

# Limitless Potential



Mirpurkhas  
Sugar Mills  
Limited

A Ghulam Faruque Group Company

THIRD QUARTER ACCOUNTS  
[Unaudited] June 30, 2024

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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

Mr. Asim H. Akhund

## 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 nine months ended June 30, 2024.

## Sugar Division

The crushing season 2023/24 started on November 15, 2023, and the plant operated for 97 days compared to 87 days the previous year. This resulted in the factory being able to crush 616,103 metric tons of sugarcane to produce 66,100 metric tons of sugar as compared to 562,641 metric tons of sugarcane to produce 59,325 metric tons of sugar during the corresponding period last year. The plant operated efficiently throughout the crushing season. The crushing season started early as most of the area mills started their crushing anticipating a larger crop and better recoveries. The sucrose recovery improved to 10.73% compared to 10.55% the last season. The Company also produced 30,110 metric tons of molasses during the period under review, compared to 28,772 metric tons produced during the corresponding period last year. The Government of Sindh increased the minimum support price of sugarcane from Rs. 302 per maund to Rs. 425 per maund this year, an exorbitant increase of approx. 41% over the sugarcane price last year which resulted in the Company's cane cost to increase by around 47%.

During the period under review, the Company sold 53,732 metric tons of sugar compared to 43,755 metric tons during the corresponding period last year. During the season 2023/24, total sugar produced in Sindh rose to 2.022 million metric tons compared to 1.740 million metric tons, an increase of 16.2% over the last year. National sugar production for the crushing season 2023/24 stood at 6.77 million tons (2022/23: 6.50 million tons). The Economic Coordination Committee (ECC) in its meeting dated June 13, 2024 approved the export of 150,000 tons of sugar, as ratified by the Federal Cabinet on June 25, 2024. The ECC in its approval decided that Sindh will get a share of 30%, which comes to 45,000 tons.

## Paper Division

The plant produced 23,239 tons of paper with sales of 22,427 tons for the nine months ended June 30, 2024. Capacity utilization was around 34% during the period. It is meeting all the operational parameters. The management continues 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 main inputs, old corrugated cartons, is negatively impacting costs, which are further compounded by higher interest rates and extension of credit to customers. Due to continuing high inflation and challenging economic conditions, consumer spending remains on a downward trend, directly impacting all FMCG businesses, and leading to a reduced demand of packaging and corrugated products.

## Financial Performance

The Company has made a pre-tax loss of Rs. 1,189.57 million (Profit June 30, 2023: Rs. 870.959 million). The financial results of the Company for the nine months ended June 30, 2024 are summarized as follows:

### Financial Results:

	June 2024	June 2023
	(Rupees in million)	
Net Sales	9,016.35	4,868.84
Cost of Sales	(8,022.08)	(4,164.29)
Gross Profit	994.27	704.55
Other Income	43.46	480.99
Share of (Loss) / profit in associates-net	(354.24)	868.01
Other expenses & taxes	(1,796.62)	(1,428.46)
Net (Loss) / Profit	(1,113.13)	625.09

During the quarter under review, other income of the Company decreased to Rs. 43.46 million, comprising mainly of dividend income and profit on PLS accounts, compared to Rs. 480.99 million in the corresponding period, which was mainly due to the gain on disposal of a non-current real estate asset held for sale. Furthermore, finance costs significantly increased by 83% to Rs. 1,420 million (2023: Rs. 775.57 million), primarily due to significantly higher discount rates and higher working capital requirements for sugar and paper due to increase in prices of sugarcane and old corrugated cartons, which are the main raw materials. The Company accounted for its one-third share of loss in Unicol Limited amounting to Rs. 354.24 million (Profit 2023: Rs. 868.01 million) and adjusted its investment in the associate by the same amount. Unicol's sugar division produced 60,481 metric tons on its first year of operations under the company's management. However, the challenges of sugar industry and increased cost of borrowing continues to put pressure. Simultaneously, the ethanol segment is also under pressure due to dollar devaluation, reduction in ethanol prices and higher cost of raw material.

### **Future Outlook**

Profitability of the Company's sugar division performance is dependent on the export of sugar and improvement of sugar prices in the domestic market. Although the Government has approved exports for 150,000 tons, timely completion of the necessary formalities by the Federal and Provincial Governments and speedy transportation of sugar stocks will be critical for the industry to meet its financial obligations and earn foreign exchange for the country. The operating environment will likely remain challenging in light of the difficult economic conditions, including Pakistan's low foreign exchange reserves that continue to put pressure on the economy. The country's economic situation is expected to largely depend on the relationship with the IMF and the question of political stability. Even with the recently announced budget and the introduction of new taxes, the IMF is demanding an increase in electricity charges and the abolishment of all subsidies. Continued adherence to the IMF program remains critical to ensure the continuity of the current stabilizing momentum. 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 of the Company would like to thank all its stakeholders, especially its customers and shareholders, for their continued confidence in the Company, its staff for their hard work and loyalty and the financial institutions for their ongoing support.

**On behalf of the Board of Directors**



**Arif Faruque**  
Chairman



**Aslam Faruque**  
Chief Executive

Karachi, July 26, 2024

# Condensed Interim Statement of Financial Position

As at June 30, 2024

	Note	June 30, 2024 (Unaudited)	September 30 2023 (Audited)
(Rupees '000)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	6,719,922	6,846,091
Long-term investments		2,147,768	2,362,945
Long-term loans and deposits		6,168	27,654
Deferred tax asset-net		209,515	-
		9,083,373	9,236,690
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		835,701	739,189
Stock-in-trade		3,776,767	2,407,741
Trade debts		1,264,499	667,539
Loans and advances		227,920	219,379
Trade deposits and short-term prepayments		60,053	50,383
Other receivables		262,426	282,317
Short-term investments		41,291	31,254
Tax refunds due from the Government		180,438	154,574
Cash and bank balances		98,372	34,879
		6,747,467	4,587,255
<b>TOTAL ASSETS</b>		<b>15,830,840</b>	<b>13,823,945</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	7	665,579	465,579
Reserves		2,305,867	2,964,938
Surplus on revaluation of property, plant & equipment		661,496	661,496
		3,632,942	4,092,013
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing		2,533,635	2,183,659
Long-term lease liabilities		9,746	11,845
Deferred liabilities		637,159	618,976
Government grant		198,128	246,622
		3,378,668	3,061,102
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,113,398	969,935
Accrued mark-up		563,631	381,562
Short-term borrowings		6,618,242	4,772,246
Current portion of long-term financing		445,048	458,964
Current portion of long-term lease liabilities		7,709	11,941
Current portion of government grant		63,523	68,429
Unclaimed dividend		7,679	7,753
		8,819,230	6,670,830
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>15,830,840</b>	<b>13,823,945</b>

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

  
**Aslam Faruque**  
 Chief Executive

  
**Amer Faruque**  
 Director

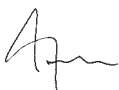
  
**Wasif Khalid**  
 Director & Chief Financial Officer

# Condensed Interim Statement of Profit or Loss (Unaudited)

For The Period Ended June 30, 2024

Note	Period ended		Quarter ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Rupees in '000)			
<b>Turnover - net</b>	9,016,345	4,868,840	2,948,341	2,655,110
Cost of sales	(8,022,076)	(4,164,288)	(2,548,787)	(2,155,666)
<b>Gross profit</b>	994,269	704,552	399,554	499,444
Distribution cost	(225,452)	(117,910)	(83,403)	(78,906)
Administrative expenses	(226,072)	(202,454)	(77,669)	(70,990)
Other operating expenses / income	(1,878)	(86,666)	552	(3,717)
	(453,402)	(407,030)	(160,520)	(153,613)
Other income	43,456	480,992	12,413	10,568
<b>Operating profit</b>	584,323	778,514	251,447	356,399
Finance cost	(1,419,659)	(775,565)	(530,649)	(410,539)
	(835,336)	2,949	(279,202)	(54,140)
Share of (Loss) / profit in associates - net	(354,235)	868,010	(354,706)	99,287
<b>(Loss) / Profit before taxation</b>	(1,189,571)	870,959	(633,908)	45,147
Taxation	76,439	(245,863)	(36,898)	(53,374)
<b>(Loss) / Profit after taxation</b>	(1,113,132)	625,096	(670,806)	(8,227)
		(Re-stated)		(Re-stated)
(Loss) / Earnings per share - basic & diluted (Rupees)	10	(16.72)	9.39	(10.08)
				(0.12)

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



**Aslam Faruque**  
Chief Executive



**Amer Faruque**  
Director



**Wasif Khalid**  
Director & Chief Financial Officer

# Condensed Interim Statement of Comprehensive Income (Unaudited)

For The Period Ended June 30, 2024

	Period ended		Quarter ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
(Rupees in '000)				
<b>(Loss) / Profit after taxation</b>	(1,113,132)	625,096	(670,806)	(8,227)
<b>Other Comprehensive loss</b>				
<b>Items that will not be subsequently reclassified to statement of profit or loss:</b>				
Unrealised Gain / (loss) on remeasurement of equity investment at fair value through other comprehensive income	164,058	23,567	16,234	61,223
<b>Total comprehensive ((Loss) Income</b>	<u>(949,074)</u>	<u>648,663</u>	<u>(654,572)</u>	<u>52,996</u>

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

  
**Aslam Faruque**  
 Chief Executive

  
**Amer Faruque**  
 Director

  
**Wasif Khalid**  
 Director & Chief Financial Officer

June 30, 2024 | 07

# Condensed Interim Statement of Cash Flows (Unaudited)

For The Period Ended June 30, 2024

## CASH FLOWS FROM OPERATING ACTIVITIES

### (Loss) / Profit before taxation

#### Adjustments for :

Depreciation	281,563	137,774
Depreciation on right-of-use asset	6,041	6,041
Provision for market committee fee	6,203	5,639
Accrued profit term deposit	(3,442)	(391)
Dividend income from related parties	(19,676)	(17,850)
Share of loss / (profit) in associates	354,235	(868,010)
Loss / (gain) on disposal of property, plant and equipment	3	(451,972)
equipment / non- current asset held for sale	11,979	-
Provision of deferred liabilities-net	2,565	-
Finance cost on lease liabilities	1,417,094	775,565
Finance cost	2,056,565	(413,204)
	866,994	457,755

(1,189,571)

870,959

### Working capital changes

#### (Increase) / decrease in current assets:

Stores, spare parts and loose tools	(96,512)	(391,285)
Stock-in-trade	(1,369,026)	(2,115,071)
Biological assets	-	4,140
Trade debts	(596,960)	(521,921)
Loans and advances	(8,541)	(258,086)
Trade deposits and Short-term prepayments	(9,670)	(6,299)
Other receivables	19,891	1,773
	(2,060,818)	(3,286,749)

#### Increase in current liabilities:

Trade and other payables

#### Cash used in operations

Long-term loans and deposits-net  
Income tax paid

143,463

517,274

(1,050,361)

(2,311,720)

21,486

3,043

(158,939)

(111,776)

(137,453)

(108,733)

#### Net cash used in operating activities

(1,187,814)

(2,420,453)

## CASH FLOWS FROM INVESTING ACTIVITIES

Additions to property, plant and equipment	(162,194)	(1,000,830)
Sale proceeds of property, plant and equipment	756	8,319
Investment in Term deposit receipt	(10,000)	(18,500)
Redemption on investment in term deposit receipt	-	1,500
Profit realised on term deposits	3,405	152
Dividend received from an associate	25,000	175,000
Dividend received from related parties	19,676	17,850
	(123,357)	(816,509)

#### Net cash used in investing activities

## CASH FLOWS FROM FINANCING ACTIVITIES

Finance cost paid	(1,235,025)	(488,527)
Short-term borrowings-net	1,845,996	3,612,395
Long-term financing-net	282,660	127,254
Payment of lease liability-net	(8,896)	(8,177)
Proceeds from issuance of right shares-net	490,003	-
Payment of dividend	(74)	(36)
	1,374,664	3,242,909

#### Net cash generated from financing activities

#### Net increase in cash and cash equivalents

#### Cash and cash equivalents at the beginning of the period

#### Cash and cash equivalents at the end of the period

63,493

5,947

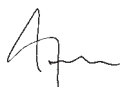
34,879

19,570

98,372

25,517

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



**Aslam Faruque**  
Chief Executive



**Amer Faruque**  
Director



**Wasif Khalid**  
Director & Chief Financial Officer

# Condensed Interim Statement of Changes In Equity

For The Period Ended June 30, 2024

Description	Issued, subscribed and paid-up capital	Reserves					Surplus on Revaluation of property, plant and equipment	Total	
		General reserves	Unappropriated profit	Share premium	Actuarial gain / (loss) on defined benefit plan net-off tax	Unrealised/ realised gain / (loss) on investment at fair value through other comp. income			Total reserves
(Rupees '000)									
Balance as at October 01, 2022 (Audited)	134,950	34,250	1,583,835	-	61,191	452,715	2,131,991	844,259	3,111,200
Profit after taxation	-	-	625,096	-	-	-	625,096	-	625,096
Surplus on revaluation of land realized on account of disposal	-	-	299,564	-	-	-	299,564	(299,564)	-
Other comprehensive loss	-	-	-	-	-	23,567	23,567	-	23,567
Total comprehensive income / (loss)	-	-	924,660	-	-	23,567	948,227	(299,564)	648,663
Transaction with owners									
Bonus shares issued -15 ordinary shares for each 100 shares held for the year ended September 30, 2022	20,243	-	(20,243)	-	-	-	(20,243)	-	-
Interim bonus shares issued in proportion of 200 ordinary shares for each 100 shares held in June 2023	310,386	-	(310,386)	-	-	-	(310,386)	-	-
Balance as at June 30, 2023 (unaudited)	465,579	34,250	2,177,866	-	61,191	476,282	2,749,589	544,695	3,759,863
Balance as at October 01, 2023 (Audited)	465,579	34,250	2,392,086	-	58,320	480,282	2,964,938	661,496	4,092,013
Loss after taxation	-	-	(1,113,132)	-	-	-	(1,113,132)	-	(1,113,132)
Other comprehensive income	-	-	-	-	-	164,058	164,058	-	164,058
Total comprehensive (loss) / income	-	-	(1,113,132)	-	-	164,058	(949,074)	-	(949,074)
Transaction with owners									
Issuance of right shares @ 42.957% (i.e. 42.957 shares for every 100 shares held)	200,000	-	-	300,000	-	-	300,000	-	500,000
Transaction cost incurred on issuance of right shares	-	-	-	(9,997)	-	-	(9,997)	-	(9,997)
Balance as at June 30, 2024 (unaudited)	665,579	34,250	1,278,954	290,003	58,320	644,340	2,305,867	661,496	3,632,942

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

  
**Aslam Faruque**  
 Chief Executive

  
**Amer Faruque**  
 Director

  
**Wasif Khalid**  
 Director & Chief Financial Officer

June 30, 2024 | 09

# Notes to the Condensed Interim Financial Statements (Unaudited)

For The Period Ended June 30, 2024

## 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 619.60 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)

## 1.2 Significant Events & Transactions During the Period

As referred to in note 1.2 of the second quarter financial statements, the Company has received the full amount of right issue during the quarter i.e. Rs. 500,000,000 which is being utilised according to the purpose mentioned in the offering document.

## 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 The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended September 30, 2023, except for the adoption of amendments to approved accounting standards which became effective for the current period as disclosed in note 4.2 to these condensed interim financial statements.

#### 4.2 Amendments and improvements to approved accounting standards adopted during the period

The Company has adopted the following amendments and improvements to International Financial Reporting Standards (IFRSs) which became effective for the current period:

##### Amendments

IAS 8	Definition of Accounting Estimates (Amendments)
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies (Amendments)
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)
IAS 12	International Tax Reform—Pillar Two Model Rules (Amendments)

### 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	June 30, 2024 (Unaudited)	September 30 2023 (Audited)
(Rupees '000)			
Opening book value		6,670,357	2,383,890
Additions / transfers during the period / year	6.1	165,142	4,411,775
		6,835,499	6,795,665
Surplus on revaluation of land		-	116,801
Disposals during the period / year at book value	6.1	(759)	(5,342)
Depreciation charged during the period / year		(281,563)	(236,767)
		6,553,177	6,670,357
Opening: Capital work in progress		156,679	3,370,475
Addition to capital work in progress / advance made during the period / year		111,535	1,020,964
Transferred to property plant & equipment during the period / year		(114,483)	(4,234,760)
Closing: Capital work in progress	6.2	153,731	156,679
Right-of-use asset - net	6.3	13,014	19,055
		6,719,922	6,846,091

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

	Additions at cost		Disposals at book value	
	June 30, 2024 (Unaudited)	September 30 2023 (Audited)	June 30, 2024 (Unaudited)	September 30 2023 (Audited)
(Rupees '000)				
Free hold land	8,740	-	-	-
Building on free hold land - factory	16,994	516,697	-	-
Building on free hold land - Non factory	1,933	82,142	-	-
Plant and machinery	127,128	3,694,885	-	-
Vehicles	5,760	75,487	759	5,342
Furniture & fittings	-	2,319	-	-
Office and other equipment	2,561	23,525	-	-
Computers & accessories	2,026	16,720	-	-
	165,142	4,411,775	759	5,342

### 6.2 Capital work in progress:

	June 30, 2024 (Unaudited)	September 30 2023 (Audited)
(Rupees '000)		
Plant and machinery	132,310	129,431
Civil Works	21,421	23,516
Advance against vehicles	-	3,732
	153,731	156,679

## 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

June 30, 2024 (Unaudited)	September 30 2023 (Audited)		June 30, 2024 (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

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
20,000,000	-	Issued as right shares	200,000	-
66,557,891	46,557,891		665,579	465,579

## 8. CONTINGENCIES AND COMMITMENTS

### Commitments against LCs

Other Commitments	429,730	533,957
Letter of guarantee issued by commercial bank for Excise & Taxation office	30,000	20,000
Commitments for lease rentals under ijarah contracts	31,458	12,666

- 8.1 The status of contingencies as at June 30, 2024 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. (LOSS) / EARNINGS PER SHARE- Basic & Diluted

	Period ended		Quarter ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
(Loss) / Profit after taxation (Rs.'000)	(1,113,132)	625,096	(670,806)	(8,227)
	(Re-stated)		(Re-stated)	
Weighted average no. of ordinary shares in issue	66,557,891	66,557,891	66,557,891	66,557,891
	(Re-stated)		(Re-stated)	
(Loss) / Earnings per share-basic (Rupees.)	(16.72)	9.39	(10.08)	(0.12)

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	
	Period ended June 30,		Period ended June 30,		Period ended June 30,	
	2024	2023	2024	2023	2024	2023
	(Rupees '000)					
Turnover- net	6,073,552	3,651,243	2,942,793	1,217,597	9,016,345	4,868,840
Cost of sales	(5,334,564)	(3,084,115)	(2,423,106)	(954,241)	(7,757,670)	(4,038,356)
Distribution cost	(31,614)	(41,399)	(193,417)	(76,202)	(225,031)	(117,601)
Depreciation and amortisation	(94,067)	(94,189)	(193,538)	(49,626)	(287,605)	(143,815)
<b>Profit before tax</b>	<b>613,307</b>	<b>431,540</b>	<b>132,732</b>	<b>137,528</b>	<b>746,039</b>	<b>569,068</b>
<b>and unallocated expenses</b>						
<b>Unallocated income and expenses:</b>						
Administrative expenses					(203,294)	(184,880)
Other operating expenses					(1,878)	(86,666)
Other income					43,456	480,992
Finance cost					(1,419,659)	(775,565)
Share of (loss) / profit in associates - net					(354,235)	868,010
<b>(Loss) / Profit before taxation</b>					<b>(1,189,571)</b>	<b>870,959</b>
Taxation					76,439	(245,863)
<b>(Loss) / Profit after taxation</b>					<b>(1,113,132)</b>	<b>625,096</b>

	Sugar division		Paper division		Total	
	Quarter ended June 30,		Quarter ended June 30,		Quarter ended June 30,	
	2024	2023	2024	2023	2024	2023
	(Rupees '000)					
Turnover-net.	1,850,127	1,631,409	1,098,214	1,023,701	2,948,341	2,655,110
Cost of sales	(1,687,028)	(1,312,466)	(777,860)	(775,556)	(2,464,888)	(2,088,022)
Distribution cost	(5,491)	(18,987)	(77,759)	(59,851)	(83,250)	(78,838)
Depreciation and amortisation	(31,940)	(32,686)	(64,705)	(40,982)	(96,645)	(73,668)
<b>Profit before tax</b>						
<b>and unallocated expenses</b>	125,668	267,270	177,890	147,312	303,558	414,582
<b>Unallocated income and expenses:</b>						
Administrative expenses					(65,076)	(65,034)
Other operating income / (expenses)					552	(3,717)
Other income					12,413	10,568
Finance cost					(530,649)	(410,539)
Share of (loss) / profit in associates - net					(354,706)	99,287
<b>(Loss) / Profit before taxation</b>					(633,908)	45,147
Taxation					(36,898)	(53,374)
<b>(Loss) / Profit after taxation</b>					<u>(670,806)</u>	<u>(8,227)</u>

## 11.2 Segment asset and liabilities:

	Sugar division		Paper division		Total	
	June 30, 2024	September 30, 2023	June 30, 2024	September 30, 2023	June 30, 2024	September 30, 2023
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	(Rupees '000)					
Segment assets- allocated	8,751,991	7,349,985	6,381,251	6,064,815	15,133,242	13,414,800
Segment assets- unallocated					697,598	409,145
<b>Total assets</b>					<u>15,830,840</u>	<u>13,823,945</u>
Segment liabilities- allocated	832,516	866,178	2,669,832	2,199,370	3,502,349	3,065,548
Segment liabilities- unallocated					8,695,548	6,666,384
<b>Total liabilities</b>					<u>12,197,897</u>	<u>9,731,932</u>

## 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	June 30, 2024	June 30, 2023
		(Rupees in' 000)	
Group companies / (Common directorship)	Goods purchased	44,738	388,396
	Services received	18,038	31,625
	Dividend received	19,676	17,850
Associated Company	Sales made	1,067,407	867,281
	Dividend received	25,000	175,000
Other related parties	Charge for staff provident and gratuity funds	12,789	8,458
Key management personnel	Remuneration	108,586	94,795
	Sales made under employee car scheme	-	1,547
Directors, Group companies, Provident & gratuity funds	Right shares issued	292,728	-

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:

	June 30, 2024 (Unaudited)	September 30 2023 (Audited)
	(Rupees '000)	
<b>Associated Company</b>		
Trade and other payables	-	8,257
Loans advances	1,323	-
Trade debts	23,562	-

14. DATE OF AUTHORIZATION

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

15. 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

  
**Amer Faruque**  
Director

  
**Wasif Khalid**  
Director & Chief Financial Officer



GHULAM FARUQUE  
GROUP

## **Mirpurkhas Sugar Mills Limited**

### **Registered Office / Factory**

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Umerkot Road Mirpurkhas, Sindh

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