageing and value of items of stores and spares are reviewed at each reporting date to record provision for any obsolete items.

5.7 Stock-in-trade

Stock-in-trade is valued at the lower of cost, determined on weighted moving average cost method, and estimated net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Items in transit, if any, are valued at cost comprising invoice value plus other charges incurred thereon up to the reporting date.

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 Group 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 Non-current assets held for sale

Assets held for sale are classified as held for sale if their carrying amounts will be recovered principally through sale rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less costs to sell.

5.12 Employees' benefits

Gratuity

The Group 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 Group has recognised related restructuring or termination benefits.

Provident fund

The Group operates a recognised provident fund for those permanent employees who have opted for it. Equal monthly contributions are made to the fund by the Group 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 Group accrues its liability towards leaves accumulated by employees on an accrual basis using current salary level.

5.13 Taxation

Current

Provision for current taxation is based on the taxable income for the year determined in accordance with Income Tax Ordinance, 2001. The charge for current tax is calculated using prevailing tax rates and includes adjustments for prior years or otherwise considered necessary for such years. Current tax is charged to the consolidated statement of profit or loss except to the extent it relates to items recognised directly in other comprehensive income in which case it is recognised in the consolidated statement of other comprehensive income.

Deferred

Deferred tax is recognised using the liability method, on all temporary differences arising at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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 the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside consolidated statement of profit or loss is recognised outside consolidated statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in consolidated statement of other comprehensive income or directly in equity.

5.14 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 Group.

5.15 Provisions

Provisions are recognised when the Group 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.

5.16 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 Group; 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.

5.17 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.

5.18 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset.

5.19 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 (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'Solely Payments of Principal and Interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both 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 Group commits to purchase or sell the asset.

Subsequent measurement

Financial assets are subsequently classified into following categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) 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.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

These include financial assets held for trading, financial assets designated upon initial recogniton at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. These are carried at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

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 Group 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 Group has transferred substantially all the risks and rewards of the asset, or

(b) the Group 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

ECL for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group 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 Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group 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 Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. 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 fair value through profit or loss, 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 at fair value through profit or loss

The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation 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.

5.20 Revenue from contracts with customers

The Group 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 Group expects to be entitled in exchange for those goods. The Group 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 Group 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 Group 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).

5.21 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 is recognised on an accrual basis.

5.22 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.

5.23 Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (i.e. a singe segment at the Group level). Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

5.24 Earnings per share

The Group 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 Group 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.

5.25 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.

5.26 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs to sell of the asset.

In determining fair value less costs to sell, the recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other fair value indicators.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss.

6 PROPERTY, PLANT AND EQUIPMENT	Note	2023 Rupees	2022 Rupees
Operating fixed assets	6.1	**2,209,371,259**	2,213,684,001
Capital work-in-progress	6.2	**188,580,952**	233,991,226
		2,397,952,211	2,447,675,227

6.1 Operating fixed assets

	COST			ACCUMULATED DEPRECIATION			BOOK VALUE	
	At October 01, 2022	Additions* / (deletions)	At September 30, 2023	At October 01, 2022	Charge for the year* / (deletions)	At September 30, 2023	At September 30, 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	4,424,972,924	2,047,435,277	169,902,182	2,215,601,665	2,209,371,259	
		(1,839,000)			(1,735,794)			
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**	

*Include assets trasferred from CWIP amounting to Rs. 140.13 million (2022: Rs. 386.55 million).

Description	COST			ACCUMULATED DEPRECIATION			BOOK VALUE	
	At October 01, 2021	Additions/ (deletions)	At September 30, 2022	At October 01, 2021	Charge for the year / (deletions)	At September 30, 2022	At September 30, 2022	Rate
	---------- Rupees ----------							%
Freehold land	83,394,207	-	83,394,207	-	-	-	83,394,207	-
Buildings on freehold land								
- Factory	317,098,063	3,607,470	320,705,533	190,783,511	12,902,015	203,685,526	117,020,007	10%
- Non-factory	51,623,372	-	51,623,372	22,630,324	1,449,652	24,079,976	27,543,396	5%
Plant, machinery and equipment	3,134,677,827	400,004,289	3,534,682,116	1,507,759,167	142,131,114	1,649,890,281	1,884,791,835	7.50%
Furniture and fittings	9,663,353	313,500	9,976,853	5,538,923	435,956	5,974,879	4,001,974	10%
Vehicles	76,968,864	118,600 (119,982)	76,967,482	74,957,396	409,189 (61,691)	75,304,894	1,662,588	20%
Office premises	85,022,551	-	85,022,551	31,987,817	2,651,737	34,639,554	50,382,997	5%
Office equipment	6,448,547	833,610	7,282,157	4,338,024	276,567	4,614,591	2,667,566	10%
Electric installation	39,576,951	2,554,134	42,131,085	14,042,802	2,759,698	16,802,500	25,328,585	10%
Weighbridge and scales	4,561,889	220,000	4,781,889	2,479,089	226,613	2,705,702	2,076,187	10%
Workshop tools and other equipment	6,341,923	-	6,341,923	5,375,518	96,641	5,472,159	869,765	10%
Computers	15,781,694	1,390,000	17,171,694	12,746,995	1,106,660	13,853,655	3,318,039	30%
Air conditioners and refrigerators	20,082,216	956,200	21,038,416	9,280,383	1,131,177	10,411,560	10,626,856	10%
	3,851,241,457	409,997,803 (119,982)	4,261,119,278	1,881,919,949	165,577,019 (61,691)	2,047,435,277	2,213,684,001	
2022	3,851,241,457	409,877,821	4,261,119,278	1,881,919,949	165,515,328	2,047,435,277	2,213,684,001	

6.1.1 Depreciation charge for the year has been allocated as follows:	Note	2023 Rupees	2022 Rupees
Cost of sales	34	**163,955,359**	159,565,733
Administrative expenses	36	**5,946,823**	6,011,286
		169,902,182	165,577,019

6.1.2 Particulars of immovable assets of the Group 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 2021	**44,225,036**	**359,264,385**	**403,489,421**
Capital expenditure incurred / advances made during the year	(10,467,980)	227,527,241	217,059,261
Transfered to operating fixed assets	(22,923,355)	(363,634,101)	(386,557,456)
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
Transfered 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**

7 RIGHT-OF-USE ASSETS

	Note	2023 Vehicles	2023 Total	2023 Total	2022 Vehicles	2022 Farms	2022 Total
		---------- Rupees ----------			---------- Rupees ----------		
As at 01 October							
Cost		**119,945,930**	**18,624,311**	**138,570,241**	100,671,640	18,624,311	119,295,951
Accumulated depreciation		**(71,369,715)**	**(17,257,311)**	**(88,627,026)**	(55,927,147)	(11,789,312)	(67,716,459)
Net book value		**48,576,215**	**1,367,000**	**49,943,215**	44,744,493	6,834,999	51,579,492
Net carrying value basis							
Opening net book value		**48,576,215**	**1,367,000**	**49,943,215**	44,744,493	6,834,999	51,579,492
Additions during the year		**38,870,100**	**-**	**38,870,100**	21,879,290	-	21,879,290
Disposals during the year		**(1,343,959)**	**-**	**(1,343,959)**	(740,133)	-	(740,133)
Depreciation charged during the year		**(20,383,996)**	**(1,367,000)**	**(21,750,996)**	(17,307,435)	(5,467,999)	(22,775,434)
Closing net book value		**65,718,360**	**-**	**65,718,360**	**48,576,215**	**1,367,000**	**49,943,215**
As at 30 September							
Cost		**156,211,030**	**18,624,311**	**174,835,341**	119,945,930	18,624,311	138,570,241
Accumulated depreciation		**(90,492,670)**	**(18,624,311)**	**(109,116,981)**	(71,369,715)	(17,257,311)	(88,627,026)
Net book value		**65,718,360**	**-**	**65,718,360**	**48,576,215**	**1,367,000**	**49,943,215**
Depreciation % per annum		**20%**	**32%**		20%	32%	

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

	Note	2023 Vehicles	2023 Total	2023 Total	2022 Vehicles	2022 Farms	2022 Total
Administrative expenses	36	**20,383,996**	**1,367,000**	**21,750,996**	17,307,435	5,467,999	22,775,434

8 LONG-TERM RECEIVABLES

	Note	2023 Rupees	2022 Rupees
Subsidy receivable		**304,117,888**	304,117,888
Others	8.1	**42,510,996**	42,510,996
		346,628,884	346,628,884
Allowance for ECL	8.2	**(346,628,884)**	(186,455,443)
		-	160,173,441

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 Group 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 Group. The case is currently pending in the Honorable High Court of Sindh (the Court) for recording of evidences. While the Group'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 Group 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.

	Note	2023 Rupees	2022 Rupees
8.2 Allowance for ECL			
Balance at beginning of the year		**186,455,443**	141,968,007
Charge for the year		**160,173,441**	44,487,436
Balance at end of the year		**346,628,884**	186,455,443
9 LONG-TERM INVESTEMNTS			
Associates	9.1	**1,803,697,500**	1,166,906,145

	Unicol Limited (note 9.1.1)	UniEnergy Limited (note 9.1.2)	Total
9.1 Associates	---------- Rupees ----------		
2023			
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%	

	Unicol Limited	UniEnergy Limited	Total
2022			
Opening balance	**1,031,591,605**	20,176,912	1,051,768,517
Share of profit from associates	**439,932,307**	205,302	440,137,609
Dividends received	**(324,999,981)**	-	(324,999,981)
Closing balance	**1,146,523,931**	20,382,214	1,166,906,145
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 UL is to manufacture and sell ethanol and carbon dioxide (Co2). The share of the Company in the net asset has been determined on the basis of audited financial statements as of 30 September 2023. The summarised financial information of UL is as follows:

Aggregate amount of:	2023 Rupees	2022 Rupees
- assets	**15,463,061,000**	7,043,283,000
- liabilities	**10,113,539,000**	3,603,711,000
- revenue	**15,064,436,134**	8,916,824,000
- profit after taxation	**2,734,950,000**	1,319,797,000

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 financial statements as of 30 September 2023. The summarised financial information of UEL is as follows:

Aggregate amount of:	2023 Rupees	2022 Rupees
- assets	**104,078,688**	105,341,346
- liabilities	**973,500**	3,010,689
- profit after taxation	**1,162,519**	615,911

10 BIOLOGICAL ASSETS

Carrying value at beginning of the year		**24,556,050**	23,767,355
Increase due to cultivation		**2,291,969**	6,929,660
Change in fair value less costs to sell of standing crop	38.1	**10,556,781**	17,626,390
		37,404,800	48,323,405
Reduction due to harvesting	38.1	**(24,556,050)**	(23,767,355)
Carrying value at the end of the year		**12,848,750**	24,556,050

10.1 The Group is engaged in cultivation of different sugarcane varieties. These varieties are then provided to growers for multiplication. During the year, the Group harvested 61,913 maunds (2022: 92,203 maunds) sugarcane at the yield of 403 maunds per acre of area under cultivation (2022: 596 maunds per acre). Approximately, 7,724 maunds (2022:36,169 maunds) were supplied to growers for variety multiplication while remaining sugarcane was used for crushing at mill.

		2023 Rupees	2022 Rupees
11	**STORES AND SPARE PARTS**		
	Stores	**78,392,873**	68,303,872
	Spare parts	**73,189,063**	76,002,954
		151,581,936	144,306,826
12	**STOCK-IN-TRADE**		
	Sugar		
	- Work-in-process	**4,822,450**	4,726,932
	- Finished goods	**550,703,834**	1,502,829,454
	Bagasse		
	- Finished goods	**37,088,421**	45,753,480
		592,614,705	1,553,309,866
13	**TRADE DEBTS – unsecured**		
	Considered good	**288,597,782**	100,420,895
	Considered doubtful	**16,987,867**	16,987,867
		305,585,649	117,408,762
	Allowance for ECL	**(16,987,867)**	(16,987,867)
		288,597,782	100,420,895

13.1 The aging of trade debts is as follows:

Neither past due nor impaired	**288,597,782**	100,420,895

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

	2023 Rupees	2022 Rupees
Unicol Limited	**2,173,500**	2,206,024

14	**LOANS AND ADVANCES – considered good**	
Loans to employees	**5,312,167**	3,371,310
Advances		
- to suppliers	**32,554,001**	45,086,116
- to cane growers	**88,426,559**	12,153,609
- to employees	**2,984,199**	2,651,709
	123,964,759	59,891,434
	129,276,926	63,262,744
15	**OTHER RECEIVABLES - considered good**	
Recievable against sale of investments	**63,496,884**	-
Others	**-**	100,469
	63,496,884	100,469

		Note	2023 Rupees	2022 Rupees
16	**SHORT-TERM INVESTMENTS**			
	Fair value through other comprehensive income (FVOCI)			
	Equity securities		-	20,059,000
	Fair value through profit or loss (FVPL)			
	Equity securities	16.1	**611,821,122**	712,363,221
	Mutual funds	16.2	**302,158,023**	-
			913,979,145	732,422,221

17.3 Fair value through profit or loss (FVPL)

2023 Number of shares	2022 Number of shares	Quoted companies	2023 Rupees	2022 Rupees
1,500,000	415,000	Bank Al Habib Limited	**67,545,000**	22,410,000
-	125,000	Cherat Cement Company Limited	**-**	14,446,250
200,000	400,000	MCB Bank Limited	**25,870,000**	47,804,000
-	800,000	United Bank Limited	**-**	91,912,000
100,185	101,900	Jubilee Life Insurance Company Limited	**9,395,349**	15,183,100
276,542	100,000	Lucky Cement Limited	**156,063,712**	49,656,000
-	500,000	Aisha Steel Mills Limited	**-**	5,170,000
1,500,455	500,455	Maple Leaf Cement Factory Limited	**44,923,623**	13,942,676
-	250,000	Habib Bank Limited	**-**	17,427,500
1,000,491	950,491	Meezan Bank Limited	**114,666,274**	104,316,387
-	10,000	Indus Motors Limited	**-**	9,430,100
-	100,000	D.G.K.Cement Limited	**-**	6,062,000
-	500,000	Amreli Steel Limited	**-**	13,480,000
-	100,000	Engro Corporation Limited	**-**	23,152,000
-	100,011	International Steel Limited	**-**	5,513,606
-	250,000	Tariq Glass Limited	**-**	28,715,000
-	42,200	JDW Sugar Mills Limited	**-**	10,972,000
500,000	250,000	Interloop Limited	**22,580,000**	15,737,500
-	250,000	Fertilizer Engro Pakistan Limited	**-**	19,505,000
-	100,000	Systems Limited	**-**	37,748,000
429,226	-	Bankislami Pakistan Limited	**7,507,163**	-
-	210,000	Bank Al Falah Limited	**-**	6,538,401
-	400,000	Fauji Fertilizer Company Limited	**-**	40,524,000
50,000	20,000	Mari Petroleum Company Limited	**78,005,001**	31,296,201
500,000	100,000	Oil & Gas Development Company Limited	**48,230,000**	7,572,000
-	100,000	Pakistan Oilfields Limited	**-**	34,912,000
-	110,000	Cherat Packaging Limited	**-**	11,819,500
-	300,000	Hub Power Company Limited	**-**	20,973,000
500,000	100,000	Pakistan Petroleum Limited	**37,035,000**	6,145,000
			611,821,122	712,363,221

16.2 Fair value through profit or loss (FVPL) - Mutual Funds

2023	2022		2023	2022
Number of Units			Rupees	Rupees
1,764,198.48	-	MCB Investment Management Ltd.	100,705,829	-
1,890,505.82	-	Al Meezan Investment Management Ltd.	101,148,111	-
971,822.97	-	Alfalah Assets Management Ltd.	100,304,083	-
			302,158,023	-

	Note	2023 Rupees	2022 Rupees
17 CASH AND BANK BALANCES			
Cash in hand		126,066	57,013
Cash with banks - current accounts			
- Local		16,353,368	25,696,682
- Foreign		30,394,588	7,511,847
		46,747,956	33,208,529
		46,874,022	33,265,542

18 NON CURRENT ASSET HELD FOR SALE

During the year, the Group has disposed off the previously classified 'non-current assets held for sale' and has received full consideration there against, amounting to Rs. 138.405 million resulting in a gain of Rs. 92.056 million.

19 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2023	2022		2023	2022
(Number of shares)			Rupees	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	54,228,814	- bonus shares	686,088,590	542,288,141
74,927,609	60,547,564		749,276,090	605,475,641

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

	Note	2023 Rupees	2022 Rupees
20 RESERVES			
Capital reserve			
Share premium		63,281,250	63,281,250
Revenue reserves			
General reserve		85,000,000	85,000,000
Unappropriated profits		2,977,465,028	1,992,080,223
		3,062,465,028	2,077,080,223
Other components of equity			
Actuarial gains on defined benefit plan		4,040,389	3,484,739
FV reserve of financial assets at FVOCI		-	329,100
		3,129,786,667	2,144,175,312

21 LONG-TERM FINANCING – secured

	Installments			2023	2022
	Number	Commencing from	Mark-up	Rupees	Rupees
Bank Al Habib Limited	20 quarterly	Dec-15	3 months KIBOR plus 0.8% per annum	-	10,000,000
Bank Al Habib Limited	20 quarterly	Jan-19	3 months KIBOR plus 1% per annum	-	131,250,000
Bank Al Habib Limited	20 quarterly	Oct-19	3 months KIBOR plus 1% per annum	65,625,000	121,875,000
Bank Al Falah Limited	20 quarterly	Feb-18	6 months KIBOR plus 0.5% per annum	-	75,000,000
Allied Bank Limited	20 quarterly	Jul-19	3 months KIBOR plus 0.4% per annum	-	225,000,000
MCB Bank Limited	20 quarterly	Jul-19	3 months KIBOR plus 1.25% per annum	75,000,000	137,500,000
MCB Bank Limited	8 quarterly	Apr-21	SBP+1%	-	20,725,527
MCB Bank Limited	32 quarterly	Apr-21	SBP+3%	309,647,448	307,019,415
MCB Bank Limited	39 quarterly	Apr-23	SBP+1%	9,726,540	-
MCB Bank Limited	39 quarterly	Aug-23	SBP+1%	1,528,128	-
Bank Islami Ltd	39 quarterly	Jan-23	SBP+4%	30,616,487	-
				492,143,603	1,028,369,942
Less : Current portion				(100,639,541)	(386,354,221)
				391,504,062	642,015,721

21.1 Represents long term finance obtained from Bank Al Habib Limited. The finance is secured by way of first pari passu charge over plant and machinery of the Group. The total facility of the finance amounts to Rs. 150 million.

21.2 Represents long term finance obtained from MCB Bank Limited. The finance is secured by way of first pari passu charge over plant and machinery of the Group. The total facility of the finance amounts to Rs. 200 million.

21.3 Represents financing obtained under the Temporary Economic Refinancing Facility (TERF) for plant and machinery introduced by State Bank of Pakistan. The loan is initially recorded at present value discounted at the effective interest rate i.e. 3 months KIBOR + 1% and the difference of the actual proceeds and present value is recognized as a deferred income - government grant. The total facility of the loan amounted to Rs.500 million and it is secured by charge against the plant and machinery of the Group.

21.4 Represents financing obtained under the SBP Financing Scheme for Renewable Energy for plant and machinery introduced by State Bank of Pakistan. The loan is initially recorded at present value discounted at the effective interest rate i.e. 3 months KIBOR + 3% and the difference of the actual proceeds and present value is recognized as a deferred income - government grant. The total facility of the loan amounted to Rs.19.47 million and it is secured by charge against the plant and machinery of the Group

21.5 Represents financing obtained under the SBP Financing Scheme for Renewable Energy for plant and machinery introduced by State Bank of Pakistan. The loan is initially recorded at present value discounted at the effective interest rate i.e. 3 months KIBOR + 3% and the difference of the actual proceeds and present value is recognized as a deferred income - government grant. The total facility of the loan amounted to Rs. 3.29 million and it is secured by charge against the plant and machinery of the Group

21.6 Represents financing obtained under the SBP Financing Scheme for Renewable Energy for plant and machinery introduced by State Bank of Pakistan. The loan is initially recorded at present value discounted at the effective interest rate i.e. 3 months KIBOR + 3% and the difference of the actual proceeds and present value is recognized as a deferred income - government grant. The total facility of the loan amounted to Rs. 50 million and it is secured by charge against the plant and machinery of the Group.

21.7 Following are the changes in the long term financing for which cash flows have been classified as financing activities in the statement of cash flows:

	Note	2023 Rupees	2022 Rupees
Balance at beginning of the year		**1,028,369,942**	1,294,854,630
Adjustment / proceeds from long-term financing		**69,392,212**	181,130,443
Amount recognized as government grant		**(37,151,950)**	(60,686,873)
Unwinding of finance cost		**24,017,604**	32,360,784
Payments made during the year		**(592,484,205)**	(419,289,042)
Balance at end of the year		**492,143,603**	1,028,369,942
Less: current portion	31	**(100,639,541)**	(386,354,221)
		391,504,062	642,015,721

22 LEASE LIABILITIES

	Note	2023 Rupees	2022 Rupees
Lease liabilities		**63,743,043**	46,455,330
Less : current portion	31	**(15,141,364)**	(12,904,542)
	22.1	**48,601,679**	33,550,788

22.1 Movement of lease liabilities:

	2023			2022		
	Vehicles	Farms	Total	Vehicle	Farms	Total
	---------- Rupees ----------			---------- Rupees ----------		
Opening balance	**46,455,330**	**-**	**46,455,330**	41,765,022	5,060,489	46,825,511
Additions during the year	**37,165,000**	**-**	**37,165,000**	19,863,000	-	19,863,000
Finance cost during the year	**11,539,560**	**-**	**11,539,560**	6,016,349	168,511	6,184,860
Payments during the year	**(31,416,847)**	**-**	**(31,416,847)**	(21,189,041)	(5,229,000)	(26,418,041)
Closing balance	**63,743,043**	**-**	**63,743,043**	46,455,330	-	46,455,330
Current portion of lease liabilities	**(15,141,364)**	**-**	**(15,141,364)**	(12,904,542)	-	(12,904,542)
	48,601,679	**-**	**48,601,679**	33,550,788	-	33,550,788

22.2 The following are the amounts recognised in consolidated statement of profit or loss:

	Note	2023 Rupees	2022 Rupees
Depreciation of right-of-use assets	7.1	**21,750,996**	22,775,434
Interest expense on lease liabilities	39	**11,539,560**	6,184,860
		33,290,556	28,960,294

22.3 Future period lease payments and interest expense:

	2023			2022		
	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	**31,982,210**	**13,314,309**	**18,667,901**	20,649,218	6,728,172	13,921,046
Later than 1 year but not more than 5 years	**59,787,198**	**14,712,055**	**45,075,143**	40,595,149	8,060,865	32,534,284
	91,769,408	**28,026,364**	**63,743,043**	61,244,367	14,789,037	46,455,330

23 MARKET COMMITTEE FEE PAYABLE	Note	2023 Rupees	2022 Rupees
Balance at the beginning of the year		**51,853,527**	54,174,253
Additions during the year	39	**3,782,536**	3,868,427
Payments during the year		**(6,189,153)**	(6,189,155)
Balance at the end of the year		**49,446,910**	51,853,527
Current portion	31	**(2,611,179)**	(2,401,576)
		46,835,731	49,451,951

23.1 Represents provision for market committee fee for the year from 2008 to 2021. The Group entered into agreement with the Market Committee to settle the above provision in various yearly installments.

24 DEFERRED LIABILITIES	Note	2023 Rupees	2022 Rupees
Staff gratuity	24.1	**3,280,132**	3,971,207

24.1 Staff gratuity

Opening balance		**3,971,207**	4,301,305
Provision for the year	24.3	**968,674**	921,944
Benefits paid during the year		**(830,420)**	(330,821)
Actuarial gain on remeasurement	24.4	**(829,329)**	(921,221)
Closing balance		**3,280,132**	3,971,207

24.2 Principal actuarial assumptions

	2023	2022
Financial assumptions		
Discount rate	**16.75%**	13.25%
Expected rate of increase in salary level	**11.75%**	8.25%
Demographic assumptions		
Expected mortality rate	**SLIC 2001-05**	SLIC 2001-05
Expected withdrawal rate	**High**	High
Long term salary increase rate	**14.75%**	13.25%

24.3 Amount recognised in profit or loss

	2023 Rupees	2022 Rupees
Current service cost	**497,504**	487,675
Interest cost on defined benefit obligation	**471,170**	434,269
	968,674	921,944

24.4 Amount recognised in OCI

Financial assumptions	**(173,704)**	(395,679)
Experience adjustments	**(655,625)**	(525,542)
	(829,329)	(921,221)

		Change in assumption	Increase in defined benefit obligation	Decrease in defined benefit obligation
			2022	
24.5	**Sensitivity analysis**		-------(Rupees)-------	
	Discount rate	1%	48,852	(47,010)
	Salary increase rate	1%	43,001	(42,073)

	2023	2022	2021	2020	2019
		---------- (Rupees) ----------			
Present value of defined benefit obligations	3,280,132	3,971,207	4,301,305	4,445,294	4,762,469

	2023			
The amount of the defined benefit obligation after changes in the weighted principal assumptions is as follows:	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
	----------(Rupees)----------			
Present value of defined benefit obligation	3,233,122	3,328,984	3,323,133	3,238,059

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.

24.6 Maturity profile

Below is the maturity profile based on the undiscounted payments:	2023 Rupees	2022 Rupees
Year 1	1,377,152	789,810
Year 2	1,560,183	717,830
Year 3	361,229	1,549,748
Year 4	345,656	188,455
Year 5	203,522	397,677
Year 6 to Year 10	527,171	1,753,252
Year 11 and above	104,605	4,249,250

24.7 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.

24.8 The expected gratuity expense for the year ending September 30, 2024 works out to Rs. 891,932

24.9 The weighted average duration of the defined benefit obligation at September 30, 2023 is 4.38 years (2022: 4.07 years).

		Note	2023 Rupees	2022 Rupees
25	**DEFERRED INCOME - GOVERNMENT GRANT**			
	Balance at beginning of the year		**109,907,543**	74,220,806
	Recognized / adjustment during the year	21.3, 21.4,21.5 & 21.6	**37,151,950**	59,762,881
	Amortization of deferred income - government grant	38	**(24,017,604)**	(24,076,144)
	Balance at end of the year		**123,041,889**	109,907,543
	Less : current portion	31	**(24,317,668)**	(6,537,777)
			98,724,221	103,369,766
26	**DEFERRED TAXATION - net**			
	Taxable temporary differences arising due to:			
	Accelerated tax depreciation		**347,049,267**	441,066,087
	Share of profit from associates		**474,469,235**	96,298,517
	Others		**12,562,871**	13,689,067
			834,081,373	551,053,671
	Deductable temporary differences arising due to:			
	Allowance for ECL		**(100,522,376)**	(67,643,238)
	Unused tax losses / minimum tax		**(40,608,671)**	(401,856,897)
	Provisions		**(14,180,676)**	(19,731,477)
	Unrealised loss on investments		**-**	(14,734,212)
			(155,311,723)	(503,965,824)
			678,769,650	47,087,847
26.1	**The movement of deferred taxation is as follows:**			
	Opening balance		**47,087,847**	79,579,039
	Recognised in profit or loss		**631,408,124**	(33,238,808)
	Recognised in OCI		**273,679**	747,616
	Closing balance		**678,769,650**	47,087,847

27 TRADE AND OTHER PAYABLES

	2023 Rupees	2022 Rupees
Creditors	**105,210,018**	125,517,157
Accrued expenses	**273,928,328**	262,336,433
Payable to provident fund	**1,313,991**	1,283,933
Workers' Welfare Fund	**52,510,733**	24,728,559
Workers' Profit participation fund	**64,393,787**	-
Advance from employees against purchase of vehicles - secured	**26,766,018**	22,582,908
Withholding tax payable	**2,541,161**	2,229,218
Others	**30,947,328**	18,618,273
	557,611,364	457,296,481

28 CONTRACT LIABILITIES

Represents advance received from various customers. Revenue recognised during the year from amounts included in contract liabilities at beginning of the year amounted to Rs. 505.943 million (2022: Rs. 34.592 million).

29 SHORT-TERM BORROWINGS – secured

	2023 Rupees	2022 Rupees
Running finance under markup arrangements	**13,907,890**	724,313,577
Short term cash finance	**305,120**	533,739,401
	14,213,010	1,258,052,978

29.1 The aggregate facilities for short term running finance available from various banks amounted to Rs. 975 million (2022: Rs. 950 million). These facilities are secured against hypothecation of stock-in-trade, plant & machinery, stores, spares & receivables of the Group. These carry mark-up ranging between 0.55% to 0.75% (2022: 0.75% to 1%) per annum above one to three months KIBOR.

29.2 The aggregate facilities for short term cash finance available from various banks amounted to Rs. 5,573 million (2022: Rs. 4,400 million). These carry mark-up ranging between 0.35% to 1% (2022: 0.4% to 1.25%) per annum above one to three months KIBOR. These are secured against pledge of stock-in-trade and plant & machinery.

30 PROVISION FOR MARKET COMMITTEE FEE

Represents provision made for market committee of Rs.10 (2022: Rs.10) per MT of sugar cane crushed for the latest crushing season.

31 CURRENT PORTION OF NON-CURRENT LIABILITIES

	Note	2023 Rupees	2022 Rupees
Long-term financing	21	**100,639,541**	386,354,221
Lease liabilities	22	**15,141,364**	12,904,542
Market committee fee payable	23	**2,611,179**	2,401,576
Deferred income - government grant	25	**24,317,668**	6,537,777
		142,709,752	408,198,116

32 CONTINGENCIES AND COMMITMENTS

32.1 Tax Contingencies

During the year ended 30 September 2021, the Deputy Commissioner Inland Revenue (DCIR) had passed orders with respect to tax years 2015, 2016, 2017, 2018 and 2019 u/s 122 and 161 of Income Tax Ordinance 2001 raising 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. Income tax appellate tribunal has ordered these cases and deleted most of the unjustified add backs and remanded back the remaining items (Rs. 153 million, 347 million, 14 million, 63 million and 407 million for tax years 2015, 2016, 2017,2018 and 2019 respectively), to the assessing officer for fresh assessment and adjudication. There has been no action from the assessment officer for more than one year. 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.

32.2 Others

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 Group equivalent to 5% of the total turnover of Rs. 5,311 million as per the financial statements for the year ended 30 September 2019. In this respect, the Group 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 Group, 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.

32.3 Commitments

	Note	2023 Rupees	2022 Rupees
Capital commitments		**6,462,900**	18,379,148
Letter of guarantee		**-**	15,420,375

33 TURNOVER – gross

	2023 Rupees	2022 Rupees
Sugar	**10,830,651,100**	6,843,553,318
Export	**406,229,824**	-
Molasses	**1,122,500,498**	845,319,668
Bagasse	**303,583,235**	290,796,658
Mud	**1,207,346**	3,085,013
	12,664,172,003	7,982,754,657

Includes sales to Unicol Limited - a related party amounting to Rs. 1,161 million (2022: Rs. 903 million)

34 COST OF SALES	Note	2023 Rupees	2022 Rupees
Manufactured sugar:			
Cost of sugarcane consumed [Including procurement and other related expenses]		**6,608,737,529**	6,192,234,534
Provision for market committee fee		**8,048,716**	8,569,439
Road cess on sugarcane		**5,030,658**	5,356,116
Salaries, wages and other benefits	34.1	**278,335,651**	256,316,354
Stores and spare parts consumed		**358,422,996**	296,582,934
Repairs and maintenance		**139,051,134**	81,772,889
Fuel, electricity and water charges		**21,782,551**	18,671,180
Vehicle running and maintenance expenses		**13,235,865**	6,618,446
Insurance		**17,760,140**	22,387,811
Depreciation on operating fixed assets	6.1.1	**163,955,359**	159,565,733
Others		**44,514,114**	34,294,649
		7,658,874,713	7,082,370,085
Opening stock of work-in-process		**4,726,932**	5,593,142
Closing stock of work-in-process	12	**(4,822,450)**	(4,726,932)
		(95,518)	866,210
Cost of goods manufactured		**7,658,779,195**	7,083,236,295
Opening stock of finished goods		**1,548,582,934**	555,971,097
Closing stock of finished goods	12	**(587,792,255)**	(1,548,582,934)
		960,790,679	(992,611,837)
		8,619,569,874	6,090,624,458

34.1 Includes gratuity expense of Rs. 0.969 million (2022: Rs. 0.922 million) and contribution to provident fund of Rs. 3.092 million (2022: Rs. 3.491 million).

35 DISTRIBUTION COSTS	Note	2023 Rupees	2022 Rupees
Salaries and other benefits	35.1	**3,952,279**	3,565,660
Stacking and loading		**13,220,709**	14,253,497
Others		**67,054,717**	54,741,879
		84,227,705	72,561,036

35.1 Includes contribution to provident fund of Rs.0.0805 millon (2022: Rs. 0.075 million).

		Note	2023 Rupees	2022 Rupees
36	**ADMINISTRATIVE EXPENSES**			
	Salaries and other benefits	36.1	**162,290,044**	142,651,090
	Rent, rates and taxes		**1,296,545**	1,546,179
	Electricity, telephone, fax and postage		**12,889,449**	9,938,511
	Printing and stationery		**2,017,977**	1,405,808
	Travelling and conveyance		**21,811,029**	11,449,296
	Vehicle running and maintenance expenses		**12,175,821**	10,310,987
	Auditor's remuneration	36.2	**4,364,563**	3,156,301
	Legal and professional		**11,389,537**	16,762,406
	Fees and subscription		**12,176,055**	5,277,672
	Insurance		**103,041**	224,567
	Repairs and maintenance		**20,605,178**	15,518,399
	Advertising		**757,700**	1,238,100
	Donations	36.3	**16,136,913**	4,831,678
	Depreciation			
	- Operating fixed assets	6.1.1	**5,946,823**	6,011,286
	- Right-of-use assets	7.1	**21,750,996**	22,775,434
	Other expenses		**4,063,815**	2,528,899
			309,775,486	255,626,613

36.1 Includes contribution to provident fund of Rs.2.788 million (2022: Rs. 2.315 million).

		2023 Rupees	2022 Rupees
36.2	**Auditor's remuneration**		
	Statutory audit fee	**2,189,000**	2,165,900
	Review of half yearly unconsolidated financial information	**425,000**	425,000
	Review of compliance with Code of Corporate Governance	**200,000**	175,000
	Certifications	**162,000**	162,000
	Out of pocket expenses	**281,400**	228,401
		3,257,400	3,156,301

36.3 Includes Rs. 13.113 million paid to Usman Memorial Hospital Foundation(related party). Usman Memorial Hospital Foundation includes directors namely Mr. Mohammed Hussain Hasham and Mr. Ahmed Ebrahim Hasham who are the trustees of the said Foundation. No other directors or their spouses have any interest in any donee's fund to which donation was made in both foundations.

		Note	2023 Rupees	2022 Rupees
37	**OTHER EXPENSES**			
	Workers' Welfare Fund		**27,782,174**	7,234,011
	Worker's profit participation fund		**64,393,787**	-
	Unrealised loss on remeasurement of investments at fair value through profit or loss		**-**	97,849,599
	Loss on disposal of investments at fair value through profit or loss		**-**	101,424,239
	Exchange loss		**2,493,038**	-
	Others		**3,340,044**	6,808,840
			98,009,043	213,316,689
38	**OTHER INCOME**			
	Income from financial assets			
	Dividend income		**78,694,497**	101,633,200
	Exchange gain		**-**	1,899,960
	Gain on disposal of investments at fair value through profit or loss		**67,098,784**	-
	Gain on disposal of non-current asset held for sale	18	**92,056,444**	-
	Realised gain on investments		**941,106**	-
	Unrealised gain on remeasurement of investments		**16,711,371**	-
	Others		**4,098,442**	181,086
			259,600,645	2,290,007
	Income from non-financial assets			
	Farm income – net	38.1	**6,319,634**	8,065,802
	Gain on disposal of operating fixed assets and right-of-use assets		**2,292,835**	3,127,465
	Reversal of provision of quality premium		**-**	119,290,919
	Amortisation of deferred income - government grant	25	**24,017,604**	24,076,144
			32,630,073	154,560,330
			292,230,718	156,850,337
38.1	**Farm income – net**			
	Revenue from farms		**21,997,798**	15,103,479
	Fair value of harvested crop	10	**(24,556,050)**	(23,767,355)
	Harvesting and other charges		**(1,678,895)**	(896,712)
			(4,237,147)	(9,560,588)
	Change in fair value less cost to sell of standing crop		**10,556,781**	17,626,390
			6,319,634	8,065,802
39	**FINANCE COSTS**			
	Markup / interest on:			
	- Long-term financing		**132,047,778**	136,979,981
	- Short-term borrowings		**481,084,864**	376,653,432
	- Lease liabilities	22.2	**11,539,560**	6,184,860
	- Market committee fee payable	23	**3,782,536**	3,868,427
			628,454,738	523,686,700
	Bank charges		**6,849,587**	2,628,799
			635,304,325	526,315,499

40 TAXATION	2023 Rupees	2022 Rupees
Current	**419,395,926**	165,113,475
Prior	**10,493,106**	(27,497,867)
	429,889,032	137,615,608
Deferred	**407,696,396**	(33,238,808)
	837,585,428	104,376,800

40.1 Relationship between tax expense and accounting profit

Accounting profit before tax	**2,280,494,892**
Tax rate	**29%**
Tax on accounting profit	**661,343,519**
Tax effect of :	
dividend Income	**49,517,227**
export Income - FTR	**3,606,474**
prior year tax	**(10,493,106)**
super tax	**138,910,870**
inadmissable expenses	**(5,299,559)**
	837,585,428
Effective tax rate	**37%**

41 BASIC AND DILUTED EARNING PER SHARE

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

	2023	2022
Net profit after taxation attributable to ordinary shares - (Rupees)	**1,442,909,464**	289,361,485
Weighted average number of ordinary shares	**74,927,609**	74,927,609*
Earnings per share - (Rupees)	**19.26**	3.86*

*Earnings per share and weighted average number of ordinary shares for prior year is restated for effect of bonus shares.

42 WORKING CAPITAL CHANGES	2023 Rupees	2022 Rupees
(Increase) / decrease in current assets		
Biological assets	**11,707,300**	(788,695)
Stores and spare parts	**(7,275,110)**	(33,804,521)
Stock-in-trade	**960,695,161**	(991,745,627)
Trade debts	**(188,176,887)**	(30,752,765)
Loans and advances	**(66,014,182)**	(8,287,706)
Trade deposits and short-term prepayments	**(66,619,964)**	(4,860,345)
Other receivables	**(63,396,415)**	890,295
	580,919,903	(1,069,349,364)
Increase / (decrease) in current liabilities		
Trade and other payables	**100,314,883**	(14,361,157)
Contract liabilities (advances from customers)	**(97,261,341)**	471,350,792
Sales tax and federal excise duty payable	**53,122,261**	129,214,162
	56,175,803	586,203,797
	637,095,706	(483,145,567)

43 TRANSACTIONS WITH RELATED PARTIES

43.1 Related parties of the Group comprise of subsidiary, associates, retirement funds, directors and key management personnel. Transactions with related parties are declared in relevant notes.

43.2 Details of related parties

Name of related parties	Basis of relationship	Percentage of shareholding by the Group
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 Ebrahim Hasham - Deceased Director	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. 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	-
MSML Provident Fund	Retirement Fund	-
Mr. Muhammad Hanif Aziz - Chief financial officer	Key management personnel	-
Mr. Ali Hassan - Company secretary	Key management personnel	-
MSML Provident Fund	Retirement Fund	-

44 CAPACITY AND PRODUCTION

	Tons of Cane crushing per Day (TCD)	
	Rated Capacity	Average Capacity utilisation
Season 2022 - 2023	**12,500 TCD**	**9,469 TCD**
Season 2021 - 2022	12,500 TCD	6,801 TCD

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

45 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

45.1 The aggregate amount, charged in the consolidated financial statements for the year are as follows:

	2023					2022				
	Chief Executive Officer	Executive Director	Non-Executive Directors	Executives	Total	Chief Executive Officer	Executive Director	Non-Executive Directors	Executives	Total
	Rupees									
Fee	-	-	1,650,000	-	1,650,000	-	-	2,400,000	-	2,400,000
Salary and other allowances:	18,510,000	2,500,000	-	77,297,540	98,307,540	11,400,000	9,500,000	-	38,714,334	59,614,334
Retirement benefits	1,110,600	150,000		2,295,338	3,555,938	-	380,000	-	844,200	1,224,200
Bonus	2,100,000	-	-	5,386,020	7,486,020	570,000	475,000	-	2,310,200	3,355,200
	21,720,600	2,650,000.00	1,650,000	84,978,898	110,999,498	11,970,000	10,355,000	2,400,000	41,868,734	66,593,734
Number of persons	1	1	8	11	21	1	1	8	6	16

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

46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Group'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.

46.1 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 Group 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 Group is mainly exposed to credit risk in respect of the following:

	2023 Rupees	2022 Rupees
Trade debts	**288,597,782**	100,420,895
Other receivables	**63,496,884**	100,469
Subsidy receivable	**-**	160,173,441
Bank balances	**46,747,956**	33,208,529
	1,373,931,959	1,616,914,856

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:

46.1.1 Trade debts

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

46.1.2 Bank balances

		2023 Rupees	2022 Rupees
With external credit rating:			
A1+	PACRA	**25,308,264**	1,658,015
A-1+	PACRA	**1,005**	4,539,330
A-1+	JCR – VIS	**17,845,268**	25,351,742
A1	PACRA	**3,515,374**	1,659,442
		46,669,910	33,208,529

46.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group 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 Group'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	-	-	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	96,619,170	406,658,874	118,392,084	486,941,472	1,108,611,600

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
		---------- Rupees ----------			
Long-term financing	-	-	386,354,221	642,015,721	1,028,369,942
Lease liabilities	-	-	12,904,542	33,550,788	46,455,330
Trade and other payables	42,485,114	387,428,243	-	-	429,913,357
Unclaimed dividend	19,707,001	-	-	-	19,707,001
Accrued markup		96,518,298	-	-	96,518,298
Market committee fee payable	-	-	2,401,576	49,451,951	51,853,527
Short term borrowings	1,258,052,978	-	-	-	1,258,052,978
2022	1,320,245,093	483,946,541	401,660,339	725,018,460	2,930,870,432

46.3 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.

46.3.1 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 Group'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 Group estimates that 1% increase in the market interest rate, with all other factor remaining constant, would decrease the Group's profit before tax by Rs. 27.26 million and a 1% decrease would result in the increase in the Group's profit before tax by the same amount.

46.3.2 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 Group's exposure to equity price mainly relates to equity securities. The management of the Group 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 Group's equity by Rs. 74.9 million.

46.3.3 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 2023 the Group is not materialy exposed to such risk.

47 CAPITAL RISK MANAGEMENT

The Group 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 Group'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 Group monitors capital using a debt equity ratio as follows:

	2023 Rupees	2022 Rupees
Long-term financing	**492,143,603**	1,028,369,942
Short-term borrowings	**14,213,010**	1,258,052,978
Total debt	**506,356,613**	2,286,422,919
Share capital	**749,276,090**	605,475,641
Reserves	**3,129,786,668**	2,144,175,312
Total equity	**3,879,062,758**	2,749,650,953
Capital (Debt + equity)	**4,385,419,371**	5,036,073,872
Gearing ratio	**12%**	45%

48 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 Group 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.

49 OPERATING SEGMENTS

For management purposes, the activities of the Group are organized into one operating segment i.e. manufacture and sale of sugar and its by-products. The Group operates in the said reportable operating segment based on the nature of products, risks and returns, organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in these consolidated financial statements are related to the Group's only reportable segment.

Revenue - based on the location of customers

Pakistan	**12,664,172,003**	7,982,754,657
China	**211,523,987**	-
Afghanistan	**194,705,837**	-

		2023	2022
50	**NUMBER OF EMPLOYEES**		
	Total number of permanent employees as at reporting date	**278**	258
	Average number of permanent employees during the year	**300**	305

51 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on **January 05, 2024** by the Board of Directors of the Group.

52 NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

Subsequent to the year end, the Board of Directors of the Group in its meeting held on **January 05, 2024** has proposed a final cash dividend of **Rs. 3** per share and issue of bonus shares in the proportion of **nil** ordinary shares for every hundred (100) ordinary shares held for the year ended 30 September 2023.

53 GENERAL

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions / better presentation.

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR

Pattern of' Shareholding

Number of Shareholders	Shareholdings			Total Number of Shares held
	From		To	
756	1	To	100	13827
300	101	To	500	78296
133	501	To	1000	100040
249	1001	To	5000	593312
65	5001	To	10000	475083
34	10001	To	15000	406969
36	15001	To	20000	620262
9	20001	To	25000	201889
12	25001	To	30000	329993
10	30001	To	35000	324085
7	35001	To	40000	268301
5	40001	To	45000	210774
1	45001	To	50000	46500
8	50001	To	55000	417514
2	55001	To	60000	114804
2	60001	To	65000	127547
2	65001	To	70000	138175
3	70001	To	75000	219989
1	75001	To	80000	77369
2	80001	To	85000	162835
2	95001	To	100000	197101
3	100001	To	105000	305093
1	105001	To	110000	105494
1	110001	To	115000	113448
2	120001	To	125000	247592
1	135001	To	140000	137404
1	150001	To	155000	153758
1	155001	To	160000	155326
2	165001	To	170000	338875
1	175001	To	180000	178584
1	180001	To	185000	181500
1	185001	To	190000	185565
1	195001	To	200000	196918
3	205001	To	210000	622714
1	215001	To	220000	219497
1	225001	To	230000	228872
1	230001	To	235000	231244
1	245001	To	250000	250000
1	265001	To	270000	266143
1	290001	To	295000	292044
1	335001	To	340000	335200
1	380001	To	385000	384171
2	420001	To	425000	847006
1	470001	To	475000	471002
1	590001	To	595000	591815
1	625001	To	630000	625878
1	655001	To	660000	659209
1	755001	To	760000	755460
1	775001	To	780000	779488
1	780001	To	785000	780734
1	810001	To	815000	813634
1	1290001	To	1295000	1292613
1	1440001	To	1445000	1444202
1	2805001	To	2810000	2807042
1	4155001	To	4160000	4158425
1	4235001	To	4240000	4236521
1	7905001	To	7910000	7908932
1	9850001	To	9855000	9854473
1	11785001	To	11790000	11786135
1	14860001	To	14865000	14860933
1,685				**74,927,609**

Additional' Information

Shareholders›s Category	Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouse(s) and minor children			
MOHAMMED KASIM	1	11,786,135	15.73
MOHAMMAD HUSSAIN HASHAM	1	9,854,473	13.15
KHURRAM KASIM	1	7,908,932	10.56
AHMED EBRAHIM HASHAM	2	15,039,517	20.07
IFTIKHAR SOOMRO	1	3,826	0.01
HASAN AZIZ BILGRAMI	1	3,826	0.01
ANUSHEY A HASHAM	1	625,878	0.84
KULSOOM KASIM	1	1,444,202	1.93
KHURSHEED EBRAHIM	1	4,158,425	5.55
MARY HUSSAIN	1	2,807,042	3.75
Associated Companies, undertakings and related parties	3	847,607	1.13
Executives	1	97,101	0.13
NIT and ICP	1	2,527	0.00
Banks Development Financial Institutions, Non-Banking Financial Institutions	1	168	0.00
Insurance Companies	2	755,539	1.01
Modarabas and Mutual Funds	-	-	0.00
General Public			
a. Local	1,614	16,451,652	21.96
b. Foreign	9	33,122	0.04
Foreign Companies	-	-	0.00
Others	43	3,107,637	4.15
Totals	**1,685**	**74,927,609**	**100.00**

Share holders holding 10% or more	Shares Held	Percentage
AHMED EBRAHIM HASHAM	15,039,517	20.07
KHURRAM KASIM	7,908,932	10.56
MOHAMMED KASIM	11,786,135	15.73
MOHAMMAD HUSSAIN HASHAM	9,854,473	13.15

Notice Of The Annual General Meeting

Notice is hereby given that the 58th Annual General Meeting of Mehran Sugar Mills Limited ("the Company") will be held at ICAP Auditorium, Clifton Karachi on Friday, January 26, 2024 at 16:00 hours as well as through online meeting facility to transact the following business:

Ordinary Business:

1. To confirm the minutes of Extra Ordinary General Meeting held on June 22, 2023.
2. To receive, consider and adopt Annual Audited Financial Statements for the year ended September 30, 2023, together with the reports of the Auditors' and Directors' thereon.
3. To declare and approve the cash dividend for the year ended September 30, 2023. The Directors have recommended a final cash dividend @ 30% i.e. Rs.3 per share. This is in addition to the interim dividends of 45% i.e. Rs.4.5 per share already paid. Thus total interim dividend for year ended 2022-23 will be 75% i.e. Rs.7.5 per share amounting to Rs.551.78 million. An interim Bonus shares @ 10% per share has already been issued.
4. 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 2024.
5. To transact any other business with the permission of the chair.

Special Business:

6. To consider, and if deemed appropriate, to pass the following resolutions (with or without modifications) which would enable the Company to circulate the annual audited financial statements by way of QR enabled code and weblink to its shareholders as a part of the notice for annual general meeting.

RESLOLVED THAT subject to passing of a resolution of the members of the Mehran Sugar Mills Limited ("Company") by way of simple majority, permission and approval to the Company be and is hereby is accorded for circulation of annual audited financial statements to members through QR enabled code and weblink within and as a part of the notice of general meeting, in line with Securities and Exchange Commission of Pakistan notification number S.R.O. 389(I)/2023, and as a consequence thereof, the practice of circulation of annual audited financial statements through CD be discontinued. "

"FURTHER RESOLVED THAT the company shall ensure all times the requirements given in Securities and Exchange Commission Notification S.R.O. 389 (I)/2023 dated March 21, 2023 and all other applicable laws in connection with transmission of Notice of General meeting and circulation of annual report to the members are complied with."

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 20, 2024 to June 26, 2024 (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 19, 2024 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. 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 24, 2024. The login facility shall open from 03:30 p.m. till the end of the Meeting on January 26, 2024.

3. 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.

4. Withholding Tax on Dividend

As per Income Tax Ordinance 2001, different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These rates are as follows:

(i) For filers of income tax returns 15 %

(ii) For non-filers of income tax returns 30 %

Shareholders are advised to make sure that their names are entered into Active Tax-payers List (ATL) provided on the website of FBR before the book closure of the Company, otherwise tax on their cash dividend will be deducted @ 30% instead of 15 %.

For shareholders holding their shares jointly, as per the clarification issued by the Federal Board of Revenue, withholding tax will be determined separately on 'Filer/Non-Filer' status of Principle shareholder as well as joint-holder(s) based on their shareholding proportions. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of Principle shareholder and Joint-holder(s) it respect of shares held by them to our share registrar, in writing as follows:

Company Name	Folio / CDC Account No.	Total Shares	Principle Shareholder		Joint Shareholder	
			Name and CNIC	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion No. of Shares

The Corporate shareholders having CDC account are required to have their National Tax cumber (NTN) updated with their respective participants, whereas physical shareholders should send a copy of their NTN certificate to the company or Company's Share Registrar M/s CDC Share Registrar Services Limited. The shareholders while sending NTN or NTN certificate, as the case may be, must quote company name and their respective Folio numbers.

5. Valid tax Exemption Certificate for Exemption from Withholding Tax

Withholding Tax exemption from the dividend income shall only be allowed if copy of valid tax exemption certificate is made available to Share Registrar before the Book Closure of the Company.

6. Mandatory requirement of Bank details for payment of dividend

Section 242 of the Companies Act, 2017 provides that in case of a listed company, any cash dividend declared by the company must be paid electronically directly into the bank accounts of the shareholders. In order to receive dividends directly into their bank account, shareholders in case of physical shares, are requested to fill in E-Dividend Mandate Form available on the Company's website i.e. www.mehransugar.com and send it duly signed along with a copy of CNIC to the Registrar of the Company M/s. CDC Share Registrar Services Limited. In case shares are held in CDC, E-Dividend Mandate Form must be submitted directly to shareholder's broker/participant/CDC investor account services. In-case of non-submission of IBAN, the Company will withhold the payment of dividends under the Companies (Distribution of Dividends) Regulations, 2017. Further, the information regarding gross dividend, tax/zakat deduction and net amount of dividend will be provided through the Centralized Cash Dividend Register (CCDR), therefore, shareholders should register themselves to CDC's eServices Portal at https://eservices.cdcaccess.com.pk.

7. 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 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.

8. 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

9. Polling on Special Business

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 amended through Notification vide SRO 2192(1)/2022 dated December 05, 2022 issued by the SECP. The SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business Accordingly, members of Mehran Sugar Mills Limited (the "Company") will be allowed to exercise their right to vote through e-voting facility or voting by post for the special business in its forthcoming Annual General Meeting to be held on Friday, January 26, 2024 at 16:00, in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

10. Procedure for E-Voting

i. Details of the e-voting facility will be shared through an e□mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on January 19, 2024.

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

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

iv. E-Voting lines will start from January 22, 2024, 09:00 a.m. and shall close on January 25, 2024 at 5:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

11. Procedure for Voting Through Postal Ballot

a. Members may alternatively opt for voting through postal ballot. For the convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website www.mehransugar.com

b. The members must ensure that the duly filled and signed ballot paper, along with a copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at the Company's registered Office address, 14th Floor, Dolmen City Executive Tower, Marine Drive, Block 4 Clifton, one day before the AGM, i.e., on January 25, 2024 before 5:00 p.m. A postal ballot received after this time / date shall not be considered for voting. The signature on the Ballot Paper shall match with signature on the CNIC.

STATEMENT OF SPECIAL BUSINESS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out material facts pertaining to the special business to be transacted at the AGM of the Company to be held on January 26, 2024.

Agenda Item No.4: Circulation of Financial Statements Via QR Code & Weblink

SECP vide SRO 389(I)/2023 dated March 21, 2023, allowed listed companies to circulate the annual audited financial statements to its members through QR-enabled code and web link subject to approval by the shareholders by simple majority.

This facility will assist all members, regardless of their location, in accessing the Company's financial statements. The proposed change seeks to address technological challenges and improve accessibility while preserving members' rights and privileges.

Importantly, it should be noted that this amendment does not impact the existing right of members to receive a printed version of the financial statements, which will continue to be available upon request.

ANNEXURE: 1

DEAR SHAREHOLDERS,

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. Said. Thereafter, the company shall publish a notice in the newspapers for making such claims. If the dividend 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

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

اطلاع برائے 58 واں سالانہ اجلاس عام

اطلاع دی جاتی ہے کہ مہران شوگر ملز لمیٹڈ (" کمپنی") کا 58 واں سالانہ اجلاس عام جمعہ 26 جنوری 2024 کو شام 04:00 بجے ICAP آڈیٹوریم، کلفٹن کراچی میں اور ساتھ ساتھ بذریعہ ویڈیو کانفرنس درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

عمومی امور:

1۔ 22 جون 2023 کو ہونے والی غیر معمولی اجلاس عام کی کارروائی کی توثیق۔

2۔ 30 ستمبر 2023 کو ختم ہونے والے سال کے سالانہ آڈٹ شدہ مالیاتی گوشواروں بشمول آڈیٹرز اور ڈائریکٹرز کی رپورٹس کو وصول کرنا، ان پر غور وخوض اور اختیار کرنا۔

3۔ 30 ستمبر 2023 کو ختم ہونے والے سال کے لیے نقد ڈیویڈنڈ کا اعلان اور منظوری کرنا۔ ڈائریکٹرز نے حتمی نقد منافع 30 فیصد یعنی -/3 روپے فی حصص ادائیگی کی سفارش کی ہے۔ یہ 45 فیصد عبوری منافع کے علاوہ ہے یعنی 4.5 روپے فی حصص پہلے ہی ادا کیا جاچکا ہے۔ لہٰذا 2022-23 کو ختم ہونے والے سال کیلئے کُل عبوری ڈیویڈنڈ 75 فیصد یعنی -/7.5 روپے فی حصص جو کہ 551.78 ملین روپے ہے۔ ایک عبوری بونس حصص 10%@ فی شیئر پہلے ہی جاری کیا جاچکا ہے۔

4۔ آنے والے سال کے لیے آڈیٹرز کا تقرر کرنا، اور ان کے معاوضے کا تعین کرنا۔ ریٹائر ہونے والے آڈیٹرز میسرز گرانٹ تھورنٹن انجم رحمٰن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، اہل ہونے کی وجہ سے سال 2024 کے لیے دوبارہ تقرری کے لیے خود کو پیش کر چکے ہیں۔

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

خصوصی امور:

6۔ کمپنی کو سالانہ اجلاس عام کے نوٹس کے ایک حصے کے طور پر اپنے شیئر ہولڈرز کو QR فعال کوڈ اور ویب لنک کے ذریعے سالانہ آڈٹ شدہ مالیاتی گوشواروں کو گردش کرنے کے قابل بنانے کیلئے درج ذیل قراردادوں پر غور کرنا، اور اگر مناسب سمجھا جائے تو (ترمیم یا بلاترمیم) منظور کرنا۔

حسب الحکم بورڈ
علی حسن
کمپنی سیکریٹری

نوٹس

1۔ کمپنی کی حصص کی منتقلی کی کتابیں 20 جنوری 2024 سے 26 جون 2024 تک (بشمول دونوں ایام) سالانہ اجلاسِ عام کے مقصد کے تحت بند رہیں گی۔

2۔ صرف وہی ممبران جن کے نام کمپنی کے ممبر کے رجسٹر میں 19 جنوری 2024 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۔

5۔ غیر دعوی شدہ ڈیویڈنڈ کے حوالے سے کمپنی ایکٹ 2017 کے سیکشن 244 کے تحت نوٹس:

کمپنیز ایکٹ 2017 کے سیکشن 244 کے مطابق، ڈیویڈنڈ کی صورت میں جو مقررہ تاریخ سے تین سال یا اس سے زیادہ عرصے تک غیر دعویدار یا ادا نہ کیا گیا ہو، کمپنی شیئر ہولڈرز کو اپنے دعوے دائر کرنے کے لیے نوے دن کا پہلا نوٹس دے گی۔ مذکورہ نوٹس AGM نوٹس کے ضمیمہ 1 کے طور پر منسلک ہے۔ بعدازاں کمپنی ایسے دعوے کرنے کے لیے اخبارات میں نوٹس شائع کرے گی۔ اگر اخبارات میں نوٹس کی اشاعت کی تاریخ سے نوے دن گزر جانے کے بعد بھی ڈیویڈنڈ غیر دعوہ شدہ رہتے ہیں، تو کمپنی کیلئے لازمی ہے کہ وہ کمپنیز ایکٹ 2017 کے سیکشن 244 کے تحت وفاقی حکومت کے پاس بذریعہ ہذا تمام غیر دعوی شدہ/ غیر ادا شدہ منافع کی رقم جمع کرادے۔ 26 جنوری 2024 کو منعقد ہونے والے کمپنی کے سالانہ اجلاسِ عام میں ''خصوصی کاروبار'' سے متعلق مادی حقائق کا تعین کیا گیا ہے خصوصی کاروبار اور بیلٹ پیپر کیلئے کمپنی کے اراکین کی منظوری لی جائیگی اس کے لیے کمپنی کی ویب سائٹ پر بھی اپ لووڈ کردیا گیا ہے۔

ضمیمہ: **1**

معزز حصص یافتگان،

کمپنیز ایکٹ **2017** کے سیکشن **244** کے تحت غیر دعوی شدہ ڈیویڈنڈ کے بارے میں نوٹس:

کمپنیز ایکٹ 2017 کے سیکشن 244 کے مطابق، ڈیویڈنڈ کی صورت میں جو مقررہ تاریخ سے تین سال یا اس سے زیادہ عرصے تک غیر دعویدار یا ادا نہ کیا گیا ہو، کمپنی شیئر ہولڈرز کو اپنے دعوے دائر کرنے کیلئے نوے دن کا پہلا نوٹس دے گی۔ بعدازاں کمپنی ایسے دعوے کرنے کے لیے اخبارات میں نوٹس شائع کرے گی۔ اگر اخبارات میں نوٹس کی اشاعت کی تاریخ سے نوے دن گزر جانے کے بعد بھی ڈیویڈنڈ غیر دعوہ شدہ رہتے ہیں، تو کمپنی کیلئے لازمی ہے کہ وہ کمپنیز ایکٹ 2017 کے سیکشن 244 کے تحت وفاقی حکومت کے پاس بذریعہ ہذا تمام غیر دعوی شدہ/ غیر ادا شدہ منافع کی رقم جمع کرادے۔

مندرجہ بالا کے پیش نظر، آپ کو مطلع کیا جاتا ہے کہ مذکورہ نوٹس کی تاریخ سے نوے دنوں کے اندر اندر درج ذیل پتے پر اپنا دعوی، غیر دعوی شدہ ڈیویڈنڈ، اگر کوئی ہو تو، جمع کروائیں:

کمپنی سیکریٹری
مہران شوگر ملز لمیٹڈ
14 ویں منزل، ایگزیکٹو ٹاور، بلاک-4، کلفٹن، کراچی۔

منیجر شیئرز
سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ
سی ڈی سی ہاؤس، 99-بی، بلاک-بی، مین شاہراہ فیصل، کراچی۔

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 26, 2024 at 4:00 pm and /or any adjournment thereof.

As witness my/our hands seal this _____day of _____2024.

Signed by _____ in the presence of

1. Witness

Signature _____

Name _____

Address: _____

_____

CNIC No._____

2. Witness

Signature_____

Name _____

Address: _____

_____

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 / اکاونٹ نمبر (اُن اراکین کے لئے جن کے حصص سی ڈی ایس میں ہیں) _____

بذریعہ ہذا 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 26 جنوری 2024 بروز جمعہ دن 4:00 بجے، بذریعہ ویڈیو لنک میٹنگ میں شرکت کرے گا اور میری / ہماری جگہ ووٹ استعمال کرے گا۔

میں بطور گواہ اس _____ دن _____ 2024

دستخط منظور کنندہ _____

ریونیو
مُہر

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 ہذا مکمل اور دستخط کے ہمراہ اجلاس کے انعقاد سے کم از کم اڑتالیس (48) گھنٹے قبل کمپنی کے رجسٹرآفس میں جمع کرادیا جائے۔

2۔ فارم پر نمبر 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 کرسکتا ہے **تاہم کارپوریشن** کسی بھی غیر ممبر کو اپنا **پروکسی** مقرر کرسکتی ہے۔

برائے سی ڈی سی اکاونٹ ہولڈرز / کارپوریشن اینٹٹی

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 اینٹٹی 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
Tel : (92 21) 35297814-17
Fax : (92 21) 35297818, 35297827
info@mehransugar.com

infini.com.pk 35301852