

# Limitless Potential



Mirpurkhas  
Sugar Mills  
Limited

A Ghulam Faruque Group Company

1<sup>ST</sup> QUARTER ACCOUNTS  
[Unaudited] December 31, 2023

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# Company Information

## Board of Directors

Mr. Arif Faruque	Chairman
Mr. Aslam Faruque	Chief Executive
Mr. Amer Faruque	Director
Ms. Farzana Faruque	Director
Mr. Wasif Khalid	Director
Mr. Hasan Reza Ur Rahim	Director
Mr. Abdul Shakoor Shaikh	Director

## Audit Committee

Mr. Hasan Reza Ur Rahim	Chairman
Mr. Arif Faruque	Member
Mr. Amer Faruque	Member

## Human Resource and Remuneration Committee

Mr. Abdul Shakoor Shaikh	Chairman
Mr. Aslam Faruque	Member
Ms. Farzana Faruque	Member

## Chief Operating Officer & Chief Financial Officer

Mr. Wasif Khalid

## Company Secretary

Ms. Hina Mir

## Head of Internal Audit

Mr. Aamir Saleem

## Share Registrar

CDC Share Registrar Services Limited  
CDC House, 99 - B, Block - B, S.M.C.H.S.  
Main Shahrah-e-Faisal Karachi – 74400  
Tel: 0800-23275 UAN: 111-111-500  
Email: info@cdcsrsl.com

## BANKERS (Islamic)

Askari Bank Ltd.  
Al Baraka Bank (Pakistan) Ltd.  
Bank Alfalah Ltd.  
Bank Islami Pakistan Ltd.  
Dubai Islamic Bank Pakistan Ltd.  
Faysal Bank Ltd.  
Meezan Bank Ltd.  
MCB Islamic Bank Ltd.

## Credit Rating

Long-term rating: A-  
Short-term rating: A2  
by The Pakistan Credit Rating Agency Limited (PACRA)

## BANKERS (Conventional)

Allied Bank Ltd.  
Bank Al Habib Ltd.  
Bank Alfalah Ltd.  
Habib Bank Ltd.  
Habib Metropolitan Bank Ltd.  
MCB Bank Ltd.  
National Bank of Pakistan  
Samba Bank Ltd.  
Soneri Bank Ltd.  
United Bank Ltd.  
The Bank of Punjab

## Registered Office / Factory

Sub Post Office Sugar Mill  
Jamrao, Umerkot Road  
Mirpurkhas, Sindh

## Head Office

Modern Motors House  
Beaumont Road  
Karachi-75530 Pakistan  
UAN: +92 - 21-111- 354 -111  
Fax: + 92 - 21- 35688036  
Web: www.gfg.com.pk/msm/

## External Auditors

Kreston Hyder Bhimji & Co.  
Chartered Accountants

## Cost Auditors

UHY Hassan Naeem & Co.  
Chartered Accountants

## Legal Advisor

K.M.S. Law Associates

# Directors' Review

The Board of Directors presents the un-audited financial results of the Company for the first quarter ended December 31, 2023.

## SUGAR DIVISION

For the crushing season 2023/24, the Sindh Government had announced a minimum support price of Rs. 425 per maund, in comparison to Rs. 302 per maund the previous season, i.e. an increase of 41% compared to last year. Crushing for the season 2023/24 started on November 15, 2023 and the plant operated for 47 days compared to 33 days during the same time last year. During this period, the factory crushed 337,963 metric tons of sugarcane to produce 33,805 metric tons of sugar, compared to 241,726 metric tons of sugarcane crushed to produce 23,405 metric tons of sugar during the corresponding period last year. There was an increase in sucrose recovery to 10.26% compared to 10.06% during the previous year due to good quality of cane. The Company also produced 15,630 metric tons of molasses during the period under review, compared to 11,105 metric tons produced during the corresponding period last year.

## PAPER AND BOARD DIVISION

The plant produced 8,499 tons of paper for the quarter ended December 31, 2023. It is operating efficiently and meeting all the operational parameters required and fulfilling the production requirements for all the customers. The management is putting maximum efforts to increase the revenue and customer base in a highly competitive market. A constant rise in local and international prices for one of the division's main inputs, old corrugated cartons, is negatively impacting costs. Due to continuing high inflation and challenging economic conditions, consumer spending remains on a downward trend, directly impacting all FMCG's, including snack and confectionary businesses, and leading to a reduced demand of packaging and corrugated products.

## FINANCIAL PERFORMANCE

With significant increases in raw material prices coupled with high costs of production and financial charges the operating environment remains extremely challenging for the Company. During the period under review, the Company sold 15,364 metric tons of sugar compared to 11,269 metric tons during the corresponding period last year. Furthermore, during the quarter, the Company sold 8,207 tons of paper.

	December 2023	December 2022
	(Rupees in million)	
Net Sales	2,795.11	858.96
Cost of Sales	(2,379.56)	(794.78)
Gross Profit	415.55	64.18
Other Income	17.31	462.86
Share of Profit in Associate	10.77	350.08
Other Expenses & Taxes	(575.89)	(253.22)
Net (Loss) / Profit	(132.26)	623.90

## **FUTURE PROSPECTS**

While the sugarcane support price has been increased substantially, sugar prices have actually seen a massive decline due to the availability of excess stock. This untenable government, further aggravated by the fact that the sugar industry is not allowed to export surplus sugar, will obviously have a significantly negative impact on the revenues and costs of the Company.

The Company's operating environment will likely remain challenging in light of the difficult economic conditions, including low forex reserves that continue to put pressure on the economy. Looking forward, the country's economic situation is expected to largely depend on the relationship with the IMF and the question of political stability. Continued adherence to the IMF program remains critical to ensure the current stabilizing momentum continues. Consequently, the Company continues to focus on plans that reduce the negative impact of high interest rates, low economic growth and devaluation, and maximize shareholders value by spreading borrowings amongst different banks, reducing inventory and aggressively managing trade debts, amongst other measures.

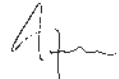
## **ACKNOWLEDGMENT**

The management would like to thank all the staff, shareholders, financial institutions and the other stakeholders of the Company for their continued support and cooperation.

### **On behalf of the Board of Directors**



**Arif Faruque**  
Chairman



**Aslam Faruque**  
Chief Executive

Karachi: January 26, 2024

# Condensed Interim Statement of Financial Position

As at December 31, 2023

	Note	December 31, 2023 (Unaudited)	September 30, 2023 (Audited)
(Rupees '000)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	6,786,078	6,846,091
Long-term investments		2,523,811	2,362,945
Long-term loans and deposits		5,882	27,654
		9,315,771	9,236,690
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		863,088	739,189
Stock-in-trade		4,448,950	2,407,741
Trade debts		993,309	667,539
Loans and advances		354,461	219,379
Trade deposits and short-term prepayments		70,747	50,383
Other receivables		262,426	282,317
Short-term investments		31,254	31,254
Tax refunds due from the Government		149,894	154,574
Cash and bank balances		82,967	34,879
		7,257,096	4,587,255
<b>TOTAL ASSETS</b>		<b>16,572,867</b>	<b>13,823,945</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	7	465,579	465,579
Reserves		2,982,770	2,964,938
Surplus on revaluation of property, plant & equipment		661,496	661,496
		4,109,845	4,092,013
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing		2,105,281	2,183,659
Long-term lease liabilities		12,054	11,845
Deferred liabilities		628,180	618,976
Government grant		228,303	246,622
		2,973,818	3,061,102
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,454,455	969,935
Accrued mark-up		338,887	381,562
Short-term borrowings		7,131,098	4,772,246
Current portion of long-term financing		480,048	458,964
Current portion of long-term lease liabilities		9,690	11,941
Current portion of government grant		67,309	68,429
Unclaimed dividend		7,717	7,753
		9,489,204	6,670,830
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,572,867</b>	<b>13,823,945</b>

The annexed notes form an integral part of these financial statements.

  
**Aslam Faruque**  
 Chief Executive

  
**Hasan Reza Ur Rahim**  
 Director

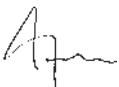
  
**Wasif Khalid**  
 Director & Chief Financial Officer

# Condensed Interim Statement of Profit or Loss (Unaudited)

For the Quarter Ended December 31, 2023

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

The annexed notes form an integral part of these financial statements.



**Aslam Faruque**  
Chief Executive



**Hasan Reza Ur Rahim**  
Director



**Wasif Khalid**  
Director & Chief Financial Officer

# Condensed Interim Statement of Comprehensive Income (Unaudited)

For the Quarter Ended December 31, 2023

	December 31, 2023	December 31, 2022
	(Rupees '000)	
<b>(Loss) / Profit after taxation</b>	(132,261)	623,909
<b>Other Comprehensive income</b>		
<b>Items that will not be subsequently reclassified to statement of profit or loss:</b>		
Unrealised loss on remeasurement of equity investment at fair value through other comprehensive income	150,093	(30,200)
<b>Total comprehensive income</b>	<u>17,832</u>	<u>593,709</u>

The annexed notes form an integral part of these financial statements.

  
**Aslam Faruque**  
Chief Executive

  
**Hasan Reza Ur Rahim**  
Director

  
**Wasif Khalid**  
Director & Chief Financial Officer



# Condensed Interim Statement of Cash Flows (Unaudited)

For the Quarter Ended December 31, 2023

	December 31, 2023	December 31, 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
	(Rupees '000)	
<b>(Loss) / Profit before taxation</b>	(89,988)	640,021
<b>Adjustments for :</b>		
Depreciation	92,979	31,682
Depreciation on right-of-use asset	2,014	2,014
Provision for market committee fee	3,380	2,419
Accrued profit term deposit	-	(355)
Dividend income from related parties	(13,117)	(11,408)
Share of profit in associates	(10,773)	(350,077)
Exchange gain on currency revaluation	-	(72)
(Loss) / Gain on disposal of property, plant and equipment	132	(448,741)
/ non- current asset held for sale	5,824	-
Provision of deferred liabilities-net	923	-
Finance cost on lease liabilities	361,101	124,374
Finance cost	442,463	(650,164)
	352,475	(10,143)
<b>Working capital changes</b>		
<b>(Increase) / decrease in current assets:</b>		
Stores, spare parts and loose tools	(123,899)	(443,482)
Stock-in-trade	(2,041,209)	(1,092,916)
Trade debts	(325,770)	(113,376)
Loans and advances	(135,082)	(327,555)
Trade deposits and Short-term prepayments	(20,364)	(19,905)
Other receivables	19,891	1,821
	(2,626,433)	(1,995,413)
<b>Increase in current liabilities:</b>		
Trade and other payables	484,520	745,444
	(1,789,438)	(1,260,112)
<b>Cash used in operations</b>		
Long-term loans and deposits-net	21,772	2,837
Income tax paid	(37,593)	(24,730)
	(15,821)	(21,893)
<b>Net cash used in operating activities</b>	(1,805,259)	(1,282,005)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(35,613)	(356,990)
Sale proceeds of property, plant and equipment	501	1,774
Investment in Term deposit receipt	-	(18,500)
Dividend received from related parties	13,117	11,408
<b>Net cash used in investing activities</b>	(21,995)	(362,308)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Finance cost paid	(403,776)	(147,282)
Short-term borrowings-net	2,358,852	1,569,946
Long-term financing-net	(76,733)	223,079
Payment of lease liability-net	(2,965)	(1,561)
Payment of dividend	(36)	-
<b>Net cash generated from financing activities</b>	1,875,342	1,644,182
<b>Net increase / (decrease) in cash and cash equivalents</b>	48,088	(131)
<b>Cash and cash equivalents at the beginning of the period</b>	34,879	19,570
<b>Cash and cash equivalents at the end of the period</b>	82,967	19,439

The annexed notes form an integral part of these financial statements.

  
Aslam Faruque  
Chief Executive

  
Hasan Reza Ur Rahim  
Director

  
Wasif Khalid  
Director & Chief Financial Officer

# Condensed Interim Statement of Changes In Equity (Unaudited)

For the Quarter Ended December 31, 2023

Description	Issued, subscribed and paid up capital	Reserves					Total Reserves	TOTAL
		General reserve	Unappropriated profit	Actuarial gain / (loss) on defined benefit plan net-off tax	Unrealised Gain / (loss) on investment at fair value through other comp. income	Surplus on Revaluation of property, plant and equipment		
(Rupees '000)								
<b>Balance as at October 01, 2022 (Audited)</b>	134,950	34,250	1,583,835	61,191	452,715	844,259	2,976,250	3,111,200
Profit after taxation	-	-	623,909	-	-	-	623,909	623,909
Surplus on revaluation of land realized on account of disposal	-	-	299,564	-	-	(299,564)	-	-
Other comprehensive loss	-	-	-	-	(30,200)	-	(30,200)	(30,200)
Total comprehensive income / (loss)	-	-	923,473	-	(30,200)	(299,564)	593,709	593,709
<b>Balance as at December 31, 2022 (Un-audited)</b>	134,950	34,250	2,507,308	61,191	422,515	544,695	3,569,959	3,704,909
<b>Balance as at October 01, 2023 (Audited)</b>	465,579	34,250	2,392,086	58,320	480,282	661,496	3,626,434	4,092,013
Loss after taxation	-	-	(132,261)	-	-	-	(132,261)	(132,261)
Other comprehensive income	-	-	-	-	150,093	-	150,093	150,093
Total comprehensive (loss) / income	-	-	(132,261)	-	150,093	-	17,832	17,832
<b>Balance as at December 31, 2023 (Un-audited)</b>	465,579	34,250	2,259,825	58,320	630,375	661,496	3,644,266	4,109,845

The annexed notes form an integral part of these financial statements.

  
**Aslam Faruque**  
 Chief Executive

  
**Hasan Reza Ur Rahim**  
 Director

  
**Wasif Khalid**  
 Director & Chief Financial Officer

# Notes to the Condensed Interim Financial Statements (Unaudited)

For the Quarter Ended December 31, 2023

## 1. STATUS AND NATURE OF BUSINESS

- 1.1 The Company was incorporated in Pakistan on May 27, 1964 as a public limited company and its shares are quoted at Pakistan Stock Exchange. Principal activity of the Company is manufacturing and selling of sugar and paper.

The geographical location and addresses of the Company's business units / immovable assets are as under:

<b>Business Unit</b>	<b>Address</b>
Head Office	Modern Motors House, Beaumont Road, Karachi.
<b>Registered Office / Factory and Land</b> Sugar and Paper Division (Immovable assets)	Sub Post Office Sugar Mill Jamrao, Umerkot Road, Mirpurkhas Sindh. (Land measuring 602.60 acres and covered area 723,139 sq.ft)
<b>Land for drainage</b> (Immovable assets)	Deh 245, Tapo Butto Kot. Taluqa Shujaabad, Mirpurkhas. (Land measuring 1.49 acres)

## 2. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting & reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Islamic Financial Accounting standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### **3. BASIS OF PRESENTATION**

- 3.1** These condensed interim financial statements are un-audited and are being submitted to the shareholders as required by the listing regulation of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017. These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended September 30, 2023.

### **4. ACCOUNTING POLICIES**

- 4.1** These condensed interim financial statements have been prepared using the same accounting policies which were applied in the preparation of the annual financial statements of the Company for the year ended September 30, 2023.

### **5. SIGNIFICANT ACCOUNTING ESTIMATES & JUDGEMENTS**

The preparation of these condensed interim financial statements in conformity with the approved accounting standards as applicable in Pakistan for interim reporting requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied to annual financial statements as at and for the year ended September 30, 2023.

## 6. PROPERTY, PLANT AND EQUIPMENT

	Note	December 31, 2023 (Unaudited)	September 30 2023 (Audited)
(Rupees '000)			
Opening book value		6,670,357	2,383,890
Additions / transfers during the period / year	6.1	49,889	4,411,775
		<u>6,720,246</u>	<u>6,795,665</u>
Surplus on revaluation of land		-	116,801
Disposals during the period / year at book value	6.1	(633)	(5,342)
Depreciation charged during the period / year		(92,979)	(236,767)
		<u>6,626,634</u>	<u>6,670,357</u>
Opening: Capital work in progress		156,679	3,370,475
Addition to capital work in progress / advance made during the period / year		24,942	1,020,964
Transferred to property plant & equipment during the period / year		(39,218)	(4,234,760)
Closing: Capital work in progress	6.2	142,403	156,679
Right-of-use asset - net	6.3	17,041	19,055
		<u>6,786,078</u>	<u>6,846,091</u>

### 6.1 Additions & disposals in property, plant and equipment

	Additions at cost		Disposals at book value	
	December 31, 2023 (Unaudited)	September 30 2023 (Audited)	December 31, 2023 (Unaudited)	September 30 2023 (Audited)
(Rupees '000)				
Building on free hold land				
– factory	1,282	516,697	-	-
Building on free hold land				
– Non factory	-	82,142	-	-
Plant and machinery	40,149	3,694,885	-	-
Vehicles	5,760	75,487	633	5,342
Furniture & fittings	-	2,319	-	-
Office and other equipment	1,448	23,525	-	-
Computers & accessories	1,250	16,720	-	-
	<u>49,889</u>	<u>4,411,775</u>	<u>633</u>	<u>5,342</u>

### 6.2 Capital work in progress:

	December 31, 2023 (Unaudited)	September 30 2023 (Audited)
(Rupees '000)		
Plant and machinery	95,681	129,431
Civil Works	46,722	23,516
Advance against vehicles	-	3,732
	<u>142,403</u>	<u>156,679</u>

### 6.3 Right-of-use asset

The Company has recognized a right-of-use asset in respect of head office and godown for OCC under rental agreement.

## 7. SHARE CAPITAL

### 7.1 Authorized capital

December 31, 2023 (Unaudited)	September 30 2023 (Audited)		December 31, 2023 (Unaudited)	September 30 2023 (Audited)
Number of shares			(Rupees '000)	
150,000,000	150,000,000	Ordinary shares of Rs.10/- each	1,500,000	1,500,000

### 7.2 Issued subscribed and paid-up capital

December 31, 2023 (Unaudited)	September 30 2023 (Audited)			
Number of shares				
		Fully paid ordinary shares of Rs. 10/- each		
1,770,000	1,770,000	Issued for cash	17,700	17,700
44,787,891	44,787,891	Issued as fully paid bonus shares	447,879	447,879
46,557,891	46,557,891		465,579	465,579

## 8. CONTINGENCIES AND COMMITMENTS

Commitments against LCs	398,741	533,957
Letter of guarantee issued by commercial bank for Excise & Taxation office	20,000	20,000
Commitments for lease rentals under ijarah contracts	11,610	12,666

8.1 The status of contingencies as at December 31, 2023 is the same as reported in the annual financial statements for the year ended September 30, 2023.

## 9. SEASONAL PRODUCTION - SUGAR

Due to the seasonal availability of sugarcane, the production of sugar is carried out during the period of availability of sugarcane and costs incurred / accrued up to the reporting date have been accounted for. Accordingly, the costs incurred / accrued after the reporting date will be reported in the subsequent condensed interim financial statements.

## 10. EARNINGS PER SHARE- Basic & Diluted

	December 31, 2023	December 31, 2022
(Loss) / Profit after taxation (Rs.'000)	(132,261)	623,909
		(Re-stated)
Weighted average no. of ordinary shares in issue	46,557,891	46,557,891
		(Re-stated)
(Loss) / Earnings per share-basic (Rupees.)	(2.84)	13.40

There is no dilutive effect on basic earnings per share of the Company

## 11. SEGMENT REPORTING

Segment information is presented in respect of Company's business. The primary format and business segment are based on the Company's management reporting structure.

Type of segment	Nature of Business
Sugar Division	Sugar manufacturing
Paper and Board Division	Paper manufacturing

### 11.1 Segment analysis and reconciliation:

	Sugar division		Paper division		Total	
	December 31,		December 31,		December 31,	
	2023	2022	2023	2022	2023	2022
	(Rupees '000)					
Turnover- net	1,676,224	858,960	1,118,887	-	2,795,111	858,960
Cost of sales	(1,397,440)	(766,680)	(892,348)	-	(2,289,788)	(766,680)
Distribution cost	(11,157)	(10,151)	(76,470)	-	(87,627)	(10,151)
Depreciation and amortisation	(30,660)	(33,696)	(64,333)	-	(94,993)	(33,696)
<b>Profit before tax and unallocated expenses</b>	236,967	48,433	85,736	-	322,703	48,433
<b>Unallocated income and expenses:</b>						
Administrative expenses					(78,187)	(53,612)
Other operating expenses					(559)	(43,366)
Other income					17,306	462,863
Finance cost					(362,024)	(124,374)
Share of profit in associates - net					10,773	350,077
<b>(Loss) / Profit before taxation</b>					(89,988)	640,021
Taxation					(42,273)	(16,112)
<b>(Loss) / Profit after taxation</b>					(132,261)	623,909

## 11.2 Segment asset and liabilities:

	Sugar division		Paper division		Total	
	December 31, 2023 (Unaudited)	September 30, 2023 (Audited)	December 31, 2023 (Unaudited)	September 30, 2023 (Audited)	December 31, 2023 (Unaudited)	September 30, 2023 (Audited)
	(Rupees '000)					
Segment assets- allocated	9,578,852	7,349,985	6,435,453	6,064,815	16,014,305	13,414,800
Segment assets- unallocated					558,562	409,145
<b>Total assets</b>					<b>16,572,867</b>	<b>13,823,945</b>
Segment liabilities- allocated	670,018	866,178	2,168,969	2,199,370	2,838,987	3,065,548
Segment liabilities- unallocated					9,624,035	6,666,384
<b>Total liabilities</b>					<b>12,463,022</b>	<b>9,731,932</b>

## 12. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2023. There have been no changes in any risk management policies since the year end.

The carrying values of all financial and non-financial assets and liabilities measured at other than amortized cost in these condensed interim financial statements approximate their fair values.

## 13. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiary companies, related group companies, associated companies, key management personnel and staff retirement funds. The Company in the normal course of business carries out transactions with various related parties.

Relationship	Nature of Transaction	December 31, 2023	December 31 2022
		(Rupees '000)	
Group companies / (Common directorship)	Goods purchased	2,565	258,962
	Services received	6,386	3,384
	Dividend received	13,117	11,408
Associated Company	Sales made	414,898	212,076
Other related parties	Charge for staff provident and gratuity funds	4,193	2,702
Key management personnel	Remuneration	34,465	28,986

In addition, certain actual administrative expenses are being shared amongst the group companies. Transactions with related parties are based on the policy that all transactions between the Company and the related parties are carried out at arm's length.



Following are the related parties with whom the Company has entered into transaction or have arrangement / agreement in place.

Name	Basis of association	Aggregate % of Shareholding
Faruque (Pvt) Ltd.	Common directorship	-
Cherat Cement Company Ltd.	Common directorship / Share holding	1.41
Greaves Pakistan (Pvt) Ltd.	Common directorship	-
Cherat Packaging Ltd.	Common directorship / Share holding	4.97
Greaves Engineering Services (Pvt) Ltd.	Common directorship	-
Greaves Airconditioning (Pvt) Ltd.	Common directorship	-
Unicol Ltd.	Associated Company	33.33
UniEnergy Ltd.	Associated Company	7.69
Zensoft (Pvt) Ltd.	Group Company	-
Mirpurkhas Sugar Mills Limited- Employee Provident Fund	Retirement Benefit fund	-
Mirpurkhas Sugar Mills Limited Paper & Board division- Staff Provident Fund	Retirement Benefit fund	-
Mirpurkhas Sugar Mills Limited- Employee Gratuity Fund	Retirement Benefit fund	-

Outstanding balances, as at the reporting date, are disclosed as follows:

	December 31, 2023 (Un-audited)	September 30 2023 (Audited)
	(Rupees '000)	
<b>Associated Company</b>		
Trade and other payables	12,757	8,257
Loans advances	48	-

#### 14. EVENTS AFTER REPORTING DATE

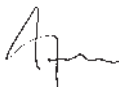
Subsequent to period end, the Board of Directors in their meeting held on January 26, 2024 decided to issue further 20,000,000 ordinary shares having a face value of PKR 10/- each, as right shares. The right shares will be offered to the members in proportion of approximately 42.957 right shares for every 100 ordinary shares held, which corresponds to approximately 42.957% of the total paid-up capital of the Company at a price of PKR 25/- per right share. This price includes a premium of PKR 15/- per right share. These condensed interim financial statements do not reflect the effect of issuance of right shares.

#### 15. DATE OF AUTHORIZATION

These condensed interim financial statements have been authorized for issue on January 26, 2024 by the Board of Directors of the Company.

## 16. GENERAL

Figures presented in these condensed interim financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated. Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison and better presentation.



**Aslam Faruque**  
Chief Executive



**Hasan Reza Ur Rahim**  
Director



**Wasif Khalid**  
Director & Chief Financial Officer



GHULAM FARUQUE  
GROUP

## **Mirpurkhas Sugar Mills Limited**

### **Registered Office / Factory**

Sub Post Office Sugar Mill, Jamrao,  
Umerkot Road Mirpurkhas, Sindh

### **Head Office**

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