

# 2025

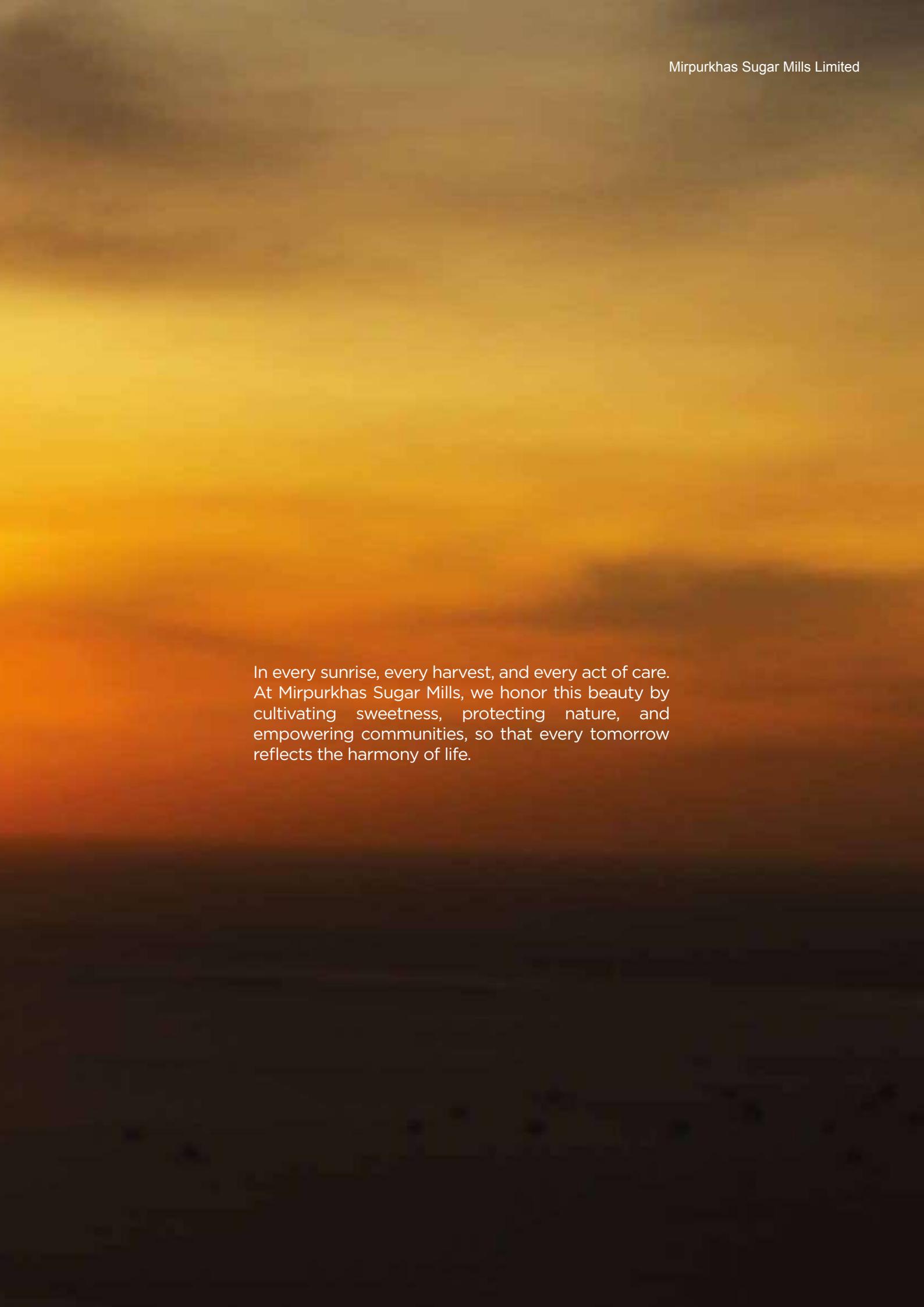
## Annual Report

LIFE BEYOND LIMITS

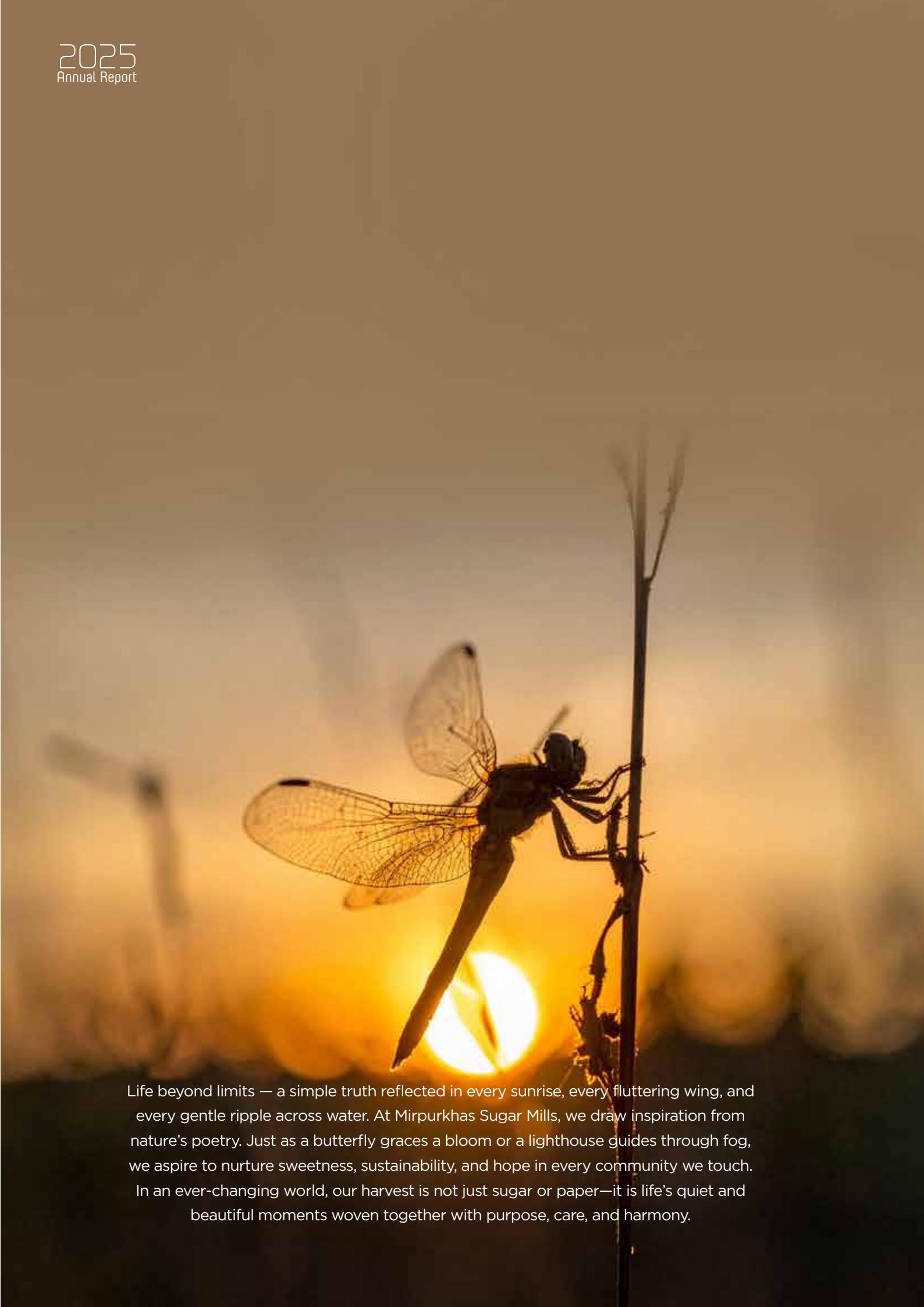


**Mirpurkhas Sugar Mills Limited**  
A Ghulam Faruque Group Company





In every sunrise, every harvest, and every act of care.  
At Mirpurkhas Sugar Mills, we honor this beauty by  
cultivating sweetness, protecting nature, and  
empowering communities, so that every tomorrow  
reflects the harmony of life.



Life beyond limits — a simple truth reflected in every sunrise, every fluttering wing, and every gentle ripple across water. At Mirpurkhas Sugar Mills, we draw inspiration from nature's poetry. Just as a butterfly graces a bloom or a lighthouse guides through fog, we aspire to nurture sweetness, sustainability, and hope in every community we touch. In an ever-changing world, our harvest is not just sugar or paper—it is life's quiet and beautiful moments woven together with purpose, care, and harmony.

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# About the Report

Dear Shareholders and Stakeholders,

We are delighted to present the Annual Report of Mirpurkhas Sugar Mills Limited for the year ended September 30, 2025. This report aims to offer a holistic perspective on our organization, emphasizing transparency, accountability, and our commitment to value creation.

## Objective

This Annual Report serves a dual purpose. Firstly, it provides an overview of our company's portfolio, strategies, financial performance, and external context. Secondly, it underscores how we have consistently created and sustained value over time through integrated reporting practices.

# Content Overview

The report is structured into several key sections, each shedding light on vital aspects of our organization:

## Organizational Overview & Strategy:

This section introduces our business, core values, and major achievements, providing a brief glimpse of our strategic framework.



## Sustainability & Corporate Social Responsibility:

Highlighting our initiatives under corporate social responsibility, emphasizing our alignment with the sustainable development goals and our contributions toward each goal.



## Financial Statements:

We present our audited financial statements complying with international financial reporting standards and local laws.



## Stakeholder Engagement & Relationship Framework Adopted:

Exploring our policies and approach towards building and nurturing healthy relationships with all our stakeholders.



## Governance:

We delve into our governance structure, featuring profiles of our board and presenting the Director's Report and Chairman reviews.



## Financial Performance & Position:

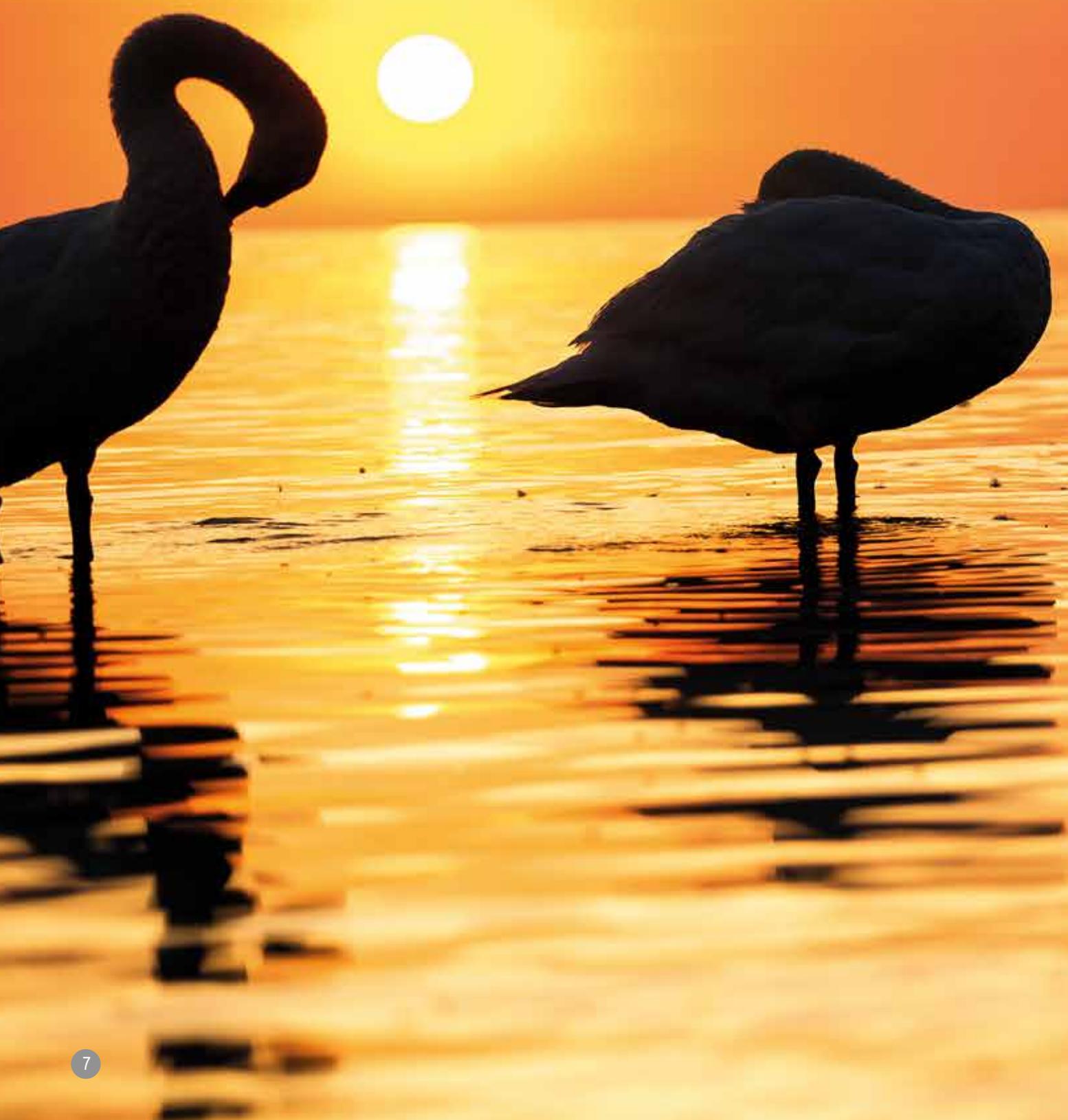
Offering a comprehensive financial analysis, this section explains major variations from prior periods, ensuring transparency in our financial health.



## Shareholder's Information:

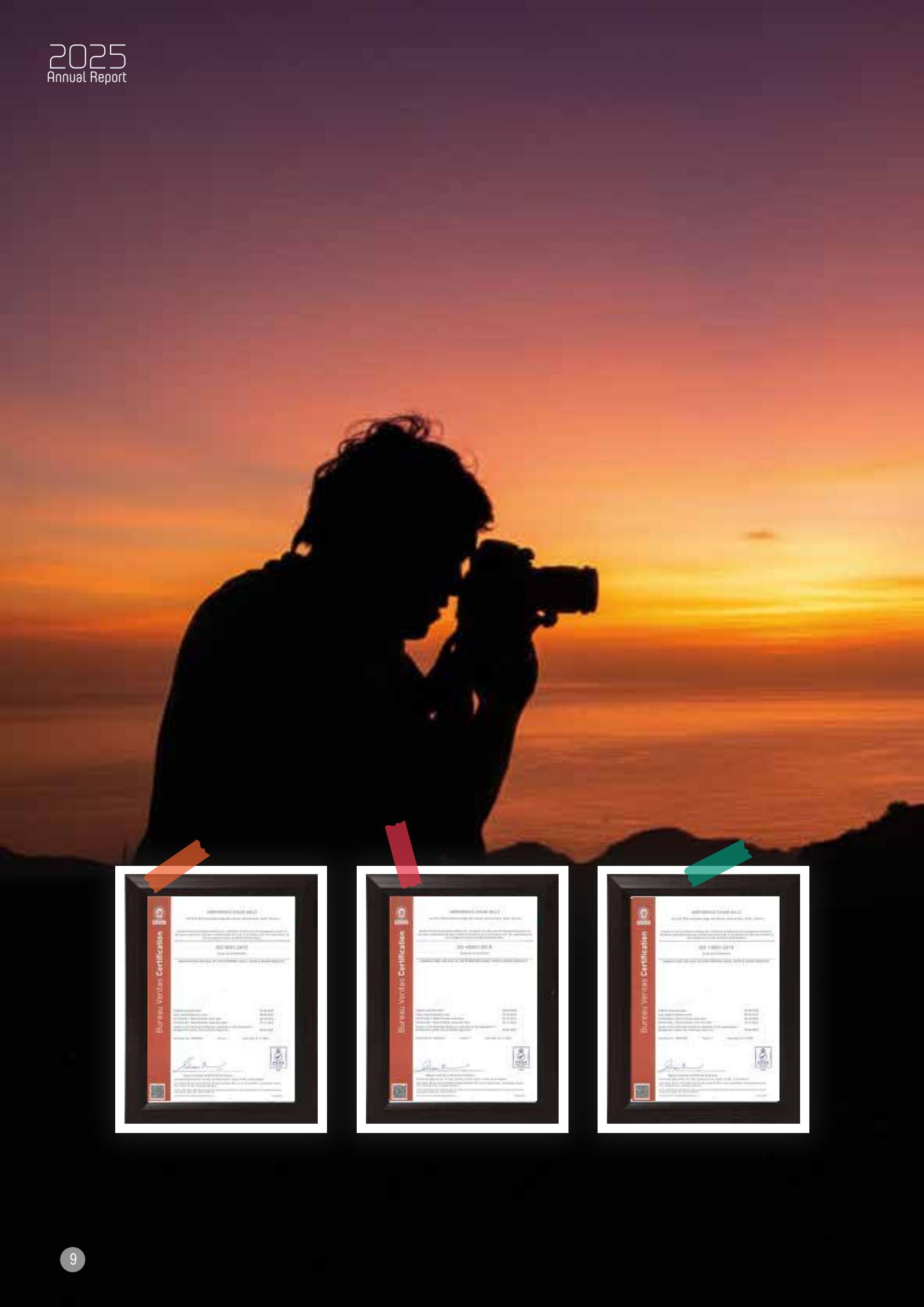
This section includes secretarial details, such as AGM notices, proxy forms, to facilitate shareholders.





## ORGANIZATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT

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## Nature of Business

The Company has sugar cane crushing capacity of 12,500 M.Tons per day and paper production capacity of 250 M. Tons per day.

Established in 1964, its principal activity was manufacturing and selling of sugar. It is located about 230 km from the port city of Karachi, in Mirpurkhas and is listed on the Pakistan Stock Exchange. It is one of the most efficient sugar mills in Pakistan. Moreover, it is involved in development of higher yield sugar cane varieties on its 351 acres experimental farms.

Mirpurkhas Paper & Board Division is a new venture of Mirpurkhas Sugar Mills (MSM), aiming to become a leading supplier of quality liner board and medium paper to the packaging industry in Pakistan. The MSM Paper & Board plant is the largest brown paper-producing facility in the region and one of the largest in the country. Looking ahead, the installation of the agro pulping plant is progressing well and is expected to be completed in the next 6 months. This is a crucial project, as it will reduce the Company's dependence on imported OCC, mitigating risks associated with dollar-based pricing and currency devaluation.

## Our Certifications





## Vision

Energizing Growth

## Mission

- To be a diversified business •
- Innovation in everything we do •
- Focus on the growth of our people •
- Build a Portfolio of Brands •
- Optimizing our ROI •
- Give Back to our Communities •
- Manage our risks effectively •
- Uphold the trust of our business partners •



## Our Values



Respect  
is our way of life



Ownership  
is our way to success



Quality  
is our legacy



Fairness  
is our way of work

*Values Lived  
Culture Built*



## Culture

Organisational culture at Mirpurkhas Sugar Mills Limited is a manifestation of shared values and beliefs, which we practice every day to move towards a better and more vibrant organisation and also leads to high level of workforce engagement, which drives productivity.

These shared values have a strong influence on the team and help us in achieving a win-win outcome for both employees and the organisation.

Our organisational culture clearly gives employees sense of direction at the work place, motivate and inspire them to be engaged with their tasks assigned.

Our values are what our culture is built on and bind us into a world class team, yearning to outperform the competition.

## Ethics

Our Code of Conduct reflects our commitment to meet the expectations of our stakeholders and contains the fundamental principles and rules concerning ethical business conduct.

Mirpurkhas Sugar Mills Limited (MSM) is committed to conducting its business with honesty and integrity, and we expect all our employees to maintain highest standards in accordance with this Code.

MSM's Code of Conduct forms an integral part of the terms of employment of all employees. The Company ensures full compliance and functions on zero tolerance on the same. Unethical behavior is not acceptable under any circumstances. Breach of Code of Conduct can lead the disciplinary action up to and including termination of employment.

It is the obligation of every employee to be responsible, honest, trustworthy, conscientious, and dedicated to the highest standards of ethical business practices. The employees have a legal, moral and ethical responsibility to report to their Line Managers or Compliance Committee, any known or suspected violations of law, regulations and / or corporate policies.

# Code of Conduct

This Code of Conduct of the Company is based on the principles of, including but not limited to, Personal Conduct, Conduct in business dealing, Integrity, & Honesty.

## Scope

This Code of Conduct is applicable to Directors, Senior Management and all regular and direct contract staff in the Company and its locations.

## Compliance with the Law and Reporting of Violations

We firmly believe in good corporate governance and in providing advice concerning compliance with the Code of Conduct. All employees are encouraged to report any suspected violation of this Code of Conduct to their Line Managers (Functional Heads) who will report to the Chief Executive / Chief Operating Officer and/or as provided under the Whistle Blowing Policy of the Company.

The observance of the laws and regulations of the legal systems in which we operate, along with policies of the Company, is mandatory for all employees in all their dealings, be it with customers, suppliers, competitors, other employees, government bodies or others.

## Competition and Anti-trust Law

We obligate employees to strict compliance with Competition and Anti-trust Laws wherever the Company operates.

## Bribery and Corruption

We are committed to conducting our business in an open, honest and ethical manner in all the jurisdictions in which we operate and will not allow its employees to engage in any form of bribery or corruption in order to secure any kind of business advantage.

## Money Laundering

It is our policy to refrain from conducting business with persons or entities who are involved in criminal

or illegal activities. All employees have to adhere to applicable anti-money laundering laws and regulations.

## Product Quality

We develop and manufacture high-quality products that meet all regulatory requirements and pursue quality beyond compliance in both our products and processes. We focus on regularly updating ourselves with technological advancements to produce under the highest standards and maintain all relevant technical and professional standards.

## Books, Records and Financial Reporting

The accuracy and completeness of our books, records and financial reporting is of critical importance for the Company. We fulfill all applicable legal obligations with regard to public filings and reporting.

## Ensure Confidentiality

It is our policy that no employee entrusted with confidential information about the Company, its suppliers, customers or other business partners may disclose such information to any third party or use such information for his or her personal benefit while employed with the Company or thereafter, unless prior written approval is obtained from a duly authorized person, unless it is public knowledge at the time of disclosure or the disclosure is required by law.

## Protection and Information Security

We have a policy that sets out rules on data protection and the legal conditions that must be satisfied in relation to the obtaining, handling, processing, storage, transportation and destruction of personal information. We comply with all applicable laws & regulations regarding the collection, processing and use of personal data. Any illegal collection, processing or use of personal data of our employees, suppliers, customers and third parties are strictly prohibited. All personal data must be safeguarded with appropriate care and protected against unauthorized access by third parties at all times.

## **Handling and Safeguarding of the Company's Property**

Employees must handle the Company's assets, property, proprietary information and intellectual rights for business purposes and not for personal benefits or gains and to make utmost efforts for the protection and efficient use of the Company's assets.

## **Equal Treatment and Fair Working Conditions**

We are committed to promoting equality of opportunity for all staff and job applicants. We aim to create a working environment in which all individuals are able to make best use of their skills and abilities, free from discrimination or harassment, and in which all decisions or promotions are objectively based on merit. We do not tolerate any form of discrimination, harassment or bullying in the workplace.

## **Social and Corporate Governance**

We are committed to maintaining ethical leadership, advocating best practices, establishing comprehensive policies, implementing robust internal controls and engaging with shareholders and other stakeholders in a transparent and a fair manner. We encourage employees to participate in philanthropic activities, including contributing to charities of their choice.

## **Personal Conduct and Legal Duties**

We encourage employees to improve competence and skills in their respective roles through continuing professional education, exercising due diligence, objectivity and sound judgement while performing their duties.

We also encourage employees to exhibit a high standard of personal conduct both inside and outside the Company.

## **Insider Trading**

The employees of the Company may not partake in practices like insider trading, concealment of facts, misusing of privileged information and must ensure

compliance with all relevant laws and Company policies.

## **Diversity and Inclusion**

We are committed to promoting a diverse and inclusive staff composition and providing equal opportunities to all employees for employment in the Company irrespective of their culture, race, gender, caste, and religion. We do not tolerate intimidation and harassment in the workplace.

## **External Activities and Public Comments**

We do not permit employees to undertake external activities during the working hours or at the expense of their duties and commitments to the Company.

## **Health, Safety and Environmental Protection**

We are committed to complying with environmental laws and will strive to use eco-friendly technologies and practices to minimize our environmental footprint wherever reasonably possible. This includes making efficient use of natural resources and aiming to minimize the environmental impact of our activities and products.

We focus on all aspects of occupational health, safety and environmental protection. We identify and manage health, safety and environmental risks in our activities and over the entire value chain of our products and services.

We focus on customer satisfaction, employee well-being, ethical business conduct, community engagement and collaboration with government and regulatory authorities.

## **Avoiding Conflicts of Interest**

Employees may not engage in any activities, on or off the job that conflict with the Company's business interests, nor they may use their position with the Company for their personal gain or for the improper benefit of others. As a policy, conflicts of interest must be reported to Management.

# Group Structure

Since its inception, the Ghulam Faruque Group has continuously strengthened and diversified its lines of operations. Faruque (Pvt) Ltd is the Parent Company; details and brief profile of other leading group companies / ventures are as follows:



## Cherat Cement Company Ltd

Manufacturer of Ordinary Portland Cement and composite Cement

Incorporated in 1981, the Company specializes in manufacturing, marketing, and selling cement under the brand names 'Cherat' and 'Cherat Khyber.' As a pioneer in Pakistan's cement industry, it holds the top position in its region with an annual installed capacity of 4.5 million tons. The plant, located in Village Lakrai, District Nowshera, Khyber Pakhtunkhwa (KPK), is strategically positioned to serve both the local market and export cement to Afghanistan. Listed on the Pakistan Stock Exchange and ISO 9001 and 14001 certified, the Company has received numerous prestigious awards, including the SAFA Award, Business Excellence in Export, PSX Top Companies Award, MAP's Best Company Award, and Best Corporate and Sustainability Report Award. To stay ahead in technology and strengthen operations, the Company has upgraded its SAP ECC system to S/4 HANA and implemented the HR Success Factor module.



## Cherat Packaging Limited

Manufacturer of Polypropylene Bags, Flexible Packaging Products and Carrier/SOS Bags.

Established in 1991, it is one of the largest producer and supplier of polypropylene (PP) bags to the cement industry in Pakistan. CPL also produces and provides bags to other industries such as sugar, rice and flour etc. It also produces flexible packing material through its state-of the-art facilities. CPL is listed on Pakistan Stock Exchange. The Company has a production capacity of 260 million PP bags and 19.8 million kgs flexible packaging products per annum. The Company has successfully installed Carrier/SOS bags project having capacity of 250 million units per annum in April 2025. This will enable CPL to meet the demand of its prospective customers in an effective manner and optimize the utilization of its available resources.

CPL caters to the domestic as well as export markets and is also a recipient of the prestigious Pakistan Stock Exchange "Top Companies" Award and Management Association of Pakistan's Corporate Excellence Award in addition to Best Corporate Reporting Awards (BCRA) several times.

## Faruque (Pvt.) Ltd

Parent Company

Established in 1964 as a Parent Company of the Group, it primarily serves as an investment arm of the Group.



## ZENSOFT

### Zensoft (Pvt.) Ltd

Information Systems Services Provider Specializing in Business Software Solutions

It was established in 1998 and is engaged in development of computer software. The Company specializes in providing high quality business solutions.



### Greaves Pakistan (Pvt.) Ltd

Providing Specialized Engineering Sales and Services

It was established in 1859 to provide specialized engineering equipment sales and services. However in 1964, the Group acquired a controlling interest in the shares of the Company and by 1981 Greaves became a wholly owned subsidiary of Faruque (Private) Limited. Greaves has the following divisions namely i) Power Generation, ii) CNG Equipment, iii) Industrial Machinery, iv) Solar Energy, v) LED, vi) Elevator, vii) Earth Moving & Construction Machinery, viii) Air Compressor ix) Fuel Dispenser and x) UPS.

### Greaves Airconditioning (Pvt.) Ltd

Equipment Suppliers and HVAC Solution Provider

Greaves Airconditioning (Private) Limited is (HVAC Equipment Supplier and HVAC Solution Provider) commenced operations in 1975, this is the one of the largest HVAC Companies in Pakistan which is providing the complete one window HVAC solution to its customers including supply, installation and maintenance of complete HVAC products range. Greaves Airconditioning is the authorized distributor of Johnson Controls International (York) products in Pakistan.

### Greaves Engineering Services (Pvt.) Ltd

HVAC Contractors

Established in 2003, its principal activity is to provide services associated with airconditioning, installation and maintenance of central and packaged units.

### Greaves CNG (Pvt.) Ltd

Retail Sales of CNG to end consumers

Greaves CNG was established in 2001 with a prime motive to install CNG facilities at the retail outlets of Petroleum Companies. It is a preferred third party investor for all major petroleum companies in Pakistan.



### Unicol Ltd

Joint Venture Distillery Producing Ethanol Sugar and Liquid Carbon Dioxide (CO2)

Unicol was incorporated in 2003 as a Public Unlisted Company and is a joint venture with equal shareholdings among Faran Sugar Mills Limited, Mehran Sugar Mills Limited, and Mirpurkhas Sugar Mills Limited, each listed on the Pakistan Stock Exchange. The Company is engaged in the production and sale of industrial ethanol, sugar, and liquid carbon dioxide (LCO<sub>2</sub>). Unicol has an installed ethanol production capacity of 56,000 MT per annum, a sugar division with a cane crushing capacity of 8,000 TCD, and an LCO<sub>2</sub> production capacity of 18,000 MT per annum. The Company exports its entire ethanol output to various regions worldwide, while sugar and LCO<sub>2</sub> are sold locally. Unicol is also the proud recipient of the FPCCI Best Export Performance Award for 2022-23.



### UNIENERGY LTD

Joint Venture for Renewable Wind Energy



# Corporate Information

## Board of Directors

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

Chairman  
 Chief Executive  
 Director  
 Director  
 Director  
 Director  
 Director

## Audit Committee

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

Chairman  
 Member  
 Member

## Human Resource and Remuneration Committee

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

Chairman  
 Member  
 Member

## Director & Chief Operating Officer

Mr. Wasif Khalid

## Bankers (Conventional)

Allied Bank Ltd.  
 Bank Al Habib Ltd.  
 Bank Al Falah 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

## Chief Financial Officer

Mr. Abdul Muqeet

## 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

## Registered Office / Factory

Sub Post Office Sugar Mill  
 Jamrao, Umerkot Road

Mirpurkhas, Sindh

## Bankers (Islamic)

Askari Bank Ltd.  
 Al Baraka Bank (Pakistan) Ltd.  
 Bank Al Falah Ltd.  
 Bank Islami Pakistan Ltd.  
 Dubai Islamic Bank Pakistan Ltd.  
 Faysal Bank Ltd.  
 Meezan Bank Ltd.  
 MCB Islamic Bank Ltd.  
 United Bank Limited

## 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/

## Credit Rating

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

## External Auditors

Kreston Hyder Bhimji & Co.  
 Chartered Accountants

## Cost Auditors

UHY Hassan Naeem & Co.  
 Chartered Accountants

## Legal Advisor

K.M.S. Law Associates

# The Journey So Far

## 1965-66

Incorporated in 1964, Mirpurkhas Sugar Mills Ltd started sugar production in February 1966 with an initial cane crushing capacity of 1,500 TCD through DCDS process, (double carbonation double sulphitation).

## 1968-69

Cane crushing capacity increased to 2,000 TCD

## 1984-85

Process converted to DRCS (Defecation Remelt Carbonation and Sulphitation) with addition of complete juice/melt clarification, are refined sugar crystallization, separation, drying and grading processes. Crushing increased to 3,500 TCD.

## 2001-02

Plant capacity enhanced to 4,500 TCD.

## 2005-06

Plant capacity enhanced to 5,000 TCD.

## 2011-12

Company started corporate farming activities in 871 acres land area.

## 2012-13

Achieved sales revenue of over Rs. 3 billion.

## 2018-19

Third highest sucrose recovery of 11.25% in the Sindh Province. Effluent Treatment Plant (ETP) installed and ready for operation in the coming season. The Company secured First position in the Best Corporate and Sustainability Report Award in the sugar sector. Implemented Environmental Management System ISO 14001:2015 certified. Implemented Occupational Health & Safety Management System ISO 45001:2018 certified.

## 2019-20

Effluent Treatment Plant (ETP) successfully in operation resulting in reducing environmental impacts. The Company again secured First position in the Best Corporate and Sustainability Report Award in the sugar sector for 2019 report.

Installed a prefab godown covering 77,000 square feet in area capable of storing 40,000 MT of sugar. Certificate of continued satisfactory operation of the Organization's Management System ISO 9001:2015. Certificate of Compliance with standard of Good Manufacturing Practices (GMP). Achieved sales revenue of over Rs. 4.5 billion.

## 2020-21

The Company again secured First position in the Best Corporate Report Award in the sugar sector for 2020 annual report for third consecutive year. Started the construction of paper and Board project. Obtained the Halal Certification from ACTS.

Achieved sucrose recovery of 10.63%

## 2021-22

The Company again secured First position in the Best Corporate Report Award in the sugar sector for 2021 annual report for fourth consecutive year and progress of paper and Board project is in final stage. Further, achieved sucrose recovery of 10.85% and commissioning of FFE (Falling Film Evaporator)

## 2006-07

Unicol Ltd, joint venture distillery producing Ethanol and Liquid Carbon Dioxide (LCO2) commenced its production operations.

## 2007-08

Plant capacity enhanced to 5,500 TCD.

## 2013-14

Plant capacity enhanced to 7,000 TCD.

## 2015-16

Company farming operations extended to 1,700 acres land area and achieved improved sucrose recovery through improved varieties in its farms as a result of applying latest farming techniques and skills of agronomists and skilled workers.

## 2022-23

The Company once again secured First position in the Best corporate Report award in the Sugar Sector for 2022 annual report for fifth consecutive year. Sucrose recovery of 10.55% achieved during the year. Commissioning of 250 TPD paper and board project took place during the year.

## 2008-09

Achieved sales revenue of over Rs. 2 billion.

## 2009-10

SAP (ERP) implemented across the Company.

## 2010-11

Plant capacity enhanced to 6,200 TCD.

## 2017-18

Plant capacity was enhanced to 12,500 TCD. Highest cane crushing of 774,171 MT. Highest sucrose recovery of 11.39%. Unicol is the proud recipient of the FPCCI Prime Minister of Pakistan Award and the FPCCI Best Export Performance Award for 2017-18.

## 2023-24

The Company again secured First position in the Best corporate Report award in the Sugar Sector for 2023 annual report for sixth consecutive year. Sucrose recovery of 10.73% achieved during the year. The company also achieved highest ever turnover of Rs. 11.969 billion during the year

## 2024-2025

The Company secured 2nd position in the best corporate report award in the sugar sector for 2024. Sucrose recovery of 10.42% achieved during the year. Paper production reached 42,681 tons. The company also achieved highest ever turnover of Rs. 12.615 billion during the year.



## Unicol Limited has a production capacity of 200,000 liters per day

Unicol Limited, a public unquoted company, is a joint venture with shares equally held among Faran Sugar Mills Ltd, Mehran Sugar Mills Ltd. and Mirpurkhas Sugar Mills Ltd. All three companies are listed on the Pakistan Stock Exchange.

Unicol commenced its operations in August 2007 and is producing ethanol from sugar cane molasses. The plant located at Mirpurkhas, Sindh, on approximately a 220 acres plot, had a designed capacity of 200,000 liters or 160 metric tons per day (56000 metric tons annually). The distillery plant is designed by Maguin Interis, France.

Presently 100% of Unicol's ethanol is being exported; with the majority destined for European, Middle East, African and Far Eastern markets.

Furthermore, Unicol has invested in purification and liquification of CO<sub>2</sub> which is a by-product. This plant, designed by Tecno Project Industriale, Italy, ([www.technoproject.com](http://www.technoproject.com)) is in production since June 2014. The CO<sub>2</sub> plant has a capacity of 72 metric tons per day (18000 metric tons annually).

Unicol, being part of economic development and providing employment in Pakistani rural areas, ensures the compliance of all health, safety, and environmental laws and procedures.

### Products

Unicol produces various grades of ethanol including super fine ENA Anhydrous (99.9%), ENA (>96%), and B Grade (>92%). It is also engaged in the production and marketing of food-grade liquid carbon dioxide (LCO<sub>2</sub>). The Ethanol produced by Unicol has various uses in different industries like pharmaceuticals, aerosols, cleaning products, perfumes, personal care products, printing inks, fabric softeners, vinegar, paints and varnish, preserving agents and chemical manufacturing. Liquid CO<sub>2</sub> is its by product, and is used in beverages, dye making, dry cleaning, and fire extinguishers. Dry ice, another form of CO<sub>2</sub>, is used in preservation and refrigeration.

### Unicol Sugar

In 2023, Unicol acquired 100% assets of popular sugar mills located at district Sargodha, and started operations from crushing season 2023-24.

Currently, the plant has a crushing capacity of 8,000 TCD.

## Awards and Recognition

Unicol is the proud recipient of the FPCCI Prime Minister of Pakistan Award and the FPCCI Best Export Performance Award for 2017-18. The Company was also awarded with 44th, 45th and 46th Export Award Certificate from FPCCI in the year 2020-21, 2021-22 and 2022-2023.



# Geographical Presence

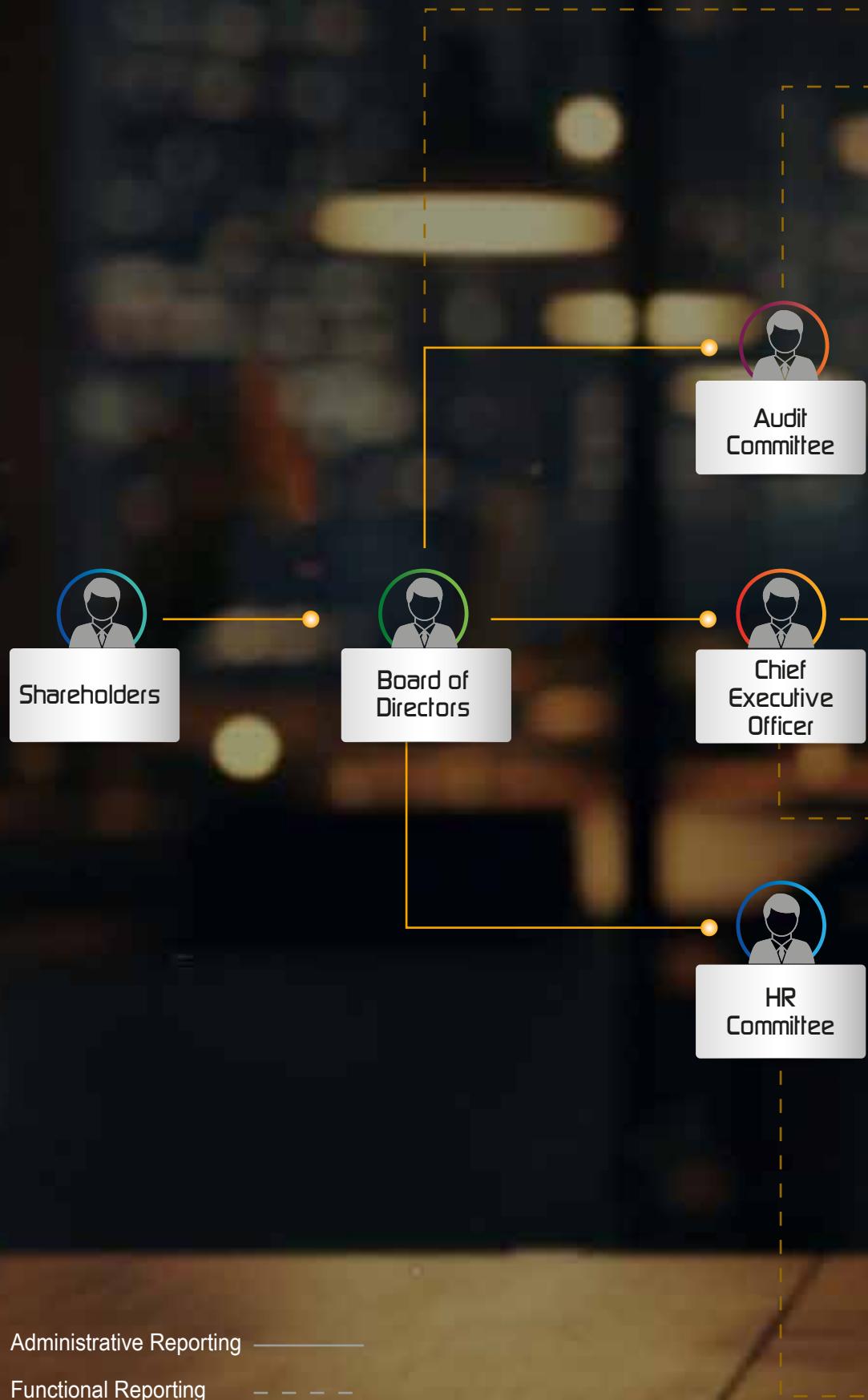


 REGISTERED OFFICE / FACTORY

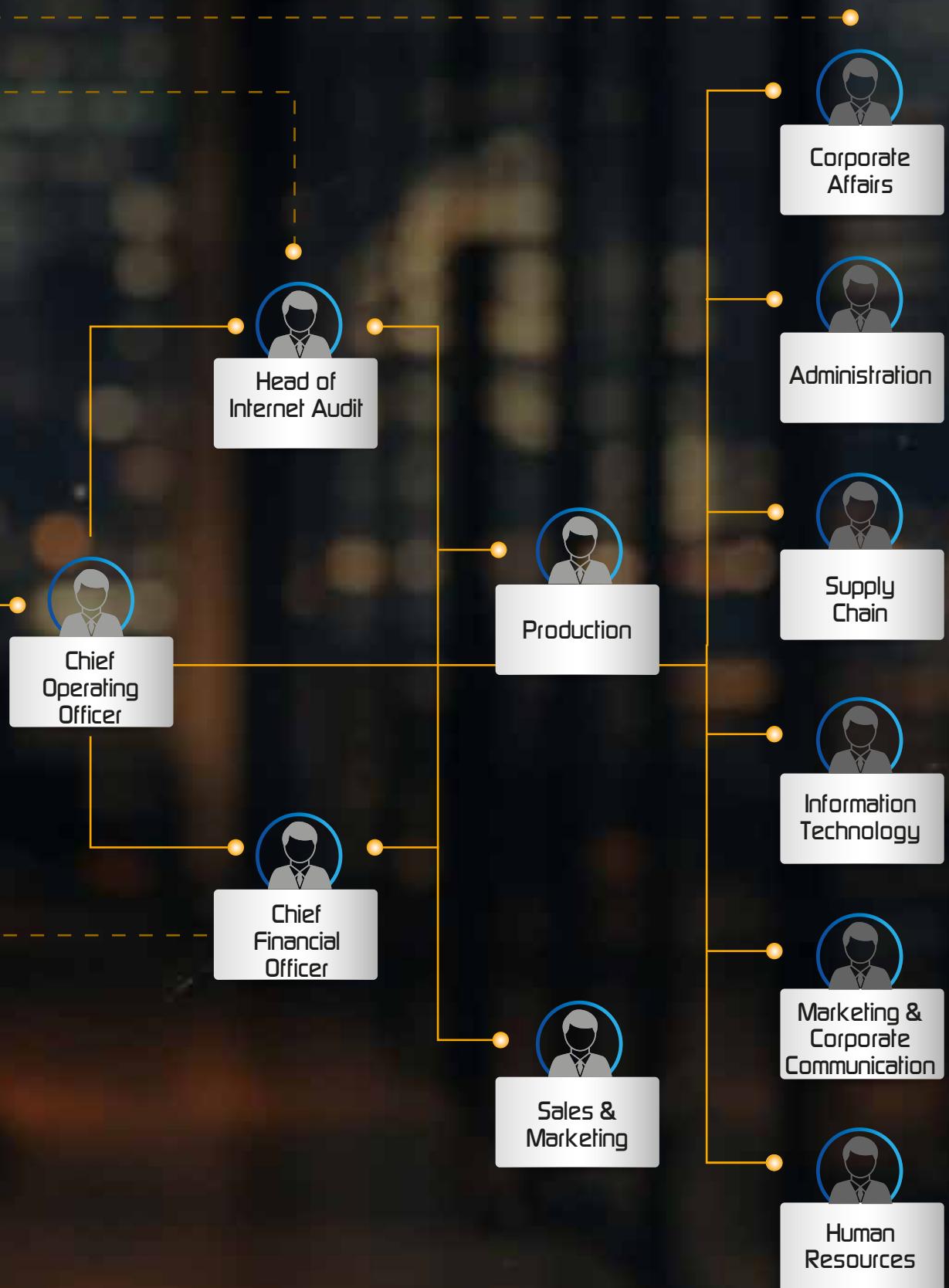
 HEAD OFFICE

 REGIONAL OFFICES

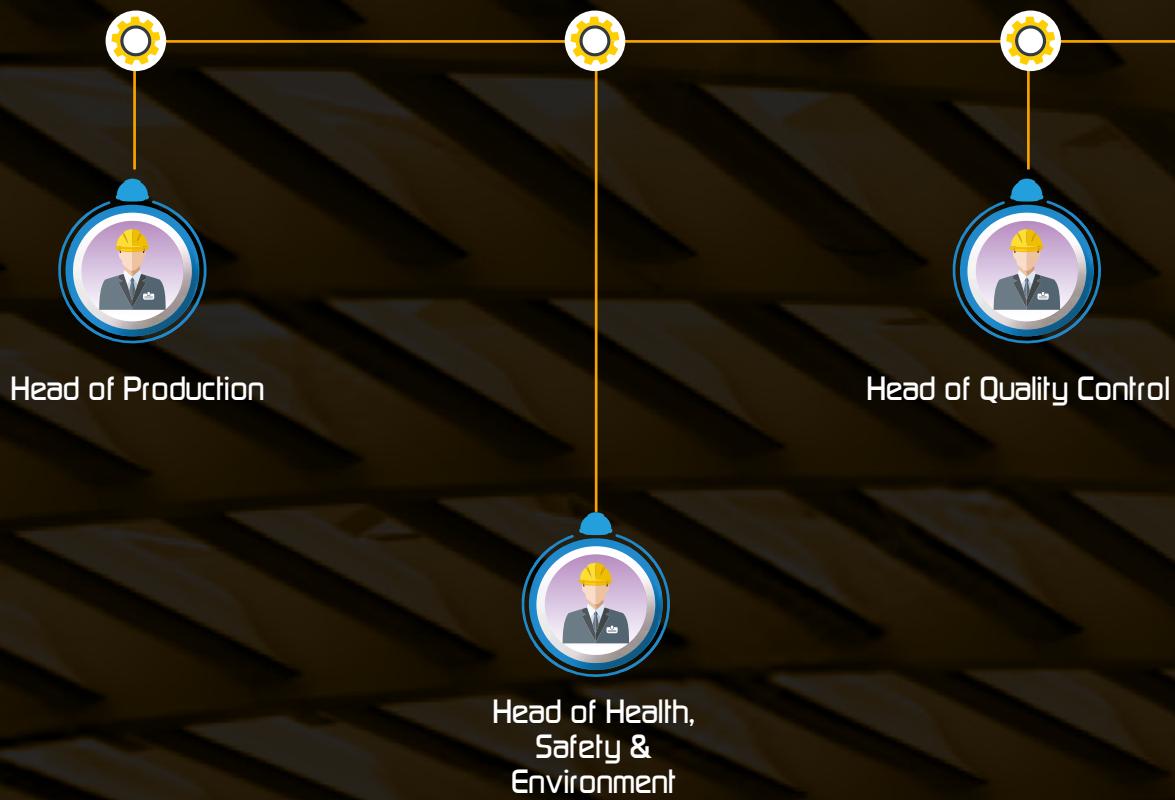
# Organisational Structure

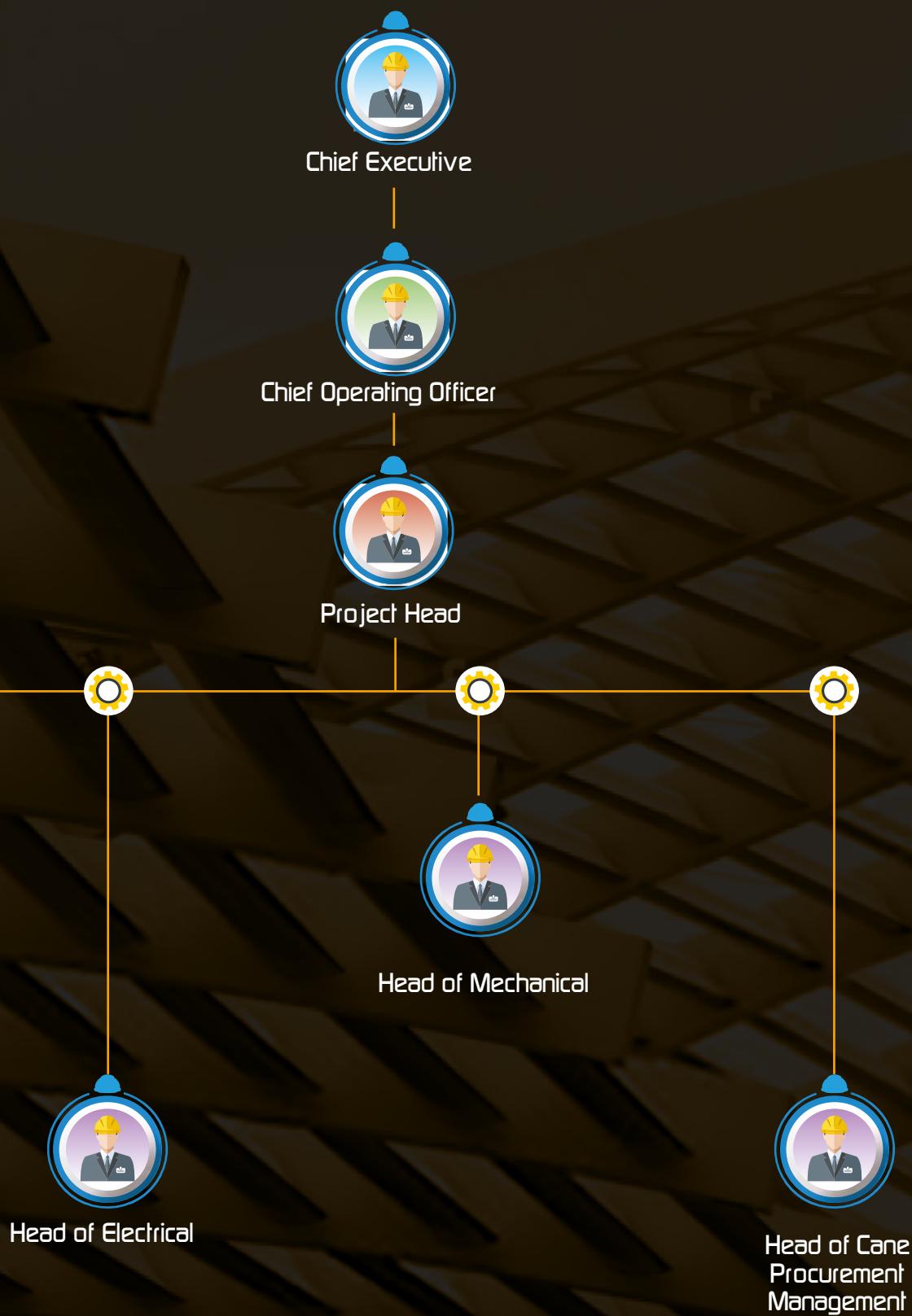


Administrative Reporting —————  
Functional Reporting - - - - -

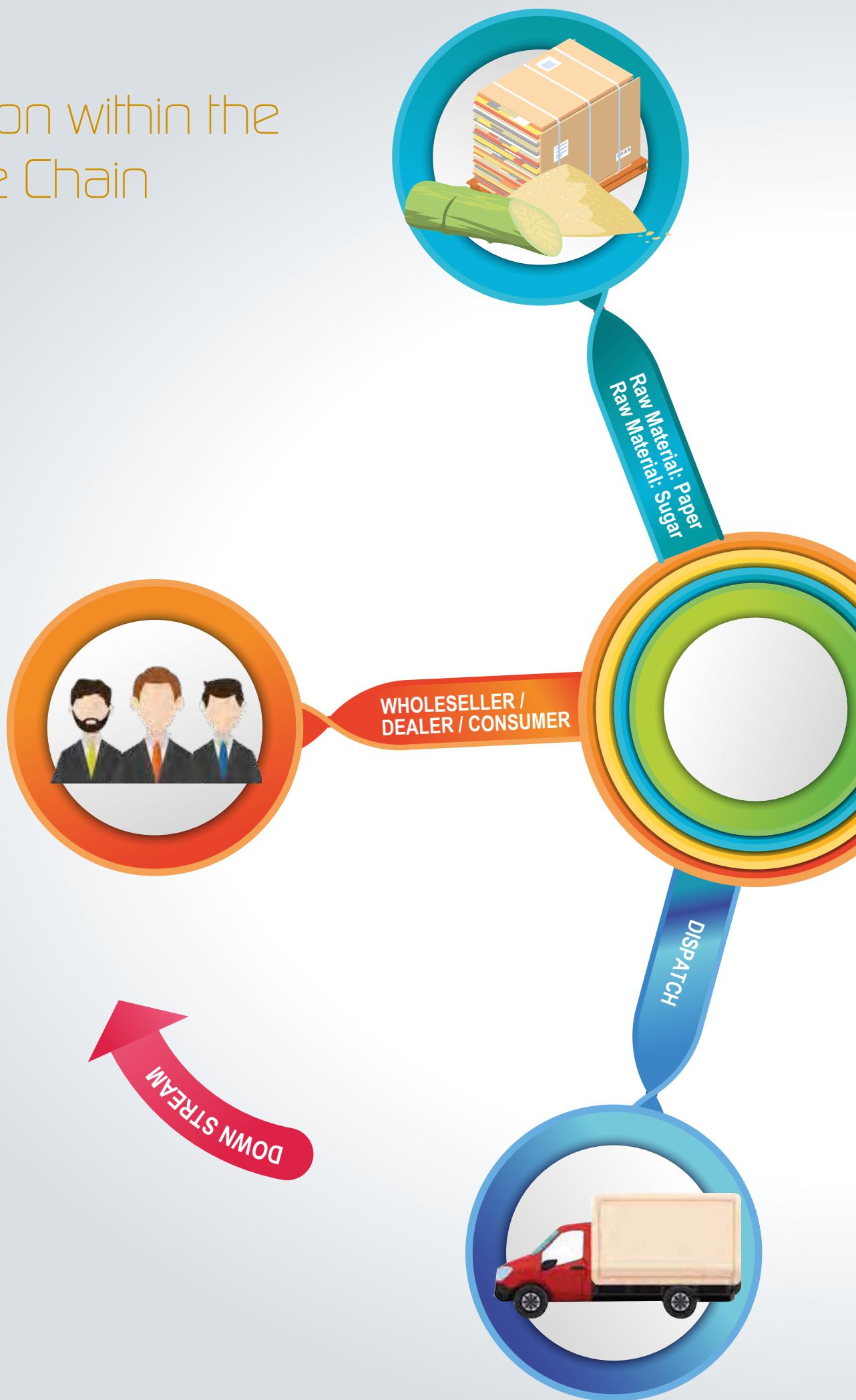


# Factory Site Organizational Structure





## Position within the Value Chain





# Significant Factors Affecting the External Environment & the Organization's Response

*It's not possible for Organizations to work in vacuum. Organizations are affected by continuously changing external environment. Our strategy ensures that we are best positioned in our external environment to manage the risks and benefits from the opportunities associated with volatility on the political, economic, technological, environmental, legal and social fronts. Some of these factors are listed and elaborated below:*

Factor	Political	Economic	Social
Description	<ul style="list-style-type: none"> <li>- Political factors determine the extent to which government may influence the economy or a certain industry.</li> <li>- Political uncertainty and inconsistent policies generally impact organizations negatively</li> </ul>	<p>Economic factors are connected with goods, services, and money. These variables refer to financial state of the economy on a macro level.</p> <ul style="list-style-type: none"> <li>- Interest rates</li> <li>- Exchange rates</li> <li>- Recession</li> <li>- Inflation</li> <li>- Taxes</li> <li>- Demand / Supply</li> <li>- Low economic growth impacts the Organization negatively</li> </ul>	<p>Corporate Social Responsibility factors:</p> <ul style="list-style-type: none"> <li>- Providing safe and clean work environment</li> <li>- Charity and donation</li> <li>- Supporting the local community in healthcare and education</li> <li>- Safe and healthy environment</li> <li>- Demographic change</li> </ul>
Significant Change From Last Year	<ul style="list-style-type: none"> <li>- Political uncertainty</li> <li>- General Elections and formation of new Government.</li> <li>- Global political scenario</li> </ul>	<ul style="list-style-type: none"> <li>- Increase in raw material cost</li> <li>- Increase in labor cost</li> <li>- Decelerated economy</li> <li>- Increased inflation</li> <li>- Import restrictions</li> </ul>	<ul style="list-style-type: none"> <li>- Make HSE department more rigorous</li> <li>- Focusing on CSR Activities</li> </ul>
Organization's Response	<p>Management keeps a close eye on the political developments through discussion and engagement with relevant authorities on future policies and measures including changes in duty structures, taxes and other levies to mitigate any unwarranted affect.</p> <p>Industry issues are dealt through the association.</p>	<p>The Company constantly strives to bring efficiencies in its manufacturing process and energy mix, which helps mitigate the adverse effects of increase in production cost.</p> <p>Management explores alternative avenues for sourcing input materials, maintaining an optimum mix of local and imported materials.</p> <p>The company also focuses on using bio-fuels and renewable energy sources to minimize its power cost.</p>	<p>Company donates to various social and charitable causes including towards health, education and social sectors.</p> <p>The Company actively participates in various social work initiatives as part of its corporate social responsibility.</p> <p>The Company has also implemented ISO 45001 (Occupational Health and Safety) to comply with HSE international standards.</p> <p>The Company has paid Rs. 2.5 million to Mr. Arshad Nadeem (Javelion thrower) as a token of appreciation.</p>

## Seasonality of Business

*Sugar Season starts in November and ends in March/April. Sugar is produced in first 4 months of the Season and sold over the 12 months period.*

Factor	Technological	Legal	Environmental
Description	<ul style="list-style-type: none"> <li>- Risk of technical obsolescence</li> <li>- Introduction of new technology by competitors</li> <li>- Primitive farming techniques</li> </ul>	<p>Companies are required to abide by various laws and regulations. Every responsible company must follow all rules and regulations laid by the Government</p> <ul style="list-style-type: none"> <li>- Companies Act</li> <li>- Income Tax Ordinance</li> <li>- Sales Tax Act</li> <li>- Pakistan Stock Exchange listing regulations</li> <li>- Acts, Rules and Regulations issued by SECP</li> <li>- Code of Corporate Governance</li> <li>- IFRS Amendments</li> <li>- Sugar Factories Control Act 1950.</li> <li>- Industrial relations laws etc</li> </ul>	<ul style="list-style-type: none"> <li>- Adverse weather condition</li> <li>- Growing attention to environmental protection</li> <li>- Climate changes</li> <li>- Natural Disasters</li> <li>- Implementation of proper HSE and Environment Standards within an organisation</li> <li>- Floods</li> </ul>
Significant Change From Last Year	<ul style="list-style-type: none"> <li>- Revamping network system - Product Innovation</li> <li>- Continuous development in IT infrastructure</li> </ul>	<p>The Company strongly abides by all Acts, listing rules and regulations applicable on it.</p> <p>In this connection consistent efforts are put by the management to fulfill every legal aspect.</p> <p>The Company has a dedicated team of professionals committed to ensuring full compliance with all regulatory requirements. the Company</p> <p>participates in awards programs like "Best Corporate Report Award".</p>	<ul style="list-style-type: none"> <li>- Implementation of proper HSE and Environment Standards within an organization.</li> </ul>
Organization's Response	<p>Keeping in view the technological advancements, the Company has always given priority to latest developments to improve efficiency and build capacity. The Company has installed latest machinery at its production site and keeps it updated to meet the latest technological standards. Further, the Company invests in robust hardware and software as and when needed and is running world renowned SAP (ERP system).</p> <p>The Company has implemented SAP success factor system for better human resource management.</p> <p>The Company is focused on helping the farming community to improve crop yields ensuring better returns and is also working on experimental farms with different seeds.</p> <p>The company conducted bagasse quantity survey and sugar cane crop surveys through drone technology.</p>	<p>The Company strongly abides by all Acts, listing rules and regulations applicable on it.</p> <p>In this connection consistent efforts are put by the management to fulfill every legal aspect.</p> <p>The Company has a dedicated team of professionals committed to ensuring full compliance with all regulatory requirements. the Company</p> <p>participates in awards programs like "Best Corporate Report Award".</p>	<ul style="list-style-type: none"> <li>- The Company has strived to work for the betterment of the environment.</li> <li>- The Company has complied with NEQS as required in SEPA Act and has also implemented ISO 14001 (Environmental Management).</li> <li>- The effluent is being treated by successful installation and operation of effluent treatment plant (physicochemical and biological, activated sludge process).</li> <li>- Pre-treatment of effluent, oil skimmer followed by gravity oil separator at drain are installed to remove oil contamination from waste water.</li> <li>- The plant is equipped with bagasse consumption boilers in order to minimize air pollution.</li> <li>- Further plant is equipped with bagasse dryers, Ash removing and collecting system for energy conservation and improvement of air quality.</li> <li>- Every year 2,000 to 3,000 trees planted in mills area &amp; surrounding to improve shared environment.</li> </ul>

# Competitive Landscape & Market Positioning

Over the decades, Mirpurkhas Sugar Mills Limited (MSM) has evolved itself as one of the top quality sugar producer in Pakistan. With the daily crushing capacity of 12,500 M.T , MSM is among the top sugar mills of Sindh Province. With the commencement of paper project, the company now has the largest paper-producing facility in the region and one of the largest in the country.

## Power of suppliers

Transparency and trust are the key values for sustainable supplier relationship. Here, MSM is proud to have healthy relationship with sugarcane growers in its surrounding areas as well as in upper Sindh and Punjab. A dedicated Cane team is deployed in Sindh and Punjab to establish healthy relationship with sugarcane growers and suppliers, for smooth and uninterrupted supply during the crushing season.

MSM educates the growers with latest farming techniques, in order to improve the yield which ultimately helps the sector growth. MSM also provides farmers with harvesting advance.

For paper, MSM has a dedicated team with rich experience in procuring waste paper and has relationships with key suppliers of the industry. Regular communication and engagement with the suppliers regarding quality issues and timely payments ensure that they remain committed to MSM. Bulk demand from MSM and its own OCC warehouse keeps MSM in a good position with respect to the bargaining power of suppliers.

## Power of Customers

Mirpurkhas Sugar Mills Limited is among the top quality sugar producer of Pakistan, with first preferred choice by FMCG (Food & Beverage) and Pharma sector. Company is among those mills producing specialized sugar for Pharma and FMCG sector. The company is reputed among its customers as a hallmark of Quality and refined sugar.

The MSM Paper & Board plant is the largest paper- producing facility in Sindh and one of the largest in the country. The Company is a preferred choice for leading corrugators of the industry for bulk supplies of liner and fluting paper. The Company has a dedicated QC team to ensure that customers' complaints are timely addressed.

## Competition

The landscape of Pakistan's sugar sector comprises of competitors of different sizes and capacity. But over the

years, sugar industry has seen a rise in competition. Prices are determined by demand and supply as well as through government intervention being a daily consumable product. Further the increasing prices of sugarcane makes it difficult for mills to operate in this selling price constraints.

Paper sector also has competitors of different sizes and there is a tough competition among them. Unregistered suppliers further aggravate the situation. MSM competes with them through economies of scale and its premium quality which is an important selling point and key consideration by institutional buyers.

## Threat of New Entrants

There is a low risk of new entrant in domestic sugar industry due to the fact that it is capital intensive industry. Less availability of sugarcane with already large number of sugar mills in Pakistan makes the market unattractive for new players. The sugar sector production capacity is already under-utilized and new entrants would have to face extensive regulatory requirements / approvals.

There is a low risk of new entrant in the liner and fluting paper industry due to its capital intensive nature and tough competition.

## Threat of Substitute Product

Sugar being a commodity item, always remains in demand. The nature of product is such that the risk of substitute products in market is minimal. Although, there are some substitute products of white sugar, for e.g. brown sugar, caster sugar, non-sugar sweeteners; but white refined sugar will always be the first choice by consumers.

Threat of substitute product in paper is also low due to the sustainability of corrugated packaging. Corrugated boxes are made up of recycled paper and are a sustainable alternative to plastic packaging. It has also widely replaced wood packaging because of its reliability, availability, and cheaper prices.

## Key Elements of Business Model

The key elements of business model of the Company includes:

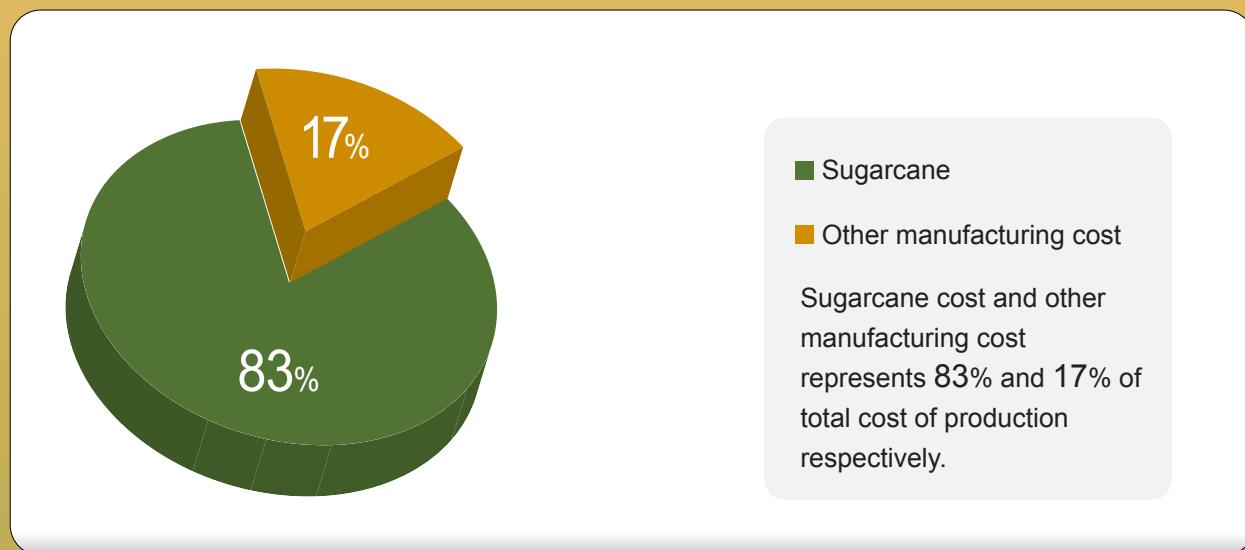
- Key Inputs
- Our Value Chain
- Key Outputs
- Outcomes

All these elements are fully explained alongwith diagram in the Chapter "Business Model".

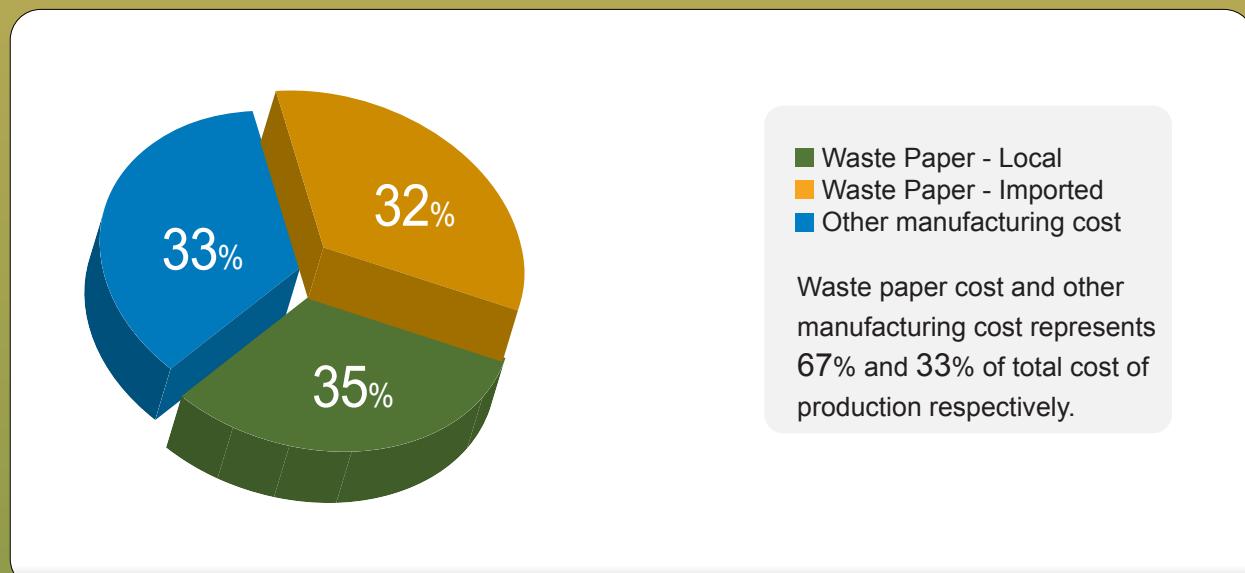
# Composition of Raw Material Cost vs. Other Manufacturing Cost

for the year ended September 30, 2025

## SUGAR



## PAPER



# Significant Development and Changes

Following significant developments took place during the year:

- The Company has achieved Sucrose Recovery of 10.42%.
- During the year 2024/25, the Company contributed approximately Rs. 1,835 million to the national exchequer in the form of taxes, duties and levies.
- The paper plant produced 42,658 M.tons of paper during the year.
- During the year, the company secured 2nd position in Annual Best Corporate Report Award in the Sugar Sector for the year 2024.
- The Erection of the agro pulping plant is progressing well and is expected to be completed in the next 6 months

## Recognition

**The Company secured Second position in Best Corporate Report Award in the Sugar sector for the years 2024, jointly organized by Institute of Chartered Accountants of Pakistan and Institute of Cost and Management Accountants of Pakistan.**



# Competitive Edge

Mirpurkhas Sugar Mills' operational strengths are anchored in a robust capability framework that drives consistency, efficiency, and long-term value creation.

## Human Capital

Mirpurkhas Sugar Mills' greatest strength stems from the capability, commitment, and potential of its people, forming the foundation of every operational milestone achieved. Between October 2024 and September 2025, MSM delivered extensive training programs across technical, functional, and HSE domains. More than 1,750 employees participated in learning interventions, recording 1,989 training hours, reaffirming the commitment to continuous improvement and operational excellence.

## Innovation

With multiple enhancements across cane handling, extraction efficiency, energy optimization, and production automation, MSM's innovation continues to serve as a core driver of its transformation agenda. The Paper & Board Division and experimental farms further expand MSM's innovation footprint, enabling new product streams and supporting long-term diversification goals.

## Top Suppliers & Buyers

Mirpurkhas Sugar Mills' strong supply chain is driven by local sugarcane growers, providing the core raw material base and supported by local and international suppliers of chemicals, packaging materials, spare parts, engineering consumables, and paper waste. MSM serves a broad portfolio of industrial buyers, including FMCG companies, beverage manufacturers, pharmaceuticals, confectionery producers, dairy industries, and corporate customers of the Paper & Board Division.

## Outstanding Customer Support

Mirpurkhas Sugar Mills continues to enhance customer experience through improved delivery timelines, strengthened logistics, upgraded documentation processes, and proactive engagement with industrial clients. Customer confidence is reinforced through globally recognized certifications, including:

- ISO 9001:2015
- ISO 14001:2015
- ISO 45001:2018
- Halal PS3733 Certification
- FSC-COC
- SMETA-SEDEX
- cGMP practices



## Regular Expansions / Capacity Enhancements

MSM witnessed several strategic upgrades during FY24–25, aimed at improving operational efficiency, stability, and long-term sustainability. Key initiatives included boiler upgrades, turbine overhauls, steam optimization, crushing capacity enhancements, and improvements in mill energy systems. Further development initiatives included upgrades to the nagging house facility and warehouse infrastructure.

## Quality

MSM maintains a rigorous and standardized quality assurance framework across its Sugar and Paper & Board divisions. Laboratories operate under strict SOPs, with regular calibration and adherence to best industry practices.

- **Sugar Division:**
  - Sugar quality is assessed through detailed analytical parameters such as ICUMSA, color rating, moisture content, grain size, conductivity ash, polarization, turbidity, and purity analysis.
  - Continuous monitoring of process parameters including juice Brix, pH, clarification efficiency, filter cake quality, and final melt purity.
- **Paper & Board Division:**
  - Quality testing includes GSM, burst factor, Cobb value, Ring Crush Test (RCT), Short Compression Test (SCT), moisture variation, sizing (internal & external), thickness uniformity, and tensile strength etc.
  - QA team ensures compliance with customer specifications for liner, fluting, kraft paper, and wrapper products.
- The QA department also ensure development, implementation and compliance adherence to ISO 9001, ISO 14001, ISO 45001, Halal PS 3733, FSC-COC, SMETA-SEDEX and cGMP requirements.
- Routine internal and external audits ensure consistent adherence to quality benchmarks, including batch record reviews, supplier audits, customer complaint investigations, and continuous improvement documentation.

### Unmatched Production Facility

MSM operates advanced, modernized production facilities equipped with automation and process control systems that enable stable, high-efficiency operations. The integration of Chinese and other international technologies enhances reliability and ensures reduced downtime and uninterrupted production.

### Economies of Scale

Mirpurkhas Sugar Mills operates through an optimized production cycle that utilizes bagasse for co-generation, reducing fuel dependency and overall operating costs. This is further supported by resource-efficient steam, water, and power management initiatives. Synergies between the Sugar and Paper & Board Division enables cost-effective, streamlined, and efficient operations across the integrated value chain.







## STRATEGY AND RESOURCE ALLOCATION

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# Strategic Objectives

## Core Objective

- The core objective of our management is to achieve excellence in business. To achieve our objectives, the management strives to enhance stakeholders' value and customer satisfaction.

## Short term, Medium term and Long term Objectives

Following are the main strategic objectives of the Company:

### Short term Objectives

- Effective and efficient use of available resources.
- Efficient utilization of production capacity.
- Cost minimization.
- Workers' training.

### Medium Term Objectives

- Optimization of management processes and policies implementation.
- Investing and modernizing Company's production facilities to ensure effective production.
- Increase in market and distribution avenues.

### Long term Objectives

- Achieve excellence in business through implementation of diversification strategy of parallel, upstream and downstream in order to maximize revenues and reduce risks.
- Implementation of effective human resource solutions through personal development and create proper environment for professional growth.
- Implementation of corporate sustainability and community development.

## The linkage of strategic objectives with company's overall mission, vision and objectives

The Company carried out the following exercises during the year:

1. Revisit Vision/Mission Statement of the Company
2. Develop Strategic Plan using Balanced Scorecard
3. Cascade the Strategic Plan and Goals till Head of Functions level

### Methodology:

In the first phase, multiple cohort-based sessions were conducted with CEO and COO interspersed with reflection, discussions and activities for the Vision and Mission. These were followed by the Sessions with CEO, COO & HODs for Strategy Mapping using the Balanced Scorecard Framework.

Third phase was again had cohort-based sessions that drew from the Vision and Strategic Framework to help create Goals for senior leaders and documenting those within Success Factors.

### Outcome:

An outcome of this project is creation of alignment, and setting of strategic direction of the Company.

Vision & Mission pillars is explained through a strategy map of the Company. A Strategy Map translates the organization strategy into a set of coherent objectives, measures, targets, initiatives and resources that have been translated into goals and objectives at the Organization, Team and individual levels.

Using this approach also allows people to see beyond monetary capital and work on the things that matter to sustain it in the long term.

A byproduct of this exercise is increased engagement. People feel more connected to the organization when they know what impact their work has on the overall organization strategy.

Based on the above, strategic objectives aligned with vision and mission were chalked out and that were cascaded down till HoD level and individual goals.

# Management Strategies and Resource Allocation Plan

## Core Strategy

Mirpurkhas Sugar Mills Limited is committed to maximize revenues, optimize shareholders' value, and strive to achieve customer satisfaction.

## Stakeholders Value

### Resource Allocated

Human Capital      Manufactured Capital      Intellectual Capital

Financial Capital      Social and Relationship Capital

The stakeholders' value is maximized through return on investments, which management believes is achieved through diversification, continuous growth, revenue maximization, and cost control measures.

## Marketing Targets

### Resource Allocated : Financial Capital

The tone of our business is set by the marketing targets and budgets, which are aggressively designed by the management to achieve highest possible returns. The management is working for growth of the Company. The Company has also invested in a paper and board project as a business diversification for sugar mills.

## Stakeholders Relationships and Social Responsibility

### Resource Allocated : Social and Relationship Capital

Mirpurkhas Sugar Mills maintains cordial relationship with all the stakeholders including government functionaries, farmers, reputable banks and financial institutions of the Country.

Being a responsible corporate citizen, the Company is committed to continuous improvements in safety, health and environment protection measures. Company ensures compliance of NEQs as issued by Sindh Environment Protection Agency (SEPA) in order to protect the environment from hazardous waste. In pursuing this objective, the Company has successfully installed a Water Treatment Plant and a Sundry Plant at its production site.

Mirpurkhas Sugar Mills has earned great respect and appreciation through continuous donations to social and charitable causes including health, education and social sectors.

## Financing Facilities

### Resource Allocated : Financial Capital

Mirpurkhas Sugar Mills Limited maintains cordial relationship with all the reputable banks and financial institutions of the Country. Adequate short-term financing facilities are available at the Company's disposal. The company strives to avail subsidized financing under various schemes announced by SBP, whenever available.

## Human Resource Excellence

### Resource Allocated : Human Capital

Human Capital is an asset, and developing our people is the core of our success. Our Core Values, Code of Conduct, and HR policies provide an outline which serves as a guiding force for the whole organization.

Mirpurkhas Sugar Mills gives key consideration to Human Resource Management. A full-fledged HR department is operative which is supervised by Human Resource and Remuneration Committee of the Board of Directors. Key HR policies are in place. All the HR functions are integrated where the employees' performances are evaluated based on SMART goals. Moreover, Training Need Assessment (TNA) is effectively in place where in- house and external trainings are arranged at all management levels. Further, eligible employees receive Service Awards based on their performance and length of service. The Management's objective is to recognize and reward employee's contribution to the business. Moreover, the Company has effective succession planning system in place. These processes help the availability of high quality workforce which plays a vital role in achieving day-to-day targets and strategic objectives of the Company.

## SAP ERP Solution

### Resource Allocated : Intellect Capital

We take pride in being Pakistan's first Sugar Mill to successfully implement SAP ERP system. The Company carried out one of the fastest implementation of SAP in Pakistan. The Company has converted to SAP S4/ HANA System. The use of SAP helps management implement better internal controls, timely decision making and employ best business practices.

## Efficiencies

### Resource Allocated : Manufactured and Financial Capital

The Company constantly strives to bring efficiencies in its manufacturing process and energy mix, which helps mitigate the adverse effects of increase in production cost. Management explores alternative avenues for sourcing input materials, maintaining an optimum mix of local and imported materials. The Company proved successful in utilizing its sugar plant capacity during the peak crushing periods, which resulted in effective cost control and higher production of sugar.

## Effectiveness

### Resource Allocated : Human Capital

Effectiveness of internal controls is ensured through active Internal Audit Department, which independently recommends its suggestions to the Board's Audit Committee. The management takes immediate action as and when necessary.

## Customers Satisfaction

### Resource Allocated : Social and Relationship Capital

Another prime objective of the management is customer satisfaction for which management takes every step to ensure high quality customer care and product quality. The Company has secured GMP21- CFR 110 that covers the standards of manufacturing, packing and handling of Food / White Refined Sugar. Moreover, Company has successfully implemented Quality Management System (QMS) ISO 2015-9001, Environment Management System ISO 2015-14001 and HALAL Food Certification. The company has obtained Forest Stewardship Council (FSC) certificate during the year for its paper plant. This certificate provides assurance that product is coming from forest which has been evaluated and certified as being managed according to correct social, economic and environmental standards.

## Company's strategy on market development, product and service development

### Sugar Division

- Targeting on increasing institutional customers' base.
- Targeting export market as and when permitted by the Government.
- Facilitating seamless deliveries to high end premium customers.

### Paper Division

- Enhance the customer base
- Target volumes for machine utilization / cost efficiency
- R&D and innovation - Product standardization among the customers to ensure longer production runs
- Product Positioning as quality supplier
- OTIF Service levels- on time and in full quantity service levels
- Strengthening of quality controls by effective communication internally and externally.
- Targeting export.

## Significant Changes in Objectives and Strategies

There is no material change in Company's objectives and strategies from the prior years.

## Liquidity Strategy

### CURRENT LIQUIDITY POSITION

The Company has a legacy of making timely payments to all its vendors, especially sugarcane growers, in order to ensure smooth supply of sugarcane during the season. Company has financing arrangements with leading conventional and Islamic Banks of Pakistan at very competitive rates. The Company reviews its liquidity position on a daily basis for effective fund utilization, and to keep finance cost at minimum possible levels. Due to the seasonal nature of sugar industry, Sugar is produced during the Season of four months and sold during season and off season. Company endeavors to achieve better sugar prices in order to maintain its gross margins.

The Company has short term financing facilities of Rs.10,450 million and long term loans of Rs.4,428 million. The gearing of the Company is maintained at satisfactory level. The Company has a sustainable growth and business stability. Adequate debt and equity ratio is maintained.

### FINANCIAL ARRANGEMENTS

The Company has cordial business relations with all the reputable banks and financial institutions of the country. Adequate unutilized short-term financing facilities are available at the Company's disposal.

## Significant Plans and Decisions

The Company has a consistent history of capital investment in capacity expansions and steam economy projects in order to ensure maximum production of sugarcane and saving of energy consumption during the production process. The Company continues to benchmark itself against regional and local efficiency standards for production.

The Company continues to look for energy intensive projects as it has more economical source of generating electricity i.e. bagasse. Management of the Company continuously focuses on customer satisfaction and to achieve its higher standard, it continues to invest in processes and getting itself accredited from various management systems.

## Political environment where the organization operates

The political environment of the country has not been stable, there has been uncertainty as regards to political stability and economic conditions. Long-term political instability has obstructed Pakistan's economic growth the most. Political compulsions under these circumstances have led to short-term macroeconomic policies and a more frequent change of policies than is desirable. Further, increase in inflation and interest rates across the globe and strengthening of US Dollar has resulted in high local inflation.

## Legitimate needs, interest of key stakeholders, industry trends

The company take into consideration concerns of all major stakeholders while planning and implementing new policies/procedures, expansions, or significant events keeping in view past trends of major players in industry. In addition to it, all the needs / decisions are made within boundaries of applicable rules and regulations of different authorities

## The legislative and regulatory environment in which the organization operates

The Company operates in a firmly controlled environment due to its scale of operations in a commodity business and being a public listed company. There are a plenty of regulatory compliances including various corporate and tax laws, Sugar Factories Control Act 1950, Industrial relations laws and other Federal and Provincial laws that have to be fulfilled, and the management closely screens and monitors for any new laws and compliances thereof. Applying all pertinent and appropriate legal and administrative requirements is part of our methodologies, objectives and accomplishments.

The Company endeavors that all the activities of the Company are within regulatory and governance framework with utmost alignment with best practices.

# Key Resources & Capabilities

With a strong foundation in technology, diversified product streams, and sustainability-focused initiatives, Mirpurkhas Sugar Mills continues to enhance its operational edge. Together, these capabilities reinforce MSM's ability to deliver consistent, efficient, and competitive performance across large-scale operations.

## Advanced Technology & Automation

Mirpurkhas Sugar Mills' operational capabilities are strengthened by advanced technology and automation across critical production stages. Modernized systems enhance reliability, improve process control, and support consistent performance across both Sugar and Paper & Board operations.

Being one of the few companies to install SAP solution in the sugar industry, MSM has a well-established in-house IT department that caters to the Company's customization needs. The in-house IT department manages system customization, reporting requirements, and ongoing optimization, enabling timely decision-making and ensuring digital reliability across all business units.



## Diversified Product Streams

Mirpurkhas Sugar Mills' integrated business model spans Sugar, Molasses, Bagasse, Paper & Board, and Co-Generation. This diversified portfolio not only strengthens MSM's market presence but also creates a robust multi-stream revenue base that supports long-term operational resilience.

## Energy Efficiency & Resource Optimization

Through focused energy conservation efforts, MSM continues to reduce operational costs while advancing its environmental commitments.

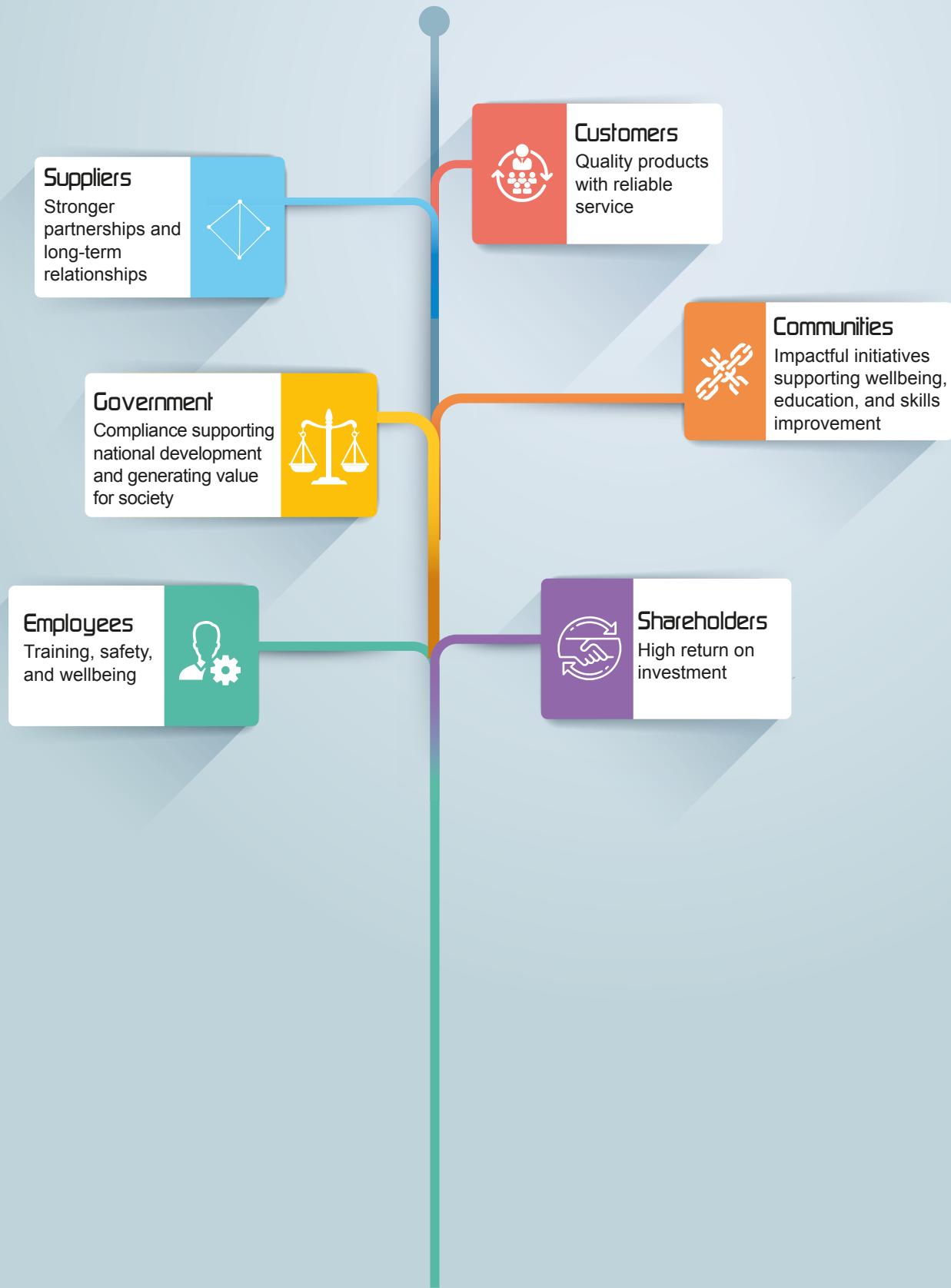
## Strategic Location Advantage

MSM's strategic location enables reliable sugarcane procurement and supports cost-effective product distribution across key markets.

## Environmental & Sustainability Focus

MSM maintains a strong sustainability framework focused on water management, waste reduction, and responsible sourcing practices.

# Value Created by The Business Using These Resources and Capabilities



# Effect of Technological Changes, Societal Issues and Environmental Challenges



## Technological Changes

The Development and adoption of new production technologies improved productive efficiency in Mirpurkhas Sugar Mills Limited. We discover, develop and manufacture high-quality products that meet all regulatory requirements, and pursue quality beyond compliance in both our products and processes. We focus on regularly updating ourselves with technological advancements to produce under the highest standards and maintain all relevant technical and professional standards. The Company is running world renowned SAP (S/4 HANA system).

The Company is focused on helping the farming community to improve crop yields through employing modern farming techniques and ensuring better returns.



## Societal Issues

Mirpurkhas Sugar Mills Limited has taken various initiatives to minimize the social issues by supporting investments in technical and administrative assistance to the farmers and people living in surrounding areas. Experience demonstrates that returns to this investment are uncertain, but nonetheless a clear strategy and program of public interventions is imperative. Without it, the farmers of the region face the prospect of rising poverty and associated social problems. Accordingly, the societal issues relating to education, health and poverty alleviation are part of its strategic plans. While for the employees, the Company has adequate health, safety and environment related policies and procedures for the society at large.

Company takes part in various philanthropic activities, capacity building programs, vocational training programs, sponsorship of schools, special clinics and other health related initiatives.



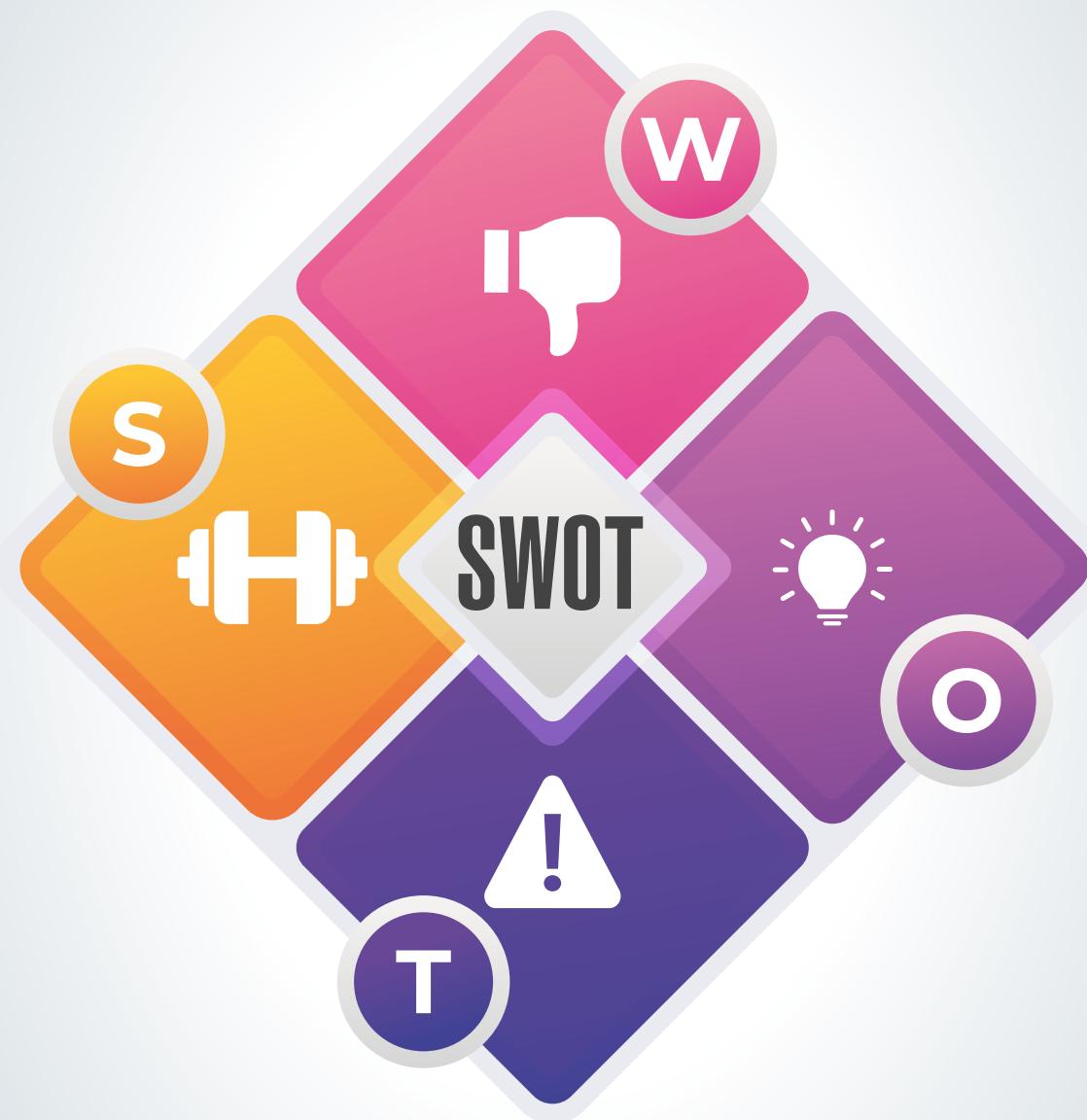
## Environmental Challenges

The Company has strived to work for the betterment of the environment. We provide safe and clean work environment and implement proper HSE and Environment Standards within organization. Every year 2,000 to 3,000 trees planted in mills area and surrounding to improve shared environment.

The Company has complied with NEQS as required in SEPA Act and has also implemented ISO 14001 (Environmental Management). The effluent is being treated by successful installation and operation of effluent treatment plant.

# SWOT Analysis

The objective of SWOT analysis is to support companies to make appropriate strategies by viewing their internal and external environment. Keeping this in perspective, Mirpurkhas Sugar Mills Limited is committed to maximize revenue, optimize shareholder values and strive to achieve customer satisfaction by seizing every potential opportunity from its core strengths, overcome its weaknesses to prevent possible threats.



## STRENGTHS

- MSM operates its sugar plant with efficient DRC (Defecation Remelt Carbonation) machinery for juice clarification and liquor purification, ensuring high production quality.
- The Company is certified for Quality, Environmental, Occupational Health and Safety Management Systems, including Integrated Management System (IMS) and Good Manufacturing Practices (GMP).
- Environmental initiatives, such as the installation of an Effluent Treatment Plant (ETP) and enhanced pollution control equipment, minimize the environmental impact of operations.
- MSM's joint venture investment in Unicol Limited contributes to the Company's profitability.
- MSM operate world's renowned SAP system, which makes our systems, process and controls highly efficient and readily available.
- MSM's skilled workforce and fair management practices, combined with its diversification into paper and the synergy between sugar and paper divisions, provide multiple income streams and leverage its strong reputation in the sugar industry to build credibility in the paper segment.
- The Company has largest brown paper production capacity in the Sindh region.
- Strategic location ensures ready availability of sugarcane and other bio-fuels, supporting stable production and operational efficiencies.

## WEAKNESSES

- Despite the Company's initiatives to support farmers through the provision of seeds, advances, loans for cane development, and demonstration plots, there is still a need to strengthen long-term, sustainable relationships with growers and enhance sugarcane development and availability in the surrounding areas.
- Operational complexities associated with managing two different industries demanding specialized knowledge and expertise and retention of employees.

## OPPORTUNITIES

- Growing population of the country and increasing sugar consumption.
- Exploring new markets and expanding the geographical reach to capitalize on emerging opportunities in the paper industry.
- Ongoing deregulation in the sugar industry by the Government is expected to introduce market-driven pricing, providing opportunities for the Company to enhance competitiveness and optimize returns.
- Expanding the product lines within the paper division offers an opportunity for both backward integration, through greater control over raw materials, and forward integration, by catering to a broader market. This strategy allows the Company to tap into the growing demand for sustainable packaging solutions and strengthen its position across the value chain.
- The availability of bagasse, a by-product of the sugar production process, provides a reliable source of biofuel for in-house power generation, reducing energy costs and enhancing the viability of new investments.

## THREATS

- Rapidly changing environmental conditions, including availability of irrigation water in Sindh, shifts in crop patterns, and evolving national agricultural policies.
- Rising fuel costs and potential future currency fluctuations, which could impact operational expenses.
- Limited research and development initiatives to increase sugarcane yield per acre.
- Increased competition in the paper market especially from unregistered sector.
- Overall slowdown in economy and recent floods affecting the demand of end users.
- Dependence on imported raw materials for paper production, exposing the Company to supply chain and potential foreign exchange risks.

## Specific Processes used to Make Strategic Decisions

The Company has robust system of governance through a talented management team and seasoned Board of Directors that actively engages in all strategic decision of the Company. New expansions, diversifications, investment and disinvestments etc., all decisions require a methodical approach to minimize the inherent risks involved. In this regard, Mirpurkhas Sugar Mills follows the following process for strategic decision making:

- Identification of opportunity or problem (e.g. investment/diversification or expansion)
- Gathering of relevant information
- Involvement of third party in evaluation and market study, if required
- Development and evaluation of alternative options including technical and financial feasibility
- Selection of the best options, review and approval by the Board of Directors/shareholders
- Implementation and monitoring

## Specific Processes used to Establish and Monitor Culture of the Organization

The culture of the organization is a manifestation of its shared values and beliefs. At Mirpurkhas Sugar Mills Limited, we promote high values of Respect, Fairness, Quality and Ownership. Mirpurkhas Sugar Mills Limited regularly promotes its values among employees, especially the new inductees.

We embrace and encourage our employees' differences in age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make our employees unique.

At Mirpurkhas Sugar Mills Limited, we have a responsibility to treat others with dignity and respect at all times. Core values are integral part of our annual performance evaluations of our employees. Through performance evaluations, we evaluate our employees' performance against annual SMART goals, behavioral traits and trainings & professional developments.

## Company's Attitude to Risk and Mechanisms for Addressing Integrity and Ethical Issues

Mirpurkhas Sugar Mills Limited has developed robust policy of addressing integrity and ethical issues in shape of its Whistle Blowing Policy.





## RISKS AND OPPORTUNITIES

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# Risk Management Framework

The Board of Directors principally assumes the responsibility to mitigate all possible risks by identifying them timely. They utilise each opportunity only after considering the risk appetite of the Company.

## Company's Robust Assessment of the Principal Risks and Uncertainties

MSM is susceptible to various risks. Company identifies, understands and mitigates potential and perceived risks by comprehensive planning and business understanding. The Company maintains an established control framework comprising clear authority limits and accountability, with implemented policies and procedures and performance monitoring against the same.

The Board of Directors of the Company establishes corporate strategy and business objectives. The internal and external Auditors' reports are submitted to the Audit Committee for its review, which after detailed deliberations, suggestions for improvement are submitted to the Board of Directors.

Following are the major risks which may affect our business operations and mitigating strategy for controlling these risks:

Risk & Risk level	Area of Impact	Source	Risk Description	Risk Mitigating Controls
Relationship with farmers /OCC suppliers  Risk Level : High	Financial capital  Relationship Capital	External	Sugarcane is the main raw material for sugar production and contributes approx. 82% to 90% of the total cost of production whereas OCC cost accounts for approx. 60% of the paper cost. Any disturbance in its timely availability will have a substantial impact on the operational cost. For sugarcane, this in turn has a significant adverse effect on costs since the market value does not factor the variable cost determined by the climatic conditions and the sugarcane economics. The extent of volatility in raw material quality is another key element.	The Company always maintains healthy relationship with its raw material suppliers. The risk of raw material short supply and quality is mitigated to a large extent by educating farmers with latest sugarcane cultivating techniques, practical application by demonstration plot at farmer's lands combined with Company's goodwill, long term relationship and reputation for ethical dealings earned by the Company since inception. The Company also provides harvesting advance to growers.  For OCC, the Company strives to have long term arrangements with the suppliers and continuous engagements with respect to the quality issues as well as timely payments.
Government Policy Risk  Risk Level : High	Relationship Capital Financial Capital	External	The Federal government regulates the export of sugar. Hence, a sugar company's credit risk profile is vulnerable to government policies. These policies influence cost of production of sugar through regulated sugarcane pricing and revenue through its regulated export / import permissions.	The Company works closely with the sugar association developing appropriate policy recommendations to represent the industry needs to the Federal Government.
Commodity Risk  Risk Level : High	Financial Capital  Manufactured Capital	External	The sugar price is determined by the market forces through demand and supply both in domestic and international markets. Hence due to cyclical nature of sugar business gluts and shortages affect revenues.	The Company insulates itself against price risk by diversifying its revenue sources. While adding more value added products like Ethanol production as value added downstream products being produced from by-products of sugar production i.e. molasses and exploring the alternate use of energy through bagasse that is available with the sugar mill after meeting its own production requirement for producing paper.

Risk & Risk level	Area of Impact	Source	Risk Description	Risk Mitigating Controls
Location Risk Level : Moderate	Financial Capital	Internal	Freight is an important cost element. Factories close to high-yielding sugarcane farms are in a better position to procure sugarcane at minimum freight cost. Similarly, freight is a significant cost to dispatch paper and minimizing freight cost directly contributes to increasing margins.	Company always endeavors to procure sugarcane first from its close proximity areas and maintains an optimum supply mix from subsidy and non-subsidy areas in order to minimize the procurement cost. For paper dispatch, the Company has a pool of transporters to get competitive rates to minimize freight cost.
Credit Risk Risk Level : Moderate	Customer relationship	External	Traditionally, sugar sales have been routed through dealers on advance terms of payment. In order to pursue the objective of market penetration, Institution buyers are extended credits. Paper sales is also on credit.  There is a risk factor of default in payments by customers thus could cause a financial loss.	The Company regularly analyzes the Credit risk worthiness of the Customers and extends credit accordingly. Where necessary postdated cheques are taken from credit customers and the Company works on local LC where required. The Company has formal credit policy in place.
Working capital management Risk Level : High	Financial Capital	Internal	While sugarcane procurement is concentrated between November to April every year, whereas, the sale of sugar lasts throughout the year. Therefore, Company needs to efficiently manage its working capital requirements considering the sugarcane procurement price and fluctuating prices of sugar. Paper project also requires working capital due to credit sales and reliance on imported raw material.	Company effectively manages its Credit lines with the banks and retains sufficient financing arrangements with banks at the minimal borrowing costs in order to manage its working capital requirements.
Employee Turnover Risk Level : Moderate	Human Capital	Internal	Key employees and workers are the most important Corporate Assets. Frequent turnover affects Company's operating performance significantly.	Company values its employees as essential human assets and provides congenial environment and growth opportunities. Company has robust succession plan in place to effectively manage employee turnover rate.
Natural Catastrophe Risk Level : Low	Manufactured Capital	External	Destruction of manufactured facility due to natural disaster.	The Company has comprehensive Insurance cover in case of any catastrophic event. Further, the Company has taken into account every possible aspect of safety measures during construction and erection of building and plant. Company has well established disaster recovery plan and data backup facility to cope-up uncertain events. The Company has adequate firefighting arrangements at the factory premises.

# Opportunities

Risk & Risk level	Area of Impact	Source	Risk Description	Risk Mitigating Controls
Capacity	Manufactured Capital	Internal	Economies of scale achieved through optimum capacity utilization are very important to reduce production costs per unit by absorbing fixed cost. Sugarcane crushing is based on sugarcane crushed on daily basis and the sugar production is dependent upon certain factors that includes sucrose recovery percentage and availability of sugarcane. Capacity utilization of paper plant depends on orders in hand and availability of key imported raw material.	Company plans to maximize its crushing rate and utilize full crushing capacity by implementing well-structured and planned sugarcane procurement goals. Thus, effectively implementing in its operational areas in order to procure best sugarcane varieties and attaining highest sucrose recovery. For paper, the Company endeavors to get bulk orders to keep the plant running and placing orders for imported OCC in advance and has dedicated LC lines from banks.
Level of Integration and Diversification	Financial Capital Manufactured Capital	Internal	Forward integration into ensure optimal utilization of by-products such as molasses and bagasse. Molasses is used in distillery that is a source of revenue maximization. Energy that is saved in manufacturing process results in bagasse saving. Bagasse can be used for projects like power generation, paper and board etc. or can be sold to increase revenue.	Diversification enables the companies to capture value across the production chain and ultimately results in high revenues and maximize the return to shareholders.  An integrated sugar company functions on a de-risked model, which results in higher revenue and stable profitability for its stakeholders.

## Materiality Approach

The Board of Directors of Mirpurkhas Sugar Mills Limited reposes authority and power to the Company's management for taking day to day decisions. The management however, observes the approach of materiality in applying power and authority.

Materiality is a matter of judgment and the Company thinks that a matter is material if, individually or in aggregate, they are expected to significantly affect the performance and profitability of the Company. In order to execute day to day operations/ transactions, delegation of powers has also been defined clearly and formalized procedures are followed for their execution.

## The initiatives taken by the company in promoting and enabling innovation

Mirpurkhas Sugar Mills has been a front runner in innovation. Historically, the cane survey was done through visits of various circles and gathering the data manually to assess the cane crop. However, since last year, management has taken the initiative to conduct cane crop survey through drone technology. Drones have been used for data collection and analysis for better planning in agriculture and for crop management in the advanced countries and management believes that this will increase the accuracy of the estimations and better planning of the sugar season. The Company has also used drones for estimation of bagasse quantity.

During the year company planned to commission (CTMP) chemical thermo mechanical pulp plant. Its major components are imported & civil work is in progress, it will reduce the dependency on imported raw material for paper production.

The Company also strives to train its employees on a regular basis to keep them abreast with the latest technologies in the industry.

# Risks of Supply Chain disruption due to an environment, social or governance incident and company's strategy for monitoring and mitigating these risks

Supply chains are intricate networks that connect suppliers, manufacturers, distributors, and customers worldwide. However, they are susceptible to various disruptions, including those stemming from environmental, social, or governance incidents. Understanding and mitigating these risks is crucial for the stability and sustainability of businesses.

The Company mitigates those risks through defined SoPs for all its manufacturing, purchasing, sales and operational areas that comply with international standards. The Company is certified for compliance of the standard of Quality management system ISO 9001:2015, Environmental management System ISO 14001:2015, Occupational health and safety management system ISO 45001:2018 and Good Manufacturing Practices Codex Alimentarius. The Company has also obtained FSC (Forest Stewardship Council) certification for its paper plant. These standards ensure that environmental, social and governance risks are identified, assessed and mitigated and fair, ethical and sustainable practices are followed.

## Environmental Risks

Vigilant monitoring of our suppliers' environmental practices is at the core of our strategy. We assess their sustainability initiatives, evaluate adherence to environmental regulations, scrutinize carbon footprints, and assess waste management practices. By engaging with environmentally responsible suppliers, our goal is to minimize disruptions caused by environmental incidents.

## Social Risk

Prioritizing suppliers who uphold fair labor practices and human rights standards is a fundamental aspect of our approach. Regular assessments ensure compliance with ethical labor practices, health and safety regulations, and community engagement. This commitment helps mitigate the risk of supply chain disruptions due to social issues.

## Governance Risk

Evaluating suppliers, governance frameworks is imperative to ensure transparent and ethical business practices. Suppliers with robust corporate governance structures are preferred to mitigate disruptions arising from fraud, corruption, or compliance breaches.

### Mitigation Strategies:

**Diversification:** Establishing alternative suppliers or geographically diverse sources reduces reliance on a single region or supplier, mitigating the impact of local disruptions. The Company usually has three suppliers for sourcing any item.

**Transparency and Collaboration:** Encourage transparency within the supply chain to identify risks early. Collaboration with suppliers and stakeholders fosters resilience by jointly addressing potential issues. The Company is in regular coordination with suppliers to ensure that information is timely shared and best practices are followed.

**Risk Assessment and Contingency Planning:** Regularly assess potential risks and develop contingency plans to swiftly respond to disruptions, ensuring minimal impact on operations.

In conclusion, we address related risks in supply chains by adopting proactive measures and fostering resilience to reduce the overall impact of risks on supply chain operations.



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## Notice of Annual General Meeting

Notice is hereby given that the 61st Annual General Meeting of the Company will be held on Wednesday, January 21, 2026 at 11:00 a.m. at the Registered Office of the Company at Factory premises, Jamrao, Umerkot, Road, Mirpurkhas, Sindh as well as through video link conferencing facility to transact the following businesses:

### Ordinary Business

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended September 30, 2025 with the Directors' and the Auditors' Reports thereon.
2. To elect seven (7) Directors of the Company as fixed by the Board of Directors u/s 159(1) of the Companies Act, 2017. The names of retiring Directors are (1) Mr. Arif Dino Faruque (2) Mr. Aslam Faruque (3) Mr. Amer Faruque (4) Ms. Farzana Faruque (5) Mr. Hasan Reza Ur Rahim (6) Mr. Abdul Shakoor Shaikh and (7) Mr. Wasif Khalid.
3. To appoint Auditors Kreston Hyder Bhiimji & Co. Chartered Accountants for the year 2025/26 and to fix their remuneration.
4. To transact any other business with the permission of the chair.

### Special Business

5. To consider and if thought appropriate, pass with or without modification, the following ordinary resolutions in terms of Section 183 of the Companies Act, 2017, to authorize and approve the disposal of equity shares of the Company in its associated entities, Cherat Cement Company Limited and Cherat Packaging Limited.
  - a) *"RESOLVED that pursuant to Section 183 and other applicable provisions of the Companies Act, 2017 and subject to the grant of all approvals and consents, as required under the applicable law, Mirpurkhas Sugar Mills Limited (the "Company") is hereby authorized to dispose of equity shares held in its associated entities Cherat Cement Company Limited and Cherat Packaging Limited in the open market."*
  - b) *"FURTHER RESOLVED that any two of the Chief Executive Officer, the Chief Financial Officer, and the Company Secretary be and are hereby jointly authorized to do all acts, deeds and things and undertake all such steps for the purposes of implementing this resolution as the aforesaid officer of the Company may deem fit."*
6. To consider and approve the following resolution as Special Resolution:
  - a) *"RESOLVED that the transactions carried out in the normal course of business with related parties and associated companies as disclosed in Note 39 of the Financial Statements during the year ended September 30, 2025, be and are hereby ratified and approved."*
  - b) *"FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to enter and approve all transactions to be carried out in the normal course of business with related parties and associated companies during the ensuing year ending September 30, 2026."*

The statement(s) under section 134 of the Companies Act, 2017, pertaining to the above-mentioned Special Business, are attached with the notice.

By Order of the Board of Directors



Asim H. Akhund  
Company Secretary

Karachi: December 30, 2025

The Annual Audited Financial Statements of the Company together with the reports and documents required under Companies Act, 2017 have been uploaded on the website of the Company which can be downloaded from the following link and/or QR enabled code:

Weblink	QR Code
<a href="http://gfg.com.pk/msm/financial-information/">http://gfg.com.pk/msm/financial-information/</a>	

**NOTES:**

1. The register of members of the Company will be closed from Wednesday, January 14, 2026 to Wednesday, January 21, 2026 (both days inclusive) and no transfers will be registered during that time. Shares received in order at the Office of the Share Registrar of the Company, CDC Share Registrar Services Limited (CDCSR), CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 at the close of business on Tuesday, January 13, 2026 will be treated in time for attending the meeting.
2. A member of the Company eligible to attend, speak and vote at the Annual General Meeting may appoint another member as his/her proxy to attend, speak and vote in his/her stead. Proxies to be effective must be in writing and must be received at Company's Head Office 48 hours before the Meeting.
3. The AGM proceedings will also be held via video through ZOOM application (a video link conferencing facility). Shareholders interested to participate in the meeting are requested to email required information with subject "Registration for Mirpurkhas Sugar Mills Limited AGM" along with a valid copy of both sides of Computerized National Identity Card (CNIC) at [cddsr@cdcsrsl.com](mailto:cddsr@cdcsrsl.com). Shareholders are advised to mention their full details in the following manner:

Full Name of Shareholder / Proxy Holder	Company	CNIC Number	Folio / CDC A/c No.	Email Address	Mobile Phone No.
	<b>Mirpurkhas Sugar Mills Ltd.</b>				

4. Video link details and login credentials will be sent to members at their provided email addresses enabling them to attend the meeting on the given date and time.
5. Members will be able to login and participate in the AGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders. Video link and login credentials will be shared with only those members whose emails, containing all the required particulars, are received at least 48 hours before the time of AGM.
6. Members of the Company whose shares are registered in their account/sub-account with Central Depository System (CDS) are requested to bring original Computerized National Identity Card along with their account number in CDS and participant's ID number for verification.
7. Members of physical shares are requested to notify any change in their addresses to the Company's Share Registrar. Whereas, shareholders of CDC Accounts are requested to immediately notify any change in their addresses to their respective CDC Participant / Broker / CDC Investor Account Services.
8. According to Section 119 of the Companies Act, 2017, and Regulation 47 of the Companies Regulations, 2024, all physical shareholders are advised to provide their mandatory information such as CNIC number, address, email address, contact mobile / telephone numbers, occupation, etc. to CDC Share Registrar Services Limited immediately to avoid any non-compliance of law or any inconvenience in future.
9. Members of physical shares who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) are requested to send the same to the Share Registrar of the Company.
10. As per Section 72 of the Companies Act, 2017, every listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP. The shareholders having physical shareholding are accordingly required to open their account with investors account services of CDC or sub account with any of the brokers and convert their physical shares in book entry form. This will facilitate the shareholder in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.
11. Shareholders are hereby reminded that 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 are requested to fill in E-Dividend Mandate Form available on the Company's website i.e. [www.gfg.com.pk/msm/](http://www.gfg.com.pk/msm/) and send it duly signed along with a copy of CNIC to the Registrar of the Company CDC Share Registrar Services Limited in case of physical shares. In case shares are held in CDC, then 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>.
12. In compliance of Section 244 of the Companies Act, 2017, once the Company has completed stipulated formalities, any unclaimed dividend and /or shares that have remained outstanding for a period of three years from

the date of becoming due and payable or more shall be credited to the Federal Government (in case of dividend) or delivered to the SECP (in case of physical shares). Shareholders who by any reason could not collect their remaining unclaimed dividend/shares are advised to contact the Share Registrar of the Company to collect/inquire about their unclaimed dividend or shares, if any.

13. The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018, the SECP has directed all 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 and in case of election of directors, if the number of persons who offer themselves to be elected is more than the number of directors fixed under section 159 of the Companies Act, 2017.

Accordingly, the members of the Company will be allowed to exercise their right to vote through electronic voting facility or voting by post, subject to the requirements of section 143 and 144 of the Companies Act, 2017, for the special business and election of directors, (if required) in the AGM to be held on Wednesday, January 21, 2026 at 11.00 a.m., in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

**Procedure for E – Voting:**

14. Details of the e-voting facility will be shared through an e-mail with those shareholders 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 13, 2026.

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

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

E-Voting lines will start from January 16, 2026, shall close on January 20, 2026, at 5:00 p.m. Shareholders can cast their votes any time during this period. Once the vote on resolutions is casted, he / she shall not be allowed to change it, subsequently.

**Procedure for Voting Through Postal Ballot:**

The shareholders shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC), should reach the Chairman through post on the Company's address, 2nd Floor Modern Motors House, Beaumont Road, Karachi or email at [agmmsm@gfg.com.pk](mailto:agmmsm@gfg.com.pk) one day before the AGM i.e. on January 20, 2026, during working hours. The signature on the ballot paper shall match the signature on the CNIC.

For the convenience of the shareholders, ballot paper is annexed to this notice and the same is also available on the Company's website at [www.gfg.com.pk/msm/](http://www.gfg.com.pk/msm/) for the purpose of being downloaded.

15. In pursuance of directive issued by the Securities & Exchange Commission of Pakistan, no gifts will be distributed at the meeting.
16. Shareholders have option to receive Annual Audited Financial Statements and Notice of General Meeting through email. Shareholders of the Company are requested to give their consent to our Share Registrar to update the record if they wish to receive Annual Audited Financial Statements and Notice of General Meeting through email. However, if shareholders, in addition, request for hard copy of Audited Financial Statements, the same shall be provided free of cost within seven (7) days of receipt of such written request.
17. Any member who intends to contest the election for the office of the Directors shall file with the Company at its Head Office not later than fourteen (14) days before the date of the Annual General Meeting following documents:
  - a) Notice of his/her intention to offer himself/herself for election of Director as an Independent Directors, Female Directors and Other Directors in terms of Section 159(3) of the Companies Act, 2017;
  - b) Consent to act as Director on signed appendix to Form 9, duly completed and signed by the candidate along with copy of valid CNIC;
  - c) Detailed profile (including other directorship, if any) along with official address for placement on the Company's website seven (7) days prior to the date of the AGM;
  - d) Declaration/undertaking in respect of being compliant with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, and the eligibility criteria as set out in the Companies Act, 2017.
  - e) Declaration/undertaking by an Independent Director under the Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Companies (Manner and Selection of Independent Directors) Regulations, 2018, on non-judicial stamp paper, confirming that he/she meets the requirements under Section 166 of the Companies Act, 2017; and
  - f) The candidates are required to read the relevant provisions/requirements relating to the appointment/election of directors, as mentioned in the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance Regulations), 2019, and ensure compliance with the same in letter and spirit.

18. If the number of members who offer themselves is not more than the number of Directors to be elected, such members will be elected unopposed without the voting process.
19. The final list of contesting Directors will be published in newspaper not later than seven (7) days before the date of the AGM, in terms of section 159 (4) of the Companies Act, 2017. Further, the website of the Company will also be updated with the required information.
20. In case of election of Directors, if required, then schedule and procedure of postal ballot/electronic voting along with Postal Ballot for election of directors shall be published in newspaper and also placed on the Company's website i.e. [www.gfg.com.pk/msm/](http://www.gfg.com.pk/msm/) seven (7) days before the meeting.

#### **Scrutinizer**

21. In accordance with the Regulation 11 of the Companies (Post Ballot) Regulations, 2018, the Company has appointed UHY Hassan Naeem & Co, Chartered Accountants, having rating Quality Control Review Program (QCR) of Institute of Chartered Accountants of Pakistan as audit firm, to act as the Scrutinizer of the Company for the election of Directors and the business as mentioned in section 183(3) of the Companies Act, 2017, to be held in the general meeting and to undertake other responsibilities as defined in Regulation 11A of the Regulations.

#### **Statement Under Section 166 of the Companies Act, 2017 - Regarding Independent Directors**

Independent Directors shall be selected in accordance with the applicable criteria set out for independence under section 166 of the Companies Act, 2017 and the Companies (Manners and Selection of Independent Directors) Regulations, 2018. Further, the Regulations issued there under and their names should be listed on the databank of independent directors maintained by Pakistan Institute of Corporate Governance. However, the candidate shall be elected in the same manner as other directors are elected in terms of Section 159 of the Companies Act, 2017. No directors have direct or indirect interest in the above said business other than as shareholders of the company, and they can contest the election of directors subject to the eligibility criteria.

#### **Statements Under Section 134 of the Companies Act, 2017**

##### **Agenda Item (5) Divestment of Equity Shares of the Company**

No.	PARTICULARS	RELEVANT INFORMATION	
1.	Name of the assets	Cherat Cement Company Limited	Cherat Packaging Limited
2.	Acquisition date(s)	Various years from 1983 – 2019 including right issues and bonus shares	Various years 1990 – 2023 including right issues and bonus shares
3.	Total Cost	Rs.24,976,785	Rs.66,156,871
4.	Revalued amount and date of revaluation (if applicable)	These investments are listed and actively traded on the stock exchange. Their fair values, based on market prices at the respective reporting period end, are reflected in the Company's financial statements. The fair values of these investments as at 30 September 2025 are as follows:	
		Rs. 994,189,329	Rs. 275,109,228
5.	Book value	Same as stated in serial No. 4 above	
6.	Approximate current market price/fair value	Rs.954,701,194	Rs.241,177,628
7.	In case of sale, if the expected sale price is lower than book value or fair value, then the reasons thereof	Not applicable	
8.	The proposed manner of disposal of the said assets.	To be sold in open market at the prevailing rates as on the date of disposal	
9.	In case the company has identified a buyer, who is a related party the fact shall be disclosed in the statement of material facts.	Disposal will occur at prevailing market prices through public sale; no identified buyer(s) are currently party to the transaction.	
10.	Purpose of the sale, lease or disposal of assets along with following details: <ol style="list-style-type: none"> <li>a) Utilization of the proceeds received from the transaction;</li> <li>b) Effect on operational capacity of the company, if any; and</li> <li>c) Quantitative and qualitative benefits expected to accrue to the members.</li> </ol>	a) The proceeds from the disposal of the Company's investments in listed securities will be utilized primarily for reducing debt of Company by the repayment of existing borrowings. This is expected to result in a reduction in finance costs and strengthen the Company's liquidity position. b) The proposed disposal is not expected to have any material impact on the Company's operational or production capacity, or its ongoing business activities. c) Based on current estimates, the transaction is expected to have a positive impact on earnings per share (EPS) of approximately Rs. 1.61 per share on an annualized basis, assuming full-year impact. Upon disposal, any unrealized gains or losses previously recorded in equity / other comprehensive income (OCI) relating to these investments will cease to arise in future periods.	

#### **Agenda Item (6) Related Party Transactions**

The statement sets out material facts concerning "Special Business" to be transacted at the Annual General Meeting of the Company to be held on January 21, 2026. The approval of the Members of the Company will be sought for:

During the financial year ended September 30, 2025, the Company carried out transactions with its associated companies and related parties in accordance with its policies and applicable laws and regulation. Related party transactions require shareholders' approval under sections 207 and 208 of the Companies Act, 2017. Such transactions are being placed before the shareholders for their approval through special resolution proposed to be passed in the Annual General Meeting.

The shareholders are requested to ratify the transactions which have been disclosed in Note no. 39 of the Financial Statements for the year ended September 30, 2025 and further to authorize the Board of Directors to conduct transactions with related parties or associated companies for the year ending September 30, 2026.

Party wise breakup of transactions as disclosed in Note no. 39 of the Financial Statements for the year ended September 30, 2025 is given below:

<b>Name of Related Party</b>	<b>Nature of Transaction</b>	<b>Amount (Rs.)</b>
Zensoft (Private) Ltd.	Services Paid	(20,212,007)
Greaves Airconditioning (Private) Ltd.	Services Paid	(1,638,745)
Greaves Airconditioning (Private) Ltd.	Purchase Made	(598,282)
Greaves Pakistan (Private) Ltd.	Services Paid	(15,538,703)
Greaves Pakistan (Private) Ltd.	Purchase Made	(1,981,457)
Cherat Cement Company Ltd.	Dividend Income Received	15,110,023
Cherat Packaging Ltd.	Purchase Made	(73,060,020)
Cherat Packaging Ltd.	Dividend Income Received	10,969,268
Cherat Packaging Ltd.	Sales Made	7,889,716
Unicol Ltd.	Sales Made	735,499,979
Unicol Ltd.	Purchase made	22,800,000
PF/GF	Charge for staff Provident & Gratuity Fund Paid	(20,099,000)

The Directors are not interested, directly or indirectly, in the above business except to the extent of their Shareholding as mentioned in the pattern of shareholding.



## Mirpurkhas Sugar Mills Limited

A Ghulam Faruque Group Company

### POSTAL BALLOT PAPER

for voting through post for the Special Business at the Annual General Meeting to be held on Wednesday, January 21, 2026 at 11:00 a.m. at the Registered Office of the Company at Factory premises, Jamrao, Umerkot Road, Mirpurkhas, Sindh.

UAN: +92 21 111-354-111 Website: [www.gfg.com.pk/msm/](http://www.gfg.com.pk/msm/)

Folio / CDS Account Number	
Name of Shareholder / Proxy Holder	
Registered Address	
Number of shares Held	
CNIC/Passport No. (in case of foreigner) (copy to be attached)	
Additional information and enclosures (in case of representative of body corporate, corporation, and Federal Government)	
Name of Authorized Signatory	
CNIC/Passport No. (in case of foreigner) of Authorized Signatory (copy to be attached)	

#### Resolution For Agenda Item No. 5

- a) "RESOLVED that pursuant to Section 183 and other applicable provisions of the Companies Act, 2017 and subject to the grant of all approvals and consents, as required under the applicable law, Mirpurkhas Sugar Mills Limited (the "Company") is hereby authorized to dispose of equity shares held in its associated entities Cherat Cement Company Limited and Cherat Packaging Limited in the open market."
- b) FURTHER RESOLVED that any two of the Chief Executive Officer, the Chief Financial Officer, and the Company Secretary be and are hereby jointly authorized to do all acts, deeds and things and undertake all such steps for the purposes of implementing this resolution as the aforesaid officer of the Company may deem fit."

#### Resolution For Agenda Item No. 6

- a) "RESOLVED that the transactions carried out in the normal course of business with related parties and associated companies as disclosed in Note 39 of the Financial Statements during the year ended September 30, 2025, be and are hereby ratified and approved."
- b) "FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to enter and approve all transactions to be carried out in the normal course of business with related parties and associated companies during the ensuing year ending September 30, 2026."

### Instructions For Poll

1. Please indicate your vote by ticking (✓) the relevant box.
2. In case if both the boxes are marked as (✓), your poll shall be treated as "**Rejected**".

I/we hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing tick (✓) mark in the appropriate box below;

Resolutions	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Resolution For Agenda Item No. 5		
Resolution For Agenda Item No. 6		

1. Dully filled ballot paper should be sent to the Chairman at 2nd Floor, Modern Motors House, Beaumont Road, Karachi or email at [agmmsm@gfg.com.pk](mailto:agmmsm@gfg.com.pk)
2. Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Ballot paper should reach the Chairman within working hours by or before Tuesday, January 20, 2026. Any postal ballot received after this date, will not be considered for voting.
4. Signature on ballot paper should match with signature on CNIC/ Passport (In case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written poll paper will be rejected.
6. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution, / Power of Attorney, / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable.
7. Ballot Paper form has also been placed on the website of the Company at: [www.gfg.com.pk/msm/](http://www.gfg.com.pk/msm/) Members may download the ballot paper from the website.

Date

Shareholder / Proxy holder Signature/Authorized Signatory  
(In case of corporate entity, please affix company stamp)

## Directors' Profile

### Mr. Arif Faruque Chairman

Mr. Arif Faruque is a Swiss - qualified Attorney-at-Law and also holds Masters degrees in Law and Business Administration from the United States of America. He recently completed the Owner President Management Program at Harvard Business School. He is the Chief Executive of Faruque (Pvt.) Ltd. He is on the Board of Directors of Cherat Packaging Ltd. and Cherat Cement Company Ltd. Besides the above, he is also a member of the Board of Governors of Lahore University of Management Sciences (LUMS).

### Mr. Amer Faruque Director

Mr. Amer Faruque is a Bachelor of Science (BS) graduate in Business Administration majoring in Management / Marketing from Drake University, Des Moines, Iowa, USA. He is the Chief Executive of Cherat Packaging Limited. He serves as a member of the Board of Directors of Faruque (Pvt.) Ltd., Greaves Pakistan (Pvt.) Ltd., Greaves CNG (Pvt.) Ltd. and Executive Director Marketing of Cherat Cement Co. Ltd. In the past he has served as a member of the Board of Governors of Ghulam Ishaq Khan (GIK) Institute of Engineering Sciences and Technology and Lahore University of Management Sciences (LUMS) and the Centre of International Private Enterprise (CIPE). He is also the Honorary Consul of Brazil in Peshawar.

### Mr. Aslam Faruque Chief Executive

Mr. Aslam Faruque is a graduate with a major in Marketing. He is the Chief Executive of Mirpurkhas Sugar Mills Ltd., Unicol Ltd. and UniEnergy Ltd. He is on the Board of Directors of Cherat Packaging Ltd. and Greaves Engineering Services (Pvt.) Ltd.

In the past, he has served as the Chairman and Senior Vice Chairman of Pakistan Sugar Mills Association - Center. He also served as Chairman of Pakistan Sugar Mills Association Sindh Zone, and Director of Sui Southern Gas Company Ltd., and State Life Insurance Corporation of Pakistan and Pakistan Industrial Development Corporation.

### Ms. Farzana Faruque Director

Ms. Farzana Faruque holds a BA (Hons) in Graphic Design and Communications from Chelsea College of Art and Design, United Kingdom. After completing her degree, she pursued her interest in health and wellness and subsequently obtained certifications as a Health Coach and Fitness Trainer.

Ms. Faruque has professional experience in the wellness and consumer-health sectors. She founded an indoor cycling fitness studio and co-founded a health and detox food brand in 2015. She also manages social media and marketing operations for Studio X, a multi-discipline fitness and wellness facility in Karachi. In addition to her corporate and entrepreneurial roles, she provides freelance marketing consultancy services.

She has been serving as a Director of Mirpurkhas Sugar Mills Limited and contributes to the Company through her background in design, communications, and brand development.

### Mr. Wasif Khalid Director

Mr. Wasif Khalid is a fellow member of Institute of Chartered Accountant of Pakistan (ICAP) and fellow member of Pakistan Institute of Public Finance Accountants (PIPFA). He has also done his master in Business Administration (Marketing and Operations Management) from Hamdard University, Karachi.

He is the Chief Operating Officer of Mirpurkhas Sugar Mills Ltd. and Chief Financial Officer of Zensoft (Pvt.) Ltd. Mr. Khalid is also serving on the Board of Director of Mirpurkhas Sugar Mills Ltd., Greaves Airconditioning (Pvt.) Ltd., Greaves CNG (Pvt.) Ltd., Greaves Engineering Services (Pvt.) Ltd. and as an Executive Director Finance of Unicol Ltd.

He has contributed immensely towards development of financial models and implementation of new projects. He has been actively involved with the regulators, practitioner and leading Shariah scholars of the industry for developing the commercial industry transactions. Prior to Ghulam Faruque group, Mr. Khalid was associated with various companies in Middle East and in Pakistan he worked with one of Big 4 audit firms. He has over 23 years' worth of rich experience in financial restructuring and modeling, project financings, operational management and internal audit.

He has served as a General body member of FPCCI, as Head of cost and budget committee of PSMA- Sindh Zone and served as Member committee agriculture development and reforms at Ministry of Industries and Production and Kisan Board on behalf of PSMA- Sindh Zone. He also worked as a member of the sugar monitoring committee formed by the Federal Board of Revenue.

## Mr. Hasan Reza Ur Rahim

Director



Mr. Rahim is a seasoned banking and financial services professional with over 40 years of domestic and international experience. He brings extensive board and corporate governance expertise, with more than a decade of experience serving on listed and unlisted company boards.

He currently serves as an Independent Director on the boards of Atlas Insurance Ltd, Burj Clean Energy Modaraba, Mirpurkhas Sugar Mills Ltd, Lucky Electric Power Limited, Lucky Motors Corporation Limited, and Lucky Landmark (Pvt.) Limited. He has previously served on the boards of Cyan Limited, Dawood Hercules Corporation Limited, Dawood Lawrencepur Limited, Engro Chemical Pakistan Limited, Hascol Limited, and Hum Network Limited.

Mr. Rahim's executive career includes serving as Executive Director, Chairman's Office at the Dawood Group, and a 15-year tenure at JPMorgan, where he held senior roles in Pakistan and abroad, including establishing and leading the Global Corporate Bank in Bahrain, Qatar, and Saudi Arabia, serving as Senior Country Officer for Pakistan, and working with the Regional Corporate Finance team in Singapore. He has led major M&A, privatization, and sovereign financing transactions exceeding USD 7.0 billion across multiple sectors.

Earlier in his career Mr. Rahim, also held senior positions with MashreqBank psc and ANZ Grindlays Bank plc. He has worked in several international locations that included Zurich, Singapore, Bahrain and Dubai.

He holds a Bachelor's degree from the University of Delaware (USA) and is an IFC-certified corporate governance trainer, a Pakistan Institute of Corporate Governance ("PICG") Certified Director, and a faculty member at PICG.

## Mr. Abdul Shakoor Shaikh

Director



Mr. Abdul Shakoor Shaikh is an accomplished public-sector professional and corporate governance practitioner with over 29 years of diversified experience across Pakistan's Federal and Provincial civil services, state-owned enterprises, and international assignments. He brings extensive expertise in public administration, finance & taxation, policy implementation, regulatory affairs, operations management, social sector development, and institutional reform.

Mr. Shaikh has served in multiple senior leadership roles, including Executive Director, State Life Insurance Corporation of Pakistan (SLIC), Member (Operations, Audit & NI), Sindh Revenue Board, Commission Inland Revenue (FBR), and Community Welfare Attaché/Counsellor at the Embassy of Pakistan in Saudi Arabia. In these key positions, he provided strategic direction in areas such as revenue administration, legal affairs, HR management, digital transformation, public accountability, and service delivery improvements. His tenure at SLIC included oversight of major portfolios such as real estate, HR & administration, taxation, underwriting, and policyholder services for the country's largest life insurer.

He holds a Director Training Program (TDP) certification from the Pakistan Institute of Corporate Governance (PICG), an MBA in Management, and a Bachelor's degree in Computer System Engineering. His career includes significant achievements in digitalization, revenue growth, workers welfare initiatives, overseas Pakistani diaspora facilitation, and community-based health and education programs. He has been recognized with several national awards for outstanding performance in public services, crises management, organizational development, and digital innovation.

Mr. Shaikh currently serves on the Boards of Mirpurkhas Sugar Mills Ltd. and Pakistan Reinsurance Company Ltd. where he contributes to corporate governance, strategic oversight, business performance review, and risk management. His board multidisciplinary background, combined with strong administrative insight and regulatory experience, positions him as a valuable contributor to the Board and its committees.



## Chairman's Review

FOR THE YEAR ENDED SEPTEMBER 30, 2025

On behalf of the Board of Directors, I am pleased to present the Chairman's Review for the year, in accordance with Section 192 of the Companies Act, 2017.

During FY 2024–2025, Pakistan's economy recorded moderate GDP growth of 2.7–3.04%, supported by the services and industrial sectors, while facing pressures from a high fiscal deficit and the lingering impact of floods. Inflation declined to around 4.5%, and the current account improved due to higher remittances, contained imports, and stronger revenue mobilization.

The agriculture sector grew by 0.56%, compared to 6.25% in the previous year, as the crops sub-sector contracted by about 6.8% due to adverse weather, pest infestations, and weaker cotton and maize output. In the sugarcane segment, cultivation spanned 1.19 million hectares, with production of approximately 84.24 million metric tons, reflecting minor changes in area and a slight decline in yields.

The paper and board industry continued to face challenges arising from high input and energy costs and competition from imported products. Demand from key sectors, such as textiles and packaging, remained stable, while government measures on tariffs and anti-dumping offered some relief. Local manufacturers continued to focus on operational efficiency, quality enhancement, and selective export opportunities.

Despite these industry and macroeconomic challenges, the Company managed its resources effectively and served its diversified customer base across the Sugar and Paper divisions, with continued emphasis on quality, volume growth, and product development. The integration of renewable energy solutions further reinforced the Company's commitment to sustainable and responsible operations.

The Board ensured strong oversight during the year, with regular meetings of the Board, Audit Committee, and Human Resource Committee to review performance, evaluate strategic initiatives, and ensure regulatory compliance. Independent Directors contributed meaningfully to governance, policy formulation, and strategic decision-making. The Board also completed its annual self-evaluation in line with the Code of Corporate Governance to assess performance and identify areas for further improvement.

The Company is committed to fostering a diverse, equitable, and inclusive (DE&I) workplace. It prioritizes DE&I in its ethical and sustainable practices, focusing on increasing diversity through inclusive recruitment strategies and diverse interview panels.

Looking ahead, the Company will continue to invest in its people, processes, and technology to drive efficiencies, strengthen customer engagement, and support sustainable growth. The Board and Management remain focused on safeguarding shareholder value through cost optimisation, diversification, and community development.

I would like to extend my sincere appreciation to our shareholders, customers, suppliers, bankers, employees, and fellow Board members for their continued trust and support. Together, we remain committed to long-term, sustainable value creation.



**Arif Faruque**  
Chairman

Karachi: December 18, 2025

# Directors' Report to the Members

FOR THE YEAR ENDED SEPTEMBER 30, 2025

## Dear Members

The Directors of your Company take pleasure in presenting the financial results for the financial year ended September 30, 2025.

## Overview

Mirpurkhas Sugar Mills Limited is engaged in the production and sale of sugar and paper products. The Company also generates key by-products: bagasse, which is used for in-house power generation and steam production, and molasses, which is sold for ethanol production. The following sections provide a summary of production, sales, and industry-related challenges for both divisions:

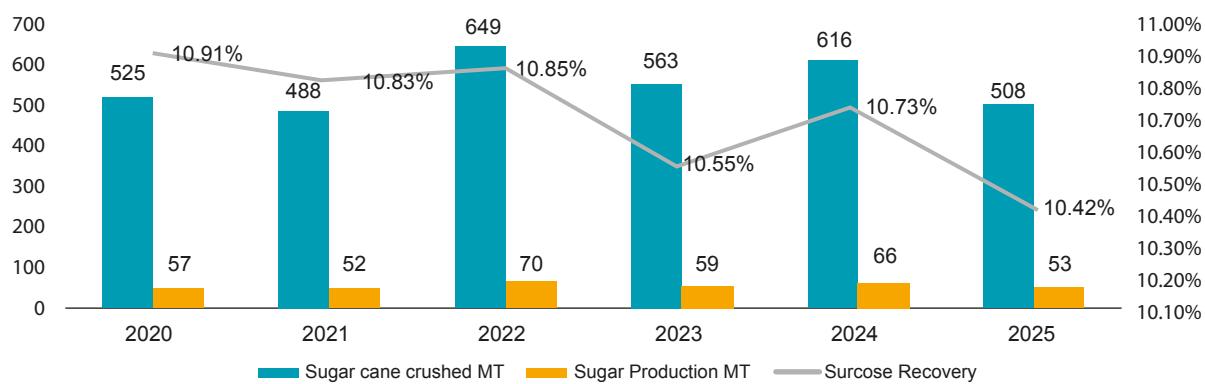
### Sugar Division

During the 2024/25 crushing season, total sugar production in Sindh declined to 1.618 million metric tons, compared to 2.022 million metric tons in the previous year, a decrease of nearly 20%. National sugar production for the season stood at 5.86 million metric tons (2023/24: 6.76 million metric tons). The sugar industry exported 765,727 metric tons of sugar during the year.

The crushing season commenced on November 21, 2024, and the plant operated for 97 days, similar to the previous year, performing efficiently throughout the season. Key comparative production data for the current and previous year are summarized in the table below, followed by a graphical illustration of sugar production and sales trends.

Description	2024-25	2023-24
Days operated	97	97
Sugarcane crushed (metric tons)	508,214	616,103
Sugar production (metric tons)	52,977	66,100
Molasses production (metric tons)	26,086	30,110
Sucrose recovery (%)	10.42	10.73

Crushing, Production ('000 m. Tons) & Recovery (%)



## Industry Challenges

- Erratic weather patterns, water scarcity, and cultivation disruptions reduce sugarcane availability, increasing procurement risk.
- Government regulations on sugar exports limit mills' ability to respond to global demand, while frequent policy changes create uncertainty in pricing and operational planning.
- Increases in fuel, fertilizers, and other agricultural inputs raise production costs. While bagasse is used for in-house power generation, energy-intensive processes such as crushing and milling remain sensitive to cost fluctuations.

- Prices of molasses and ethanol fluctuate in domestic and international markets, affecting the profitability of by-product sales.

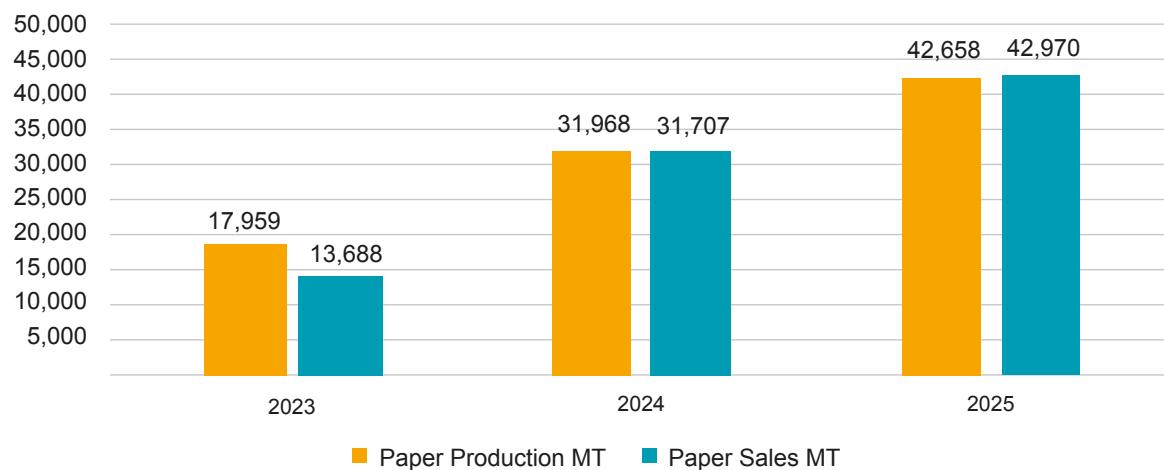
### Paper Division

The paper division recorded a significant increase in production during the year, rising by 10,713 metric tons (33.5%) over last year, driven primarily by an additional 46 operational days. The plant maintained efficient operations and met all key operational parameters.

Profitability was impacted by rising costs of old corrugated cartons (OCC), overdue receivables, and higher financial charges. The ongoing installation of the agro pulping plant is expected to be completed within six months, reducing dependence on imported raw materials and mitigating risks associated with currency fluctuations and dollar-based pricing. Comparative production and sales data are presented in the table below, followed by a graphical illustration.

Description	2024-25	2023-24
Days operated	221	175
Plant Capacity per day (metric tons)	250	250
Production Capacity on operational days (metric tons)	55,250	43,750
Actual paper production (metric tons)	42,658	31,968
Capacity utilization on operational days (%)	77.20	73.10

### Sales & Production of Paper



### Industry Challenges

- Raw materials account for more than 60% of the cost of goods sold. Prices are highly sensitive to international demand and supply conditions, including the impact of global recession, leading to volatility in production costs and margins.
- The industry relies heavily on short-term borrowings to finance inventory and trade receivables, making operations sensitive to liquidity and financing costs.
- Energy-intensive processes such as pulping and drying, together with industrial electricity tariffs that are higher than those in competing countries, raise production costs and reduce competitiveness.
- Imported paper and paperboard products, often priced below cost due to dumping — especially from countries with lower production costs — pose a serious threat to the viability of domestic production, eroding market share and exerting downward pressure on prices.

### Financial and Operational Performance

The highlights of the Company's operational and financial performance for the year ended September 30, 2025 are presented below:

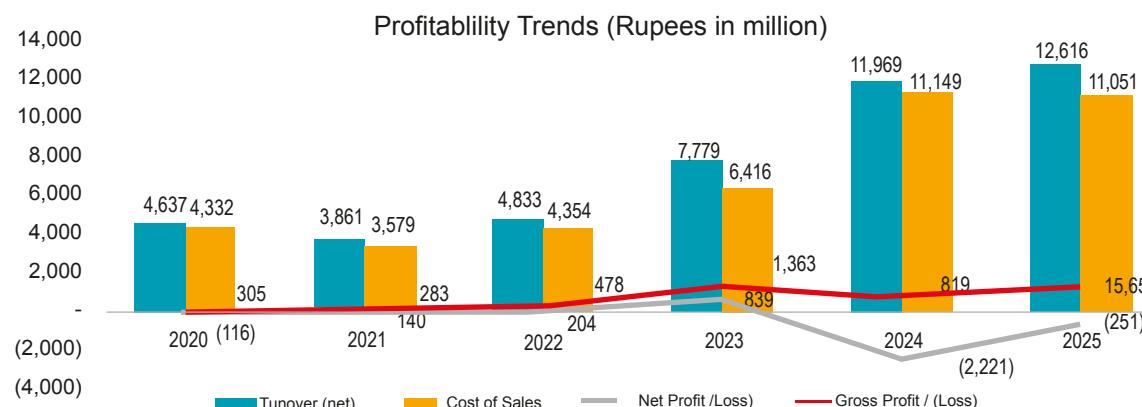
- Price of sugarcane declined from Rs. 475 per maund to Rs. 456 per maund this year. There has been no formal notification of minimum support price of sugar cane. This reflects the ongoing deregulation of the sugar sector under IMF-driven reforms and contributed to a reduction in the Company's cost of production.
- During the year under review, the Company sold 58,678 metric tons of sugar, including 5,003 metric tons of exports, as against 70,037 metric tons in the previous year. Despite lower volumes, improved selling prices and strong demand from the FMCG sector enabled the Company to enhance its profitability. Sugar prices strengthened further towards the year end due to a nationwide decline in production.
- In the paper division, sales stood at 42,970 metric tons versus 31,707 metric tons last year. However, prices in the paper segment remained under pressure due to subdued market demand, aggressive competition, and the largely unregulated nature of the market.
- Driven primarily by higher sugar prices, the Company achieved a gross profit margin of 12.41%, compared to 6.85% in the previous year.
- Financial charges decreased by Rs. 685 million (37%) to Rs. 1.17 billion from Rs. 1.86 billion last year, reflecting lower borrowing levels and improved financing costs. These charges include both long-term and short-term borrowings.
- Other income amounted to Rs. 56 million (2024: Rs. 47 million), comprising mainly dividends, scrap sales and profit earned on PLS accounts.
- The Company recognized its one-third share of profit from Unicol Limited amounting to Rs. 124 million, in contrast to a share of loss of Rs. 652.47 million in the previous year, and adjusted its investment in the associate accordingly.

Overall, loss per share for the year was Rs. 3.77, a significant improvement compared to the loss per share of Rs. 39.17 reported last year.

A summary of the key financial results of the Company for the current and previous year is presented below for comparison:

Description	2024-25	2023-24
	(Rs. in million)	(Rs. in million)
Net Sales	12,616	11,970
Cost of Sales	(11,051)	(11,150)
Gross Profit	1,565	820
Other Income	56	47
Share of (loss)/profit in associates-net	124	(652)
Other expenses & taxes	(1,996)	(2,436)
Net (Loss)	(251)	(2,221)

The graph below depicts the Company's financial performance over the last six years, highlighting trends in sales, cost of sales, gross profit, and net profit, thereby providing a long-term perspective on operational and financial growth.



## Status of Strategic Investment

### 1. Unicol Limited

Unicol's distillery and sugar plant have operated efficiently throughout the year/season. Ethanol production stood at 47,251 metric tons while sugar production was 54,374 metric tons for the season 2024/25. The company continues to generate operational profitability however, its performance has been significantly impacted by elevated borrowing costs, reduction in ethanol prices and higher cost of raw material. Furthermore, the benefits of obtaining reduced rate financing for the exporter under the Export Refinance Scheme had also been phased out under the IMF pressure to eliminate subsidies being offered to exporters. Nevertheless, management is confident that Unicol will continue to bring financial benefits to the Company and its shareholders in the long term.

### 2. Unienergy Limited

UniEnergy, a joint venture wind power project, has been unable to meet the required milestones. After evaluating the project's viability, the Board of Directors advised the management to initiate the winding-up process upon completion of all necessary regulatory compliances, as the project is no longer financially feasible. The Company had invested Rs. 7.69 million as equity in the project. In accordance with the applicable accounting standards on impairment of investments, the Company has recorded a provision for an impairment loss of Rs. 4.29 million.

## Principle Risks and Uncertainty

### Risk Assessment

The Board of Directors of Mirpurkhas Sugar Mills Limited (MSM) holds ultimate responsibility for overseeing the Company's risk management framework, while senior management is responsible for implementing effective controls and responding proactively to emerging risks.

Operating in the sugar and paper sectors, MSM is exposed to a variety of industry-specific risks. These encompass volatility in demand and pricing for sugar and paper products, changes in government policies and regulations—including anti-dumping measures—credit, liquidity and currency risks, as well as climate-related challenges, such as adverse weather and floods, which may affect raw material supply, its pricing and production capacity.

Management continuously monitors these risks and implements strategies to mitigate their impact, with a focus on maintaining the Company's market position and operational resilience.

### Risk Management

The Board of Directors actively monitors both the socio-economic environment and internal and external factors that could affect the Company's operations and performance.

Throughout the year, the Directors remain proactive in identifying potential risks, evaluating their possible impact, and developing strategies to reasonably mitigate foreseeable threats to the business. The Audit Committee plays a central role in implementing and overseeing these risk-management measures, regularly reviewing risk registers, internal audit reports, and management's corrective actions.

The Board also recognizes the growing significance of cybersecurity. The Company's in-house IT department is tasked with implementing and monitoring information-security controls, protecting critical systems and data, and ensuring uninterrupted business operations.

### Sustainability Risks and Opportunities

The Company recognises that environmental, social and governance (ESG) factors present both risks and opportunities for its long-term performance. Sustainability considerations are integrated into the overall risk-management framework and are periodically reviewed by the Board and its Committees.

Key sustainability-related risks include:

- Environmental: climate variability affecting sugarcane yields and quality, potential tightening of environmental regulations on emissions, effluents and waste, and rising energy costs;
- Social: health and safety incidents, community concerns in areas where the Company operates, and evolving expectations regarding labour standards; and

- Governance: non-compliance with regulatory or disclosure requirements, including ESG-related reporting and internal control over such information.

At the same time, the Company continues to pursue opportunities arising from:

- Energy and resource efficiency, including renewable / alternative energy and process improvements;
- Increased use of agro-based and recycled inputs to reduce reliance on imported raw materials; and
- Strengthening stakeholder relationships through community engagement, responsible employment practices and transparency.

Management remains focused on mitigating the identified risks and capturing related opportunities through ongoing investments in efficient technologies, enhancement of health and safety practices, and continued improvement of policies and procedures supporting sustainable operations.

### **Repayment of Debt / Loans**

The Company maintains an effective cash flow management strategy, under which inflows and outflows are regularly monitored, projected, and controlled. This approach ensures the timely and efficient settlement of all financial obligations and enables the Company to respond effectively to any operational or financial challenges. In line with this strategy, management continuously strives to optimize borrowing costs by maintaining a balanced mix of funding sources and efficient financing arrangements. The Company has a consistent practice of meeting its debt obligations on time, and during the year under review, all borrowings were settled without any delay.

### **Strategic Objectives on ESG**

The Board is committed to fostering a sustainable and ethical business model. Our strategic priorities encompass environmental stewardship, social responsibility and strong governance practices.

Key ESG objectives include:

- Reducing the Company's carbon footprint and promoting energy efficiency;
- Conserving natural resources and supporting sustainable agricultural practices;
- Safeguarding biodiversity in and around our operating areas;
- Promoting diversity and inclusion;
- Prioritizing employee health, safety and well-being; and
- Engaging constructively with the communities in which we operate.

The Board fully endorses these initiatives and remains committed to creating long-term value for all stakeholders.

### **Diversity, Equity, and Inclusion (DE&I)**

The Company is committed to upholding the principles of Diversity, Equity and Inclusion (DE&I) across its workforce. DE&I is considered an integral part of the Company's sustainable and ethical business practices.

Efforts are being made to improve gender and other forms of diversity at all levels by:

- Adopting fair and transparent recruitment and promotion processes;
- Encouraging diverse candidate pools and interview panels; and
- Providing equal opportunities for training and career development.

The Company aims to maintain a work environment that is free from discrimination and supports respect, dignity and inclusion for all employees.

### **DIVIDEND**

The Company has always strived towards an appropriate distribution of profits. Decisions regarding dividend payments are made after careful consideration of various factors, including the Company's

financial performance and long-term growth objectives. In view of the financial loss incurred during the year, and to preserve resources for strengthening the Company's operations and supporting its strategic initiatives, the Board of Directors has decided not to declare a dividend for the year.

### **CORPORATE SOCIAL RESPONSIBILITY**

The Company is committed to playing its due role in society in the interest of all stakeholders, particularly towards its employees and the communities it operates in and the environment.

The Company's CSR policies aim to assist in the economic and social development of the areas where the Company operates. The Company envisions to build a better environment, a better economy, and a better Pakistan through its corporate social activities.

### **SAFETY, HEALTH AND ENVIRONMENT**

The Company is deeply committed to maintaining the highest standards of health, safety, and environmental protection across all its operations. Its production facilities fully comply with applicable environmental and safety regulations, reflecting a strong culture of workplace safety and sustainability.

To support this commitment, the Company has established a dedicated HSE department responsible for overseeing health, safety, and environmental initiatives. Key initiatives include implementing best-practice HSE processes, conducting regular fire drills and safety training programs for employees, and ensuring strict compliance with all relevant standards. In line with its focus on sustainability, the Company has also invested in solar energy projects in the past, demonstrating its commitment to reducing environmental impact while promoting clean energy. These efforts collectively ensure a safe working environment for employees, contractors, and other stakeholders, while actively minimizing the Company's environmental footprint.

### **CONTRIBUTION TO NATIONAL EXCHEQUER**

During the FY2025, the Company contributed approximately Rs. 1,834.99 million to the national exchequer in the form of taxes, duties and levies.

### **Statement on Corporate and Financial Reporting Framework**

- The financial statements prepared by management present the Company's state of affairs fairly, including the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements, and accounting estimates are based on reasonable and prudent management judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements, and any departure therefrom has been adequately disclosed and explained.
- Chief Executive, Director and Chief Financial Officer duly endorsed the financial statements before approval of the Board.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There have been no non-compliances from the best practices of Corporate Governance.
- Key operating and financial data for last six (6) years, presented in summarized form, is annexed.
- There is nothing outstanding against the Company on account of taxes, duties, levies and charges except for those which are being made in normal course of business.
- Statement of shares held by associated undertakings and related persons have also been disclosed separately.
- The Company maintains Provident and Gratuity Fund accounts for its eligible employees. Stated below are the values of the investments of the respective funds as on September 30, 2025:
 

■ Provident Fund	Rs. 1,072.68 million
■ Gratuity Fund	Rs. 520.55 million

## Board of Directors

The total number of Directors on the board is 7 and its composition is as follows:

- Male Directors 6
- Female Director 1

Particulars	No. of Directors	Name of Directors
Independent Directors*	2	Mr. Abdul Shakoor Shaikh Mr. Hasan Reza Ur Rahim
Non-Executive Directors	3	Mr. Arif Faruque Mr. Amer Faruque Ms. Farzana Faruque
Executive Directors	2	Mr. Aslam Faruque Mr. Wasif Khalid
Female Director	1	Ms. Farzana Faruque

\*The requirement of 1/3 independent Directors equals to 2.33, fraction of which is less than 0.5 and therefore, as per the applicable regulations, is rounded down to 2.

- During the year, six meetings of the Board of Directors were held. The attendance record of each Director is as follows:

Name of Director	Meetings Attended
Mr. Arif Faruque	6
Mr. Aslam Faruque	6
Mr. Amer Faruque	6
Ms. Farzana Faruque	3
Mr. Wasif Khalid	6
Mr. Hasan Reza Ur Rahim	6
Mr. Abdul Shakoor Shaikh	6

- During the year, four meetings of the Audit Committee were held. The attendance record of each Director is as follows:

Name of Director	Meetings Attended
Mr. Hasan Reza Ur Rahim	4
Mr. Arif Faruque	4
Mr. Amer Faruque	2

- During the year, one meeting of the Human Resource and Remuneration Committee was held. The attendance record of each Director is as follows:

Name of Director	Meetings Attended
Mr. Abdul Shakoor Shaikh	1
Mr. Aslam Faruque	1
Ms. Farzana Faruque	1

## Annual Evaluation of Performance

The Company carries out an annual evaluation of the Board of Directors and its committees as part of the Code of Corporate Governance. Priorities include fostering diversity, upholding integrity and active participation, regularly reviewing management targets, providing strategic guidance, identifying performance improvements, assessing risks, reviewing succession plans, enhancing health and safety practices, and safeguarding against litigation and reputational risks.

A strict level of confidentiality is exercised by the Company Secretary upon receipt of completed questionnaires. To ensure transparency of the process, the Company has engaged Grant Thornton Anjum Rahman, Chartered Accountants to compile results and prepare a report for the Board of Directors. The contents of the report are evaluated and areas that require improvement are identified.

#### **Directors' Responsibility in Respect to Adequacy of Internal Financial Controls**

The efficient framework of internal financial controls has been put in place by the Board of Directors to guarantee the smooth and effective execution of operations, protection of company assets, adherence to relevant laws and rules, and dependable financial reporting. The independent Internal Audit function consistently evaluates and oversees the execution of these financial controls, while the Audit Committee assesses the efficiency of the internal controls structure and financial statements on a quarterly basis.

#### **Board of Directors' Commitment to Ethics and Compliance**

The Board of Directors of the Company are dedicated to maintaining the highest standards of ethics and compliance. They foster a culture of integrity and accountability, upholds our code of conduct, supports ethical decision-making, ensures robust compliance programs, and responds appropriately and promptly to any violations.

#### **Directors' Training**

The Directors of the Company are adequately trained to perform their duties and are aware of their powers and responsibilities under the relevant laws, including the Companies Act, 2017, and Regulations of PSX Rulebook.

#### **Directors' Remuneration**

As per the Articles of the Company, the remuneration of Non-Executive and Independent Directors is fixed by the Board of Directors. In this regard, the Board of Directors has developed a Remuneration Policy for Non-Executive and Independent Directors of the Company. The detail of Directors' remuneration is disclosed in Note 37 of the Financial Statements for the year ended September 30, 2025.

#### **Related Parties Transactions**

All transactions with related parties have been executed at arm's length and have been properly disclosed in the financial statements of the Company.

#### **Statement of Compliance with Code of Corporate Governance**

The Company has fully complied with requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. A Statement of Compliance is provided under the relevant section of the report.

#### **Appointment of Auditors**

The present external auditors Kreston Hyder Bhimji and Co. (Chartered Accountants), have completed the annual audit for the year ended September 30, 2025, and issued a clean audit report. The auditors will retire on the conclusion of the Annual General Meeting of the Company and, being eligible, have offered themselves for reappointment. As proposed by the Audit Committee, the Board recommends their appointment as auditors of the Company for the year ending on September 30, 2026.

#### **Pattern of Shareholding**

The pattern of shareholding of the Company for the year ended September 30, 2025 is annexed to this annual report.

#### **Subsequent Events**

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company and the date of this report.

#### **No Change in The Nature of Business**

No significant changes have occurred during the financial year concerning the nature of the business of the Company.

### Business Impact of Government Policies

The Government of Pakistan's efforts to stabilize the sugar market through imports have created continued pressure on the sector due to lower domestic production and elevated prices. During the year, the Trading Corporation of Pakistan imported 306,737 tons of bold and fine grain sugar under various tenders. While IMF conditions restrict Pakistan from granting tax-free or duty-free sugar imports and reject the government's 'food emergency' justification, the Government has issued SROs allowing tax exemptions at the import stage. This policy volatility, coupled with structural inefficiencies in the country, has historically led to supply-demand imbalances in the sugar sector, underscoring the importance of close monitoring.

The Company urges the Government to ensure that domestic sugar prices remain reflective of the prices being paid to growers. With a surplus anticipated in the 2025/26 crushing season, facilitating exports from Pakistan could help stabilize prices based on a balanced supply-demand scenario.

Lastly, sugar exports in the past were carried out on the basis of export subsidies being offered by the Government. However, the TDAP has not yet been paid to the sugar mills in Sindh, and we therefore request the government to urgently release the pending subsidy at TDAP end, of Rs. 79.04 million, as this is instrumental to the Company's liquidity and the financial charges incurred by the Company.

### Future Prospects

The Company remains focused on sustaining and growing its market share in both the sugar and paper sectors by strategically investing in growth areas and optimizing operations. Continuous improvements in production efficiency and operational realignment aim to strengthen the Company's financial position.

In a competitive and challenging operating environment, the Company is committed to safeguarding market share while pursuing opportunities for growth. Measures such as diversifying borrowings across banks, reducing inventory levels, and managing trade receivables are being implemented to minimize negative impacts and maximize shareholder value. Management remains confident that these strategies will positively influence the Company's performance in the foreseeable future.

### Acknowledgment

We would like to thank all our customers and financial institutions for their continued support and cooperation. And we would like to particularly extend our deep appreciation to our staff for their dedication, loyalty and hard work during these challenging times.

#### On behalf of the Board of Directors



**Arif Faruque**  
Chairman



**Aslam Faruque**  
Chief Executive

Karachi: December 18, 2025

## Board Meetings Held Outside Pakistan

During the year, 6 meetings of the Board of Directors were held. As recommended by SECP Guidelines and to keep the costs in control, the management has conducted all meetings in Pakistan.

## External Search Consultancy

To ensure good corporate governance the Company undertakes a formal process of external consultancy for the performance evaluation of the Board.

## Related Parties

As required under the fourth schedule of the Companies Act, 2017, detailed disclosures regarding related party transactions they have been presented in note 39 to the financial statements presented in this annual report. Such disclosure is in line with the requirements of the 4th Schedule to the Companies Act, 2017 and applicable International Financial Reporting Standards. Approval of the transactions from the shareholders will be obtained at the Annual General Meeting.

## Annual Evaluation of Board, Chief Executive Officer (CEO), Committees and Individual Members

Board evaluation mechanisms facilitate the Board of Directors in evaluating and assessing its performance and ability to provide strategic leadership and oversight to the senior management of the Company. Accordingly, appropriate procedures have been developed based on emerging and leading practices to assist in the assessment of the Board, its committees and the individual directors themselves.

Questionnaires have been developed based on relevant criteria such as effectiveness, accountability, planning, leadership and strategy formulation by the Board and also its committees. Directors are also asked to fill out a self-evaluation questionnaire which focuses on their participation and satisfaction with the different proceedings of the Board and their individual role as a member.

In addition, a separate evaluation questionnaire for Chief Executive Officer has also been developed for his performance. The performance evaluation of CEO is carried out by the Directors.

These questionnaires are circulated annually and are filled out by the Directors anonymously. The collected answers are then compiled by an independent chartered accountant firm.

The Company has engaged Grant Thornton Anjum Rahman Chartered Accountants to ensure the transparency of the process.

## Matters Delegated to the Management

Management is primarily responsible for implementing the strategies as approved by the Board of Directors. It is the responsibility of management to conduct the routine business operations of the Company in an effective and ethical manner in accordance with the strategies and goals as approved by the Board and to identify and administer the key risks and opportunities which could impact the Company in the ordinary course of execution of its business.

## Directors Orientation and Training

All the Directors of the Company are well experienced and have diverse backgrounds. At the time of induction of any new director, he or she is given proper orientation about the operations of the Company and his or her fiduciary responsibilities. The Company had also arranged an in-house Directors' training program to apprise the directors of their authorities and responsibilities. Two Directors of the Company namely Mr. Hasan Reza Ur Rahim and Mr. Abdul Shakoor Shaikh are also certified under the Board Development Series Program offered by Pakistan Institute of Corporate Governance (PICG).

## Governance Practices Exceeding Legal Requirements

Mirpurkhas Sugar Mills has always believed in going the extra mile and staying ahead of the game. In line with this strategy, not only have we complied with all mandatory legal compliances under the Code of Corporate Governance, the Companies Act, 2017 and other applicable rules, regulations and standards, we have also carried out the following activities in addition to the legal requirements;

- a. Other Information: The management reports various other essential information in this annual report which is not required by law. We are trying to adopt Integrated Reporting framework.
- b. Implementations of HSE: The Company has developed and implemented aggressive HSE strategies at its factory site and head office to ensure proper safety of its people and equipment.
- c. Dispersal of information: The Company has always ensured that all material information is communicated to the PSX, the SECP and the Company's shareholders as soon as it becomes available. At all times we have ensured that such information is sent out much before the deadlines set out in the laws.

#### **External Oversight of Functions and Measures Taken to Enhance The Credibility of Internal Controls and Systems**

Mirpurkhas Sugar Mills ensures efficiency, effectiveness, accuracy and the credibility of all its functions through regular monitoring, making benchmarks and assessing the targets and goals of their respective functions. Following are the summary of the measures taken to attain the benchmarks through oversight:

- All processes and functions of the Company are subject to review by the Internal Audit function;
- The Manufacturing processes are reviewed on the basis and guidelines of industry best practices, industry norms, and standards setting authorities;
- The Information Systems and network security are periodically reviewed by Information Systems auditors. Cybersecurity audit was conducted by an external consultant.
- Surveys conducted by third parties or otherwise to ensure the credibility and control hallmarks.

#### **Executive Director(s) serving as Non-Executive Director in other Companies / Body Corporate**

Our Chief Executive Mr. Aslam Faruque, and Director and Chief Operating Officer Mr. Wasif Khalid are also serving as a Non-Executive Directors in other companies body corporate, details of which are available in the Directors' Profiles section. There is no restriction/bar in the law to earn the remuneration as non-executive directors in other companies.

#### **Female Director**

Ms. Farzana Faruque was re-elected as female Director on January 21, 2023 on the Board and the requirement for a female director on the Board of a listed company has been complied.

#### **Independent Directors**

Mirpurkhas Sugar Mills Limited has ensured that the composition of its Board of Directors is compliant with all prevailing legal and governance requirements with respect to independent directors. All Independent Directors have submitted along with their consent to act as Director, the declaration as required under the Code of Companies Act, 2017 to the Company that they meet the criteria of Independent Directors.

#### **Investors' Grievance Policy**

The Company has an Investors' Grievance Policy in place. Any complaint or observation received either directly by the Corporate Department or during General Meetings are addressed by the Company Secretary. The Shareholders are given the information as desired by them as per the law well in time. All the written complaints are replied in writing. Our share registrar is CDC Share Registrar Services Limited (CDCSRL) which is leading name in the field. The Company has many old and loyal shareholders, which shows the trust of the shareholders in the management of the Company.

#### **Statement of Management's Responsibility towards the Preparation and Presentation of Financial Statements and Directors' Compliance Statements**

The Company, its Board of Directors and the management have always been keen to follow the standards set down by governing institutions. In lights of the same strict compliance of all standards set out by ICAP, the Companies Act, the International Financial Reporting Standards have been adhered to and otherwise good and responsible reporting has been our general practice.

#### **Disclosure of Directors' Interest**

Details of all related party transactions based on common directorship is placed before the Board and subsequently placed before the shareholders in the Annual General meeting for their approval. The said disclosure mentioned in the notice of AGM as well as in the relevant note of the financial statements. The percentage of shareholding is also mentioned in the pattern of shareholding. All directors disclose their interest in all contract or arrangements with other companies like Other Directorship.

### Governance of Risk and Internal Control

The Company has various policies in connection with Governance of Risk and Internal Control that have been approved by the Board of Directors and covered through different policies and disclosures. These include but are not limited to Health Safety Environment (HSE) policy, Information Technology (IT) Governance policy, Information System Security policy, Disaster Recovery policy etc. The implementation of such policies is in accordance with law to assure smooth operations of the business at all levels.

Mirpurkhas Sugar Mills Limited designed its risk management framework to effectively identify, analyze, evaluate, mitigate and monitor the risk faced by the Company.

The Company regularly monitors potential impact of risks and devise strategy to mitigate those risk so that the Company does not drift away from its strategic goals. Risk assessment is done regularly to achieve a good understanding of the company's key risks, to allocate ownership to drive specific actions around them and take any relevant steps to address them. Due to their critical importance, our material issues and principal risks are integrated into our business planning processes and monitored on a regular basis by our Board of Directors. Strategic, Commercial, Operational, Financial and Compliance risks are ranked based on their impact on Mirpurkhas Sugar Mills Limited and probability of occurrence. Upon identification of risks, mitigating strategies and action plans are developed, implemented and monitored.

### Policy on Non-Executive & Independent Directors' Remuneration

#### PREAMBLE

The Board of Directors (the "Board") of Mirpurkhas Sugar Mills Limited (the "Company") has adopted this Policy upon the implementation of Section 170 of the Companies Act 2017 read with Regulation No. 17 of the Code of Corporate Governance.

Amendments, from time to time, to the Policy, if any, shall be considered by the Board in light of changes in applicable laws and/or such external circumstances that directly apply to the scope of this Policy.

#### SCOPE AND APPLICABILITY

The Policy shall apply to all Non-Executive and Independent Directors who attend Board meetings, Audit Committee meetings, Human Resource and Remuneration Committee meetings and any other meetings called by the Board.

#### TERMS OF THE POLICY

Through the Articles of the Company, the Board is authorized to fix remuneration of Non-Executive and Independent Directors from time to time. The fee of the Non-Executive and Independent Directors for attending the Board and Committee meetings of the Company shall be as determined by the Board of Directors from time to time.

#### Understanding Shareholders' Views

Company's shareholders comprise of investors including mutual funds, investment companies, brokerage houses, insurance companies, foreign shareholders, pension funds, individuals, professionals, high profile individuals to housewives. The Company regularly interacts with all categories of shareholders, through Annual General Meeting, Extraordinary General Meeting, regular Corporate / Investor briefings etc.

The Chief Executive Officer, Chief Finance Officer and the Company Secretary remain available to respond to any shareholder/investor's query. The non-executive members are also kept informed about the views of the major shareholders about the Company.

## Policy on Related Party Transactions

### Preamble

The Board of Directors (the "Board") of Mirpurkhas Sugar Mills Limited (the "Company") has adopted this Policy pursuant to the provisions of Section 208 of the Companies Act, 2017 read with Regulation No. 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 issued by Securities & Exchange Commission of Pakistan.

### Scope of The Policy

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions. It is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties. Amendments, from time to time, to the Policy, if any, shall be considered and approved by the Board. The policy covers all related party transactions of Mirpurkhas Sugar Mills Limited as defined under Section 208 of the Companies Act, 2017. The policy is applicable on all individuals responsible to initiate, authorize, record and report related party transactions.

The Policy is applicable to all Related Party Transactions irrespective of their value and size. This Policy is intended to work in conjunction with regulatory provisions and other Company policies.

### Definitions

- (i) Arm's length transaction means a transaction which is subject to such terms and conditions as if it is carried out in a way, as if:
  - a) the parties to the transaction were unrelated in any way;
  - b) the parties were free from any undue influence, control or pressure;
  - c) through its relevant decision-makers, each party was sufficiently knowledgeable about the circumstances of the transaction, sufficiently experienced in business and sufficiently well advised to be able to form a sound business judgment as to what was in its interests; and

d) each party was concerned only to achieve the best available commercial result for itself in all the circumstances.

(ii) Office of profit means any office:

a) where such office is held by a Director, if the Director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.

b) where such office is held by an individual other than a Director or by any firm, private company or other body corporate, if the individual, m, private company or body corporate holding it receives from the Company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.

(iii) Related party includes

(a) A Director or his/her relative;

(b) a key managerial personnel or his relative; a key managerial person shall mean the following;

- the Chief Executive Officer of the Company;
- the Company Secretary of the Company;
- the whole time Directors on the Board of the Company; and
- the Chief Financial Officer of the Company.

c) a firm, in which a Director, manager or his relative is a partner;

d) a private company in which a Director or manager is a member or director;

e) a public company in which a Director or manager is a Director or holds along with his relatives, any shares of its paid up share capital;

f) any body corporate whose Chief Executive or manager is accustomed to act in accordance with the advice, directions or instructions of a Director or manager;

g) any person on whose advice, directions or instructions, a Director or manager is accustomed to act.

h) any company which is:

- a holding, subsidiary or an associated company of such company; or
- a subsidiary of a holding company to which it is also a subsidiary

i) such other person as may be specified.

j) relative means spouse, siblings and lineal ascendants and descendants of a person.

Provided that nothing in sub-clauses (f) and (g) shall apply to the advice, directions or instructions given in a professional capacity.

"All other terms will be construed as per the Companies Act, 2017 and all other relevant laws.

### **Types of Related Party Transactions**

Any contract or arrangement with respect to the following, but not limited to these;

- sale, purchase or supply of any goods or materials;
- selling or otherwise disposing of, or buying, property of any kind;
- leasing of property of any kind;
- availing or rendering of any services;
- appointment of any agent for purchase or sale of goods, materials, services or property; and
- such related party's appointment to any office or place of profit in the company, its or associated company, provided:

- a) where majority of the Directors are interested in any of the above transactions, the matter shall be placed before the general meeting for approval as special resolution;
- b) also that nothing in this sub-section shall apply to any transactions entered into by the Company in its ordinary course of business on an arm's length basis.

### **Disclosure and Approval of Related Party Transactions**

The Board shall approve related party transactions that require its approval and the following minimum information shall be circulated and disclosed to the directors along with agenda for Board's meeting called for approval of related party transactions:

- i. name of related party;
- ii. names of the interested or concerned persons or Directors;
- iii. nature of relationship, interest or concern along with complete information of financial or other interest or concern of Directors, managers or key managerial personnel in the related party;
- iv. detail, description, terms and conditions of transactions;
- v. amount of transactions;
- vi. timeframe or duration of the transactions or contracts or arrangements;
- vii. pricing policy;
- viii. recommendations of the Audit Committee, where applicable; and
- ix. any other relevant and material information that is necessary for the Board to make a well informed decision regarding the approval of related party transactions.

### **Identification of Related Party Transactions**

Every Director will be responsible for providing a notice containing the following information to the Board of Directors on an annual basis:

- I. a firm, in which the Director, manager or his relative is a partner;
- ii. a private company in which the director or manager is a member or Director;
- iii. a public company in which the Director or manager is a Director or holds alongwith his relatives, any shares of its paid up share capital;
- iv. any body corporate whose Chief Executive or manager is accustomed to act in accordance with the advice, directions or instructions of the Director or manager;
- v. any person on whose advice, directions or instructions the Director or manager is accustomed to act.

### **Terms of the policy**

The terms of reference for the Policy are as follows:

- i. The management shall obtain approval of the policy by the Board of Directors ("Board");
- ii. The management may enter into any contract or arrangement with a related party only in accordance with the policy approved by the Board, subject to such conditions as may be specified;
- iii. The management shall obtain approval of the Board for contracts that are not on arm's length basis or not in the ordinary course of business;
- iv. The management shall present all related party transactions to the Audit Committee for their recommendation to the Board for approval;
- v. Every contract or arrangement entered into with a Related Party shall be referred to in the Board's report to the shareholders along with justifications;
- vi. Management shall maintain records of the transactions undertaken with related parties;
- vii. If a Director or any other employee enters into any contract or arrangement with a Related Party without obtaining the consent of the Board or approval by a special resolution in the general meeting, and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within 90 days from the date of the contract, such contract or arrangement shall be voidable at the discretion of the Board:.

### **Maintenance of Record**

The Company shall maintain one or more registers with regards to transactions undertaken with Related Parties and contracts or arrangements in which Directors are interested, in the manner prescribed, and shall enter therein the particulars of:

- i. contracts or arrangements, in which any Director is, directly or indirectly, concerned or interested; and
- ii. contracts or arrangements with a related party with respect to transactions to which section 208 of the Companies Act, 2017 applies.

### **Pricing Methodology**

Any related party transactions carried out at arm's length basis shall use one of the following pricing methodologies

- i. Comparable Uncontrolled Price method;
- ii. Resale Price method;
- iii. Cost Plus method; and
- iv. Profit Split method.

### **Scope of Limitation**

In the event of any conflict between the provisions of this Policy and the Companies Act, 2017 or any other statutory enactments, rules, the provisions of the Companies Act, 2017 or statutory enactments, rules shall prevail over this policy.



## Human Resource Policy

At Mirpurkhas Sugar Mills Limited we attribute our continued success to our people. Our employees are our enduring advantage and it is our ability to create high performance teams in a culture of inclusiveness, professionalism and excellence that drives our growth. To maintain our HR competitiveness, we remain focused on areas of talent management, learning & development; succession planning, and the development of a robust Management Trainee Program.

### Attracting The Best Talent

To align with the Company's goal of securing top talent, we have revamped our Trainee Engineer Program into the "Graduate Trainee Program." This new approach enhances the opportunities available to students, encouraging them to push their limits and realize their potential. By offering graduating students an exciting pathway into our Graduate Trainee programs, we have conducted numerous campus recruitment drives at prominent engineering and management institutions. Our goal is to identify exceptional talent that will contribute to the development of a company-wide pipeline of emerging leaders, while also becoming an integral part of our dynamic organizational culture.

### Industrial Relations

We maintain excellent relations with our employees and labour. There is a formal labour union in place which represents all classes of workers and independently takes care of all labour related issues. The Company takes every reasonable step for swift and amicable resolution of all their issues.

### Succession Planning

Our Succession Planning policy is aimed at building a pipeline for future leadership and creating backups for critical roles.

The salient features of this policy are detailed as under:

- Talent Assessment is conducted based on achievements, Competencies and Group Values.
- Gap Analysis is done to determine time period and tools needed to groom / develop them as possible successors.
- Put through an outbound Leadership Course to determine areas of development vis-a-vis leadership.
- On-going coaching / rotation / training and developmental plans are in place to bring out best in class talent for succession.
- To deep reach successors at all levels, upward mobility is a pre-requisite in the hiring programme.

### Core Values

Values are what support the vision, shape the culture and reflect what an organization values. They are the essence of the organization's identity the principles, beliefs or philosophy of values.

Our Core Values (Respect, Fairness, Quality, Ownership) are embedded in our recruitment process, performance appraisals and recognition initiatives.

## Merit-Based Recruitment

At MSM, we are committed to a Merit-Based Recruitment process that ensures fairness, transparency, and the hiring of the most qualified candidates. Our approach is driven by a strict adherence to equal opportunity principles, ensuring that every candidate is evaluated solely on their skills, knowledge, experience, and alignment with our organizational values.

To streamline and enhance the recruitment process, MSM leverages advanced technological tools like SAP SuccessFactors Recruitment Management (RCM). Through Recruitment Management, we efficiently manage job requisitions, job postings, candidate applications, and the selection process, ensuring a smooth and transparent hiring journey. The system allows us to track candidates' progress, conduct interviews, and make data-driven decisions on selecting the best talent. SF RCM is also integrated with our onboarding processes, making transitions into the company seamless for both employees and HR.

The Onboarding process at MSM is designed to welcome new hires and integrate them into our organizational culture effectively. Through the structured programs, we provide them with the resources, training, and support they need to succeed.

By adopting merit-based recruitment practices and integrating the latest HR technologies, MSM ensures that we consistently attract and retain top talent, contributing to the company's growth and operational excellence.

## Performance-Based Appraisal

At Mirpurkhas Sugar Mills, our Performance-Based Appraisal system is a key driver of employee engagement, development, motivation, and organizational success. We believe that performance should be the foundation for both individual and organizational growth, which is why we place such a strong emphasis on recognizing and rewarding employees based on their achievements and contributions.

MSM utilizes SAP SuccessFactors Performance Management and Goals Management (PMGM) to standardize and automate our performance management processes. SF PMGM allows us to set clear and measurable goals for employees at the beginning of each performance cycle, aligning their objectives with the broader business goals of the organization. Throughout the year, managers can track progress, provide candid and regular feedback, hence fostering a culture of continuous improvement.

At the end of the performance cycle, employees are appraised based on their achievements against their set goals, and their competencies in relation to MSM's core values. SF PMGM provides comprehensive insights, ensuring that our appraisals are fair, transparent, and cover both qualitative and quantitative data. High-performing employees are recognized and rewarded, while development plans are created for those needing additional support, ensuring that every individual has the opportunity to grow and excel.

Our performance-based appraisal system not only helps us recognize and reward top talent but also motivates employees to reach their full potential, driving MSM's continued success.

## Promotion, Reward, and Motivation

At MSM, we understand that recognizing and rewarding employee contributions is fundamental to maintaining a motivated, engaged and high-performing workforce. Our Promotion, Reward, and Motivation strategy is built on principles of fairness, transparency, and alignment of individual performance with organizational performance. We firmly believe that career advancement should be based on merit, and as such, promotions at MSM are awarded to employees who consistently demonstrate strong performance, leadership qualities, and alignment with our core values.

Motivation is fostered not just through financial rewards but also by creating an environment where employees are given opportunities for growth and development. By providing challenging projects, leadership opportunities, and continuous feedback, we ensure that every employee at MSM feels empowered and motivated to contribute towards the company's success.

## Training and Development

At Mirpurkhas Sugar Mills, we view Training and Development as key to both organizational success and employee satisfaction. Our philosophy is that continuous learning and development are essential to maintaining a workforce that is skilled, innovative, and prepared for future challenges.



MSM offers a range of training programs tailored to meet the diverse needs of our employees. These include technical training for operational staff, leadership development programs for emerging leaders, and skills enhancement workshops for all employees. We also offer e-learning opportunities that enable employees to learn at their own pace, ensuring that they can continuously improve and stay updated with industry trends.

Additionally, MSM promotes mentorship and coaching, where senior employees mentor junior staff, sharing their expertise and guiding them in their career development. This not only helps with knowledge transfer but also fosters a collaborative and supportive work environment. Our comprehensive approach to training and development ensures that MSM remains a learning organization, where employees are equipped with the skills and knowledge to drive our company forward.



### Gender and Race Diversity

Our company is committed to fostering an inclusive and equitable workplace where all employees are treated with equality, fairness and respect. Employee's compensation is determined solely based on the seniority, experience, roles, responsibilities, and performance, regardless of gender.

We continually strive to maintain that there should be no gender pay gap within our organization, ensuring that every team member is valued and rewarded equitably for their contributions.

### Employee Engagement and Feedback

At Mirpurkhas Sugar Mills, Employee Engagement is a top priority, as we believe that an engaged workforce is a productive workforce. We strive to create an environment where employees feel connected to the Company's mission, empowered in their roles, and motivated to contribute to the company's success.

Our approach to employee engagement involves regular communication, feedback mechanisms, and involvement in decision-making processes. MSM regularly conducts pulse surveys to gather feedback on various aspects of the workplace, from job satisfaction to leadership effectiveness. This feedback is carefully analyzed and used to make improvements in policies, practices, and the work environment.



In addition to surveys, we encourage open channels of communication between employees and management. Whether through one-on-one meetings, we value employee input and believe in taking action on their feedback. This two-way communication fosters a culture of trust, transparency, and collaboration.

By prioritizing employee engagement and feedback, MSM ensures that we maintain a motivated and committed workforce which is driving the company's overall success and growth.





## Safety of Records Policy

The Company is effectively implementing the policy to ensure the safety of records. All records must be retained for as long as they are required to meet legal, administrative, operational, and other requirements of the Company. The main purposes of the Company Policy are:

- To ensure that the Company's records are created, managed, retained, and disposed off in an effective and efficient manner;
- To facilitate the efficient management of the Company's records through the development of a coordinated Records Management Program;
- To ensure preservation of the Company's records of permanent value to support both protection of privacy and freedom of information services throughout the Company to promote collegiality and knowledge sharing;
- Information will be held only as long as required and disposed off in accordance with the record retention policy and retention schedules; and
- Records and information are owned by the Company, not by the individual or team.



## Conflict of Interest Policy

A Conflict of Interest Policy has been developed by Mirpurkhas Sugar Mills Limited to provide a framework for all Directors of the Company ("Directors") to disclose actual, potential or perceived conflicts of interest. The policy provides guidance on what constitutes a conflict of interest and how it will be managed and monitored by the Company.

The policy is applicable to Directors as the Company strongly believes that a Director owes certain fiduciary duties, including the duties of loyalty, diligence and confidentiality to the Company which requires that the Directors act in good faith on behalf of the Company and to exercise his or her powers for stakeholders' interests and not for their own or others interest.

### Management of Conflict of Interest

The Company stands fully committed to the transparent disclosures, management and monitoring of actual potential or perceived conflicts of interest. All Directors under the policy are obligated and have a duty to avoid actual, potential or perceived conflicts of interest.

Any Director with personal interest, relationship or responsibility which conflicts with the interest of the Company or its shareholders shall excuse himself or herself from any discussions on the matter that would give rise to the conflict of interest and, if necessary, from the Board meeting, or applicable part thereof.



## Whistle Blowing Policy

### OBJECTIVE

The objective of this policy is to provide a platform and mechanism for directors, employees and suppliers to properly address bona fide concerns within the organization without fear of reprisal.

It encourages directors, employees and suppliers about their duty to report any suspected activity that violates any law applicable to the Company, its Core Values or Code of Conduct.

This policy is intended to assist only those individuals who believe they have discovered malpractice or impropriety. It is not designed to question financial or business decisions taken by the organization nor should it be used to reconsider any matters which have been investigated under the harassment, grievance or disciplinary policies and procedures.

### POLICY STATEMENT

Mirpurkhas Sugar Mills Limited (MSM) is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, Mirpurkhas Sugar Mills Limited has developed a Whistle Blowing Policy to lodge complaint or to bring in the knowledge of the competent authority any unfair treatment, fraudulent, immoral, unethical or malicious activities or discrimination or some other type of adverse occurrence that violates a law, regulation, policy, morals and/or ethics and especially those matters that jeopardize the credibility and reputation of the company. The whistle can be blown by any director, employee or supplier without fear of punishment/unfair treatment.

### SCOPE/APPLICABILITY

This policy is applicable to directors, all permanent and third party employees and suppliers of Mirpurkhas Sugar Mills Limited.

The whistleblower may report or raise any concern which he/she believes is unethical or contradictory to the code of conduct of the organization, which may include the following acts.

- Fraud
- Financial malpractice
- Failure to comply with applicable legal requirements or company policy.
- Improper conduct or unethical behavior, including breach of the company's code of conduct, business integrity or ethics;
- Attempts to conceal any material facts or misrepresentation;
- Negligence causing substantial and specific danger to employees' health, safety or environment;
- Any unlawful act whether criminal/civil;
- Colluding with third parties/associates to exploit or cause harm to the company;
- Manipulation of company data/ records;
- Unauthorized use, employees' system password acquisition, access or disclosure of confidential/pro-prietary information;
- Abuse of authority;
- Misappropriation or unauthorized use of company funds/assets

All complainants are protected from victimization, harassment or disciplinary action as a result of any disclosure, where the disclosure is made in good faith and not maliciously or for personal gain. All disclosures are required to be made in writing. Disclosures made anonymously will not be entertained. Disclosures made will be investigated fully including interviews with all the witnesses and other parties involved. All whistle blowing disclosures made are treated as confidential and the identity of the whistleblower is protected at all stages in any internal matter or investigation.

Disciplinary action (up to and including dismissal) may be taken against the wrongdoer depending on the results of the investigation.

An email address will be provided, which will be managed by the Chief Executive Officer and Chairman of the Board's Audit Committee. Who shall examine the email and decide the appropriate steps required to be taken, if any.

During the year no whistle blowing incident was reported under the mentioned procedure.

## Anti-Sexual Harassment Policy and Procedure

### OBJECTIVE

The objective of this policy is to create a safe and dignified working environment for men and women workers that is free of sexual harassment, abuse and intimidation and with a view to enable higher productivity and a better quality of life at work.

The policy provides a guideline for behavior of all employees, including management to ensure a work environment free of sexual or any other harassment and intimidation.

### SCOPE

This is applicable to all employees of the company.

### RESPONSIBILITIES OF THE MANAGEMENT

Management is responsible to follow this policy and code in letter and spirit to ensure that each complaint of sexual harassment is addressed responsibly. The management will be impartial in the process and will facilitate a just and fair inquiry without retaliation. The management will not victimize the complainant or the witnesses in the case.

## Insider Trading Policy

Mirpurkhas Sugar Mills Limited has taken definitive steps in ensuring that all employees, officers, members of the Board and all such relevant persons follow strict guidelines while trading in the shares of the Company. The Insider Trading Policy codifies the Company's standards on trading and enabling the trading of securities of the Company or other publicly traded companies while in possession of material non-public information.

The general guidelines within the policy state that:

- i. No trading in the securities of the Company is permitted for directors and all employees who are "Executive" as defined in relevant laws within the Closed Periods announced by the Company.
- ii. No insider may purchase or sell any Company's security while in possession of material non-public information about the Company, its customers, suppliers, consultants or other companies with which the Company has contractual relationships or may be negotiating transactions.
- iii. No insider who knows of any material non-public information about the Company may communicate that information to any other person, including family and friends.
- iv. In addition, no insider may purchase or sell any security of any other company, whether or not issued by the Company, while in possession of material non-public information about the company that was obtained in the course of his or her involvement with the Company in the way of conducting official business. No insider who knows of any such material non-public information may communicate that information to any other person, including family and friends.

### **The Company's Responsibility to Disclose Inside Information**

The Company's responsibility, in case of inside information made known to a third party, shall be to ensure that in such case the knowledge is given full public disclosure or if such information still needs to be kept non-public then the Company must ensure that the third party, is placed under legal obligation to maintain confidentiality.



## Dividend Policy

### 1. Introduction

This policy outlines Mirpurkhas Sugar Mills Limited's approach to declaring and distributing dividends, balancing shareholder returns with company growth needs.

### 2. Objectives

- Provide consistent shareholder returns.
- Maintain financial flexibility for growth.
- Balance shareholder rewards with retained earnings for future growth.

### 3. Dividend Declaration

Dividends are declared at the Board's discretion, considering:

- Profitability and financial condition.
- Cash flow and capital needs.
- Legal and regulatory requirements.
- Contractual obligations.

### 4. Types of Dividends

Dividends may be:

- Cash Dividends: Regular cash payments.
- Stock Dividends: Additional shares.

### 5. Payment Frequency

Dividends are typically paid quarterly, bi-annually or annually as appropriate.

### 6. Retained Earnings

Earnings are retained to:

- Fund growth and capital expenditures.
- Maintain financial stability.
- Comply with legal requirements.

# Diversity, Equality & Inclusion Policy

## Introduction

Mirpurkhas Sugar Mills Limited is committed to fostering, cultivating and preserving a culture of diversity, equality and inclusion. Our human capital is the most valuable asset we have. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent that our employees invest in their work represents a significant part of not only our culture, but also our reputation and the company's achievements as well.

## Purpose

### Definitions:

- **Diversity:** Embracing and valuing the diverse backgrounds, experiences, and perspectives of our employees. We believe that diversity enhances our creativity, innovation, and decision-making.
- **Equality:** Ensuring equal opportunities for all employees in recruitment, development, and advancement. We are dedicated to eliminating barriers and biases that may hinder the full participation of any individual.
- **Inclusion:** Creating a supportive and respectful environment where every employee feels included and can thrive. We promote a culture of open dialogue and collaboration, where differences are celebrated and everyone's contributions are recognized.

We aim to foster a diverse, equitable and inclusive workplace where our employees feel valued, respected, and empowered to contribute their unique perspectives and talents irrespective of their age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, socio-economic status, veteran status, and other characteristics that make our employees unique.

All employees of Mirpurkhas Sugar Mills Limited have a responsibility to treat others with dignity and respect at all times. Any employee found to have exhibited any inappropriate conduct or behavior against others may be subject to disciplinary action.

Mirpurkhas Sugar Mills Limited's diversity, equality and inclusion initiatives are applicable but not limited to our practices and policies on recruitment and selection; compensation and benefits; professional development and training; promotions; transfers; social and recreational programmes; layoffs; terminations; and the ongoing development of a work environment that encourages and enforces:

- Respectful communication and cooperation between all employees.
- and employee participation, permitting the representation of all groups and employee perspectives.
- Work/life balance through flexible work schedules to accommodate employees' varying needs.
- Employer and employee contributions to the communities we serve to a greater understanding and respect for diversity.

This policy supersedes the previously approved Diversity Policy of the Company as it distinctively addresses equality and inclusion in addition to diversity aspects.

## Scope

This policy applies to all employees, officers, and directors of the Company and it covers recruitment, promotions, training, compensation, and daily operations to ensure a diverse, equal, and inclusive workplace.

# Environmental, Social, and Governance Policy Statement

## Introduction

Mirpurkhas Sugar Mills Limited is committed to integrating Environmental, Social, and Governance (ESG) considerations into its business strategies and operations; it has been taking numerous initiatives at both the plants, regional offices and head office. It recognizes that responsible management of these factors is essential for the long-term success of the company and for creating sustainable value for all its stakeholders.

## Purpose

The purpose of this statement is to outline and map our continuing commitments towards sustainability, social responsibility, and good governance. It provides a framework for incorporating ESG considerations into our decision-making processes, risk management, and reporting.

This policy supersedes the previously approved Social and Environmental Responsibility Policy of the Company as it extensively addresses the Environment, Social & Governance guidelines.

## Scope

This statement applies to all employees, officers, and directors of Mirpurkhas Sugar Mills Limited. We also expect our business partners, suppliers, and contractors to adhere to similar principles.

### 1. Environmental Responsibility

Our commitment towards minimizing our environmental footprint and promoting environmental stewardship includes:

- a. Climate Change: Assessing and mitigating the risks and opportunities associated with climate change.
- b. Energy and Emissions: Reducing greenhouse gas emissions through energy efficiency, renewable energy, and other measures.
- c. Sustainable Resource Management: Efficiently using natural resources and reducing waste.
- d. Pollution Prevention: Preventing pollution and minimizing environmental impacts from our operations.
- e. Biodiversity and Land Use: Protecting biodiversity and responsibly managing land use.

### 2. Social Responsibility

Our commitment towards making a positive impact on society by promoting social equity, diversity, and community well-being includes:

- a. Diversity and Inclusion: Fostering a diverse and inclusive workplace where all employees are treated with respect and have equal opportunities.
- b. Employee Well-being: Ensuring a safe, healthy, and supportive work environment for our employees.
- c. Community Engagement: Actively engaging with and supporting the communities where we operate.

### 3. Governance

Our commitment towards maintaining strong governance practices that promote transparency, accountability, and ethical behavior includes:

- a. Risk Management: Integrating ESG risks into our risk management framework.
- b. Board Oversight: Ensuring effective oversight of ESG matters by our Board of Directors.
- c. Reporting: Providing transparent and accurate reporting on our ESG performance.
- d. Compliance: Adhering to all applicable laws, regulations, and industry standards.
- e. Ethical Business Practices: Conducting our business with the highest ethical standards and integrity.



## Gender Pay-Gap Statement

### Background

As per SECP's Circular No. 10 of 2024 dated April 17, 2024, the Board is directed to include a statement in the Annual Report on gender pay gap and make it available on company's website.

### Policy Statement

"Our company is committed to fostering an inclusive and equitable workplace where all employees are treated with equality, fairness and respect. Employee's compensation is determined solely based on the seniority, experience, roles, responsibilities, and performance, regardless of gender.

We continually strive to maintain that there should be no gender pay gap within our organization, ensuring that every team member is valued and rewarded equitably for their contributions."

#### 1. Mean Gender pay gap

Variance	Remarks
25.29%	The variance is due to lower number of female employees operating at remote site location

#### 2. Median Gender pay gap

Variance	Remarks
-0.41%	The variance is due to lower number of female employees operating at remote site location

# Independent Auditor's Review Report to The Members of Mirpurkhas 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 Mirpurkhas Sugar Mills Limited (the Company) for the year ended September 30, 2025 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 which 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 September 30, 2025.

A handwritten signature in black ink, appearing to read 'Muhammad Iqbal Darwesh L'.

Chartered Accountants  
Karachi:  
Date: December 18, 2025  
UDIN: CR202510222a5fLspqWT

# Statement of Compliance with Listed Companies

(Code of Corporate Governance) Regulations, 2019  
For the year ended 30.09.2025

The company has complied with the requirements of the regulations in the following manner:

1. The total number of Directors are 7 (seven) as per the following:
  - a. Male: 6
  - b. Female: 1
2. The composition of Board is as follows:

Category	Names
Independent Directors Mr. Abdul Shakoor Shaikh	Mr. Hasan Reza Ur Rahim
Non - Executive Directors Mr. Amer Faruque Ms. Farzana Faruque	Mr. Arif Faruque
Executive Directors Mr. Wasif Khalid	Mr. Aslam Faruque
Female Director	Ms. Farzana Faruque

Fraction (0.33) related to the requirement for number of independent directors is less than 0.5 and therefore, has not been rounded up as one.

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 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 the Board/ shareholders 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Following Directors and Executives are either exempt or have attended Directors' Training program till September 30, 2025:

## Name of Directors & Executives:

Mr. Arif Faruque	Director
Mr. Aslam Faruque	Director
Mr. Amer Faruque	Director
Mr. Wasif Khalid	Director & Chief Operating Officer
Mr. Hasan Reza Ur Rahim	Director
Mr. Abdul Shakoor Shaikh	Director

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Executive Officer and Chief Financial Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

**a) Audit Committee**

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

**b) HR and Remuneration Committee**

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:

a) Audit Committee.	- Quarterly
b) HR and Remuneration Committee.	- Yearly

15. The Board has set up an effective internal audit function supervised by a Head of Internal Audit who is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures 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.

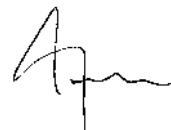
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and

18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with.

**On behalf of the Board of Directors**



**Arif Faruque**  
Chairman



**Aslam Faruque**  
Chief Executive

**Karachi, December 18, 2025**

# Role and Responsibilities of Chairman and Chief Executive Officer

## OFFICES OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Being a corporate governance compliant company, Mirpurkhas Sugar Mills designates separate persons for the position of the Chairman of the Board of Directors and the office of the Chief Executive with clear division of roles and responsibility. Pursuant to the provisions of Section 192(2) of the Companies Act, 2017, the Board of Directors of Mirpurkhas Sugar Mills Limited has outlined the roles and responsibilities of the Chairman as well as the Chief Executive Officer (CEO) of the Company, which are detailed here in below:

### CHAIRMAN

The principal role of the Chairman of the Board is to manage and to provide leadership to the Board of Directors of the Company. The Chairman is accountable to the Board. The Chairman acts as the communicator for Board decisions where appropriate. More specifically, the duties and responsibilities of the Chairman are as follows:

- Acting as a liaison between management and the Board, through the CEO;
- Keeping abreast generally of the activities of the Company and its management;
- Ensuring that the Directors are properly informed and that sufficient information is provided to enable the Directors to form appropriate judgments and make informed decisions;
- Preparing the review report (to be included with the annual financial statements) on the overall performance of the Board of Directors and effectiveness of the role played by the Board of Directors in achieving the Company's objectives.
- Developing and setting the agendas for meetings of the Board;
- Acting as Chair at meetings of the Board;
- Ensuring that the minutes of Board meetings are appropriately recorded and reviewing and signing minutes of Board meetings;
- Presiding over the Board meetings and ensuring that all relevant information has been made available to the Board;
- Confirming the quorum of the meeting;
- Ensuring that the agenda, notice of meeting along with all relevant material were circulated within stipulated time;
- Ensuring that the minutes of the Board meetings are kept in accordance with applicable laws;
- Ensuring that the appropriate recording and circulation of the minutes of the Board meeting to the Directors and officers
- Entitled to attend the Board meetings;
- Safeguarding shareholders' interest in the Company;
- issuing the letter to the directors at the commencement of each three year term of the Directors setting out their role, obligations, powers and responsibilities;
- Ensuring that the Board is playing an effective role in fulfilling its responsibilities;
- Determining the date, time and location of the annual or extraordinary general meetings of shareholders and to develop the agenda for the meeting;
- Presiding as chairman at every General Meeting of the Company;
- Recommending to the Board, after consultation with the Directors and management, the appointment of members of the Committees of the Board;
- Assessing and making recommendations to the Board annually regarding the effectiveness of the Board.

### CHIEF EXECUTIVE OFFICER

The CEO is, subject to control and directions of the Board, entrusted with the powers of management of affairs of the Company. In such capacity the CEO's role and responsibilities include:

- Planning, formulating and implementing strategic policies; ensuring the achievement of productivity and profitability targets and efficient Company operations;
- Ensuring that necessary coordination exists between various departments of the Company to achieve smooth and effective operations;
- Maintaining an ongoing dialogue with the Directors in regard to changes in and implementation of Company's policies and performance and development of the Company's business;
- Ensuring that the Company's interests and assets are properly protected and maintained and all the required Government obligations are complied with in a timely manner;
- Maintaining a close liaison with the Government, customers, suppliers and sales offices;
- Chalking out human resource policies for achieving high professional standards, overall progress / betterment of the ensuring that proper succession planning for all levels of hierarchy exist in the Company and the same is constantly updated; Company as a whole;
- Ensuring proper functioning of the Management Committees of the Company of which he is the chairman;
- Preparing and presenting personally to the Board of Directors following reports/details:
  - Annual business plan, cash flow projections and long term plans.
  - Budgets including capital, manpower and overhead budgets along with variance analysis.
  - Quarterly operating results of the Company in terms of its operating divisions and segments.
  - Promulgation or amendment of the law, rules or regulations, accounting standards and such other matters as may affect the Company.
  - Reviewing performance against budgets / targets, revenue and capital expenditure, profits, other administration, commercial, personnel and other matters of importance to the Company.
  - Ensuring that open and progressive atmosphere is created among employees giving them a sense of participation and providing them with an opportunity to give their best.

# Salient Features of Terms of Reference of the Audit Committee and the Human Resource & Remuneration Committee

The Board is assisted by two Committees, namely the Audit Committee and the Human Resource & Remuneration Committee, to support its decision-making in their respective domains:

## AUDIT COMMITTEE

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

The Audit Committee comprises of three Non-Executive Directors one of whom is Independent. The Chairman of the Committee is an Independent Director.

Meetings of the Audit Committee are held at least once in every quarter. The Committee reviews the annual financial statements in the presence of external auditors. The recommendations of the Audit Committee are then submitted for approval of financial results of the Company by the Board. During the year 2024-25, the Audit Committee held Four [4] meetings. The minutes of the meetings of the Audit Committee are provided to all the Members, Directors and the Chief Financial Officer. The Head of Internal Auditor attends the Audit Committee meetings regularly and meets the Audit Committee without the presence of the Management, at least once a year, to point out various risks, their intensity and suggestions for mitigating risks and improvement areas. The business risks identified are then referred to the respective departments and mitigating actions are then implemented.

## Terms of reference of Audit Committee

The Code of Corporate Governance mandates that the Board of Directors of the Company shall determine the Terms of Reference of the Audit Committee.

In light of the mandate the Board of Directors of Mirpurkhas Sugar Mills Limited has drafted and approved the following terms of Reference for its Audit Committee. This is a non-exhaustive list and only outlines the most important guidelines for the Committee. Amendments to these shall be made from time to time in line with change in laws, and internal and external relevant factors.

The Committee shall;

- a) determine appropriate measures to safeguard the company's assets;
- b) review annual and interim financial statements of the company, prior to their approval by the Board of Directors, focusing on:
  - (i) major judgmental areas;
  - (ii) significant adjustments resulting from the audit;
  - (iii) going concern assumption;
  - (iv) any changes in accounting policies and practices;
  - (v) compliance with applicable accounting standards;
  - (vi) compliance with the regulations and other statutory and regulatory requirements; and
  - (vii) all related party transactions.
- c) review preliminary announcements of results prior to external communication and publication;
- d) facilitate the external audit and discussion with external auditors on major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- e) review management letter issued by external auditors and management's response thereto;
- f) ensure coordination between the internal and external auditors of the company;
- g) review the scope and extent of internal audit, audit plan, reporting framework and procedures and ensure that the internal audit function has adequate resources and is appropriately placed within the company;
- h) consider major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- i) ascertain that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;

- j) review the company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports;
- k) institute special projects, value for money studies or other investigations on any matter specified by the board of directors, in consultation with the chief executive officer and consider remittance of any matter to the external auditors or to any other external body;
- i) determine compliance with relevant statutory requirements;
- m) monitor compliance with the Code of Corporate Governance, 2019 and identify significant violations there-of;
- n) review arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- o) recommend to the Board of Directors, the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements. The Board of Directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof.
- p) consider any other issue or matter as may be assigned by the board of directors.

### HUMAN RESOURCE & REMUNERATION COMMITTEE

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

The Code of Corporate Governance mandates that the Board of Directors of the Company shall determine the Terms of Reference of the Human Resource and Remuneration Committee.

### TERMS OF REFERENCE OF HUMAN RESOURCE AND REMUNERATION COMMITTEE

In light of the mandate the Board of Directors of Mirpurkhas Sugar Mills Limited has drafted and approved the following terms of Reference for its HR&R Committee. This is a non-exhaustive list and only outlines the most important guidelines for the Committee. Amendments to these shall be made from time to time in line with change in laws, and internal and external relevant factors.

The Committee shall;

- i. recommend to the Board for consideration and approval a policy framework for determining remuneration of Directors (both executive and non-executive Directors and members of senior management). The definition of senior management will be determined by the Board which shall normally include the first layer of management below the Chief Executive Officer level;
- ii. undertake annually a formal process of evaluation of performance of the Board as a whole and its committees either directly or by engaging external independent consultants and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualifications and major terms of appointment;
- iii. recommend human resource management policies to the Board;
- iv. recommend to the Board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;
- V. carry out consideration and approval on recommendations of Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer or Chief Operating Officer;
- vi. where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company; and
- vii. carry out all actions in addition to those stated above, in order to ensure that the Company's risks are mitigated and growth in the right direction is taking place.

**Records:** All documentation related to the holding, proceedings and recommendations of the HR & RC shall be ensured by and stored with the Secretary (HR & RC).

### STRATEGY AND PERFORMANCE

The Board reviews the implementation of the organization's strategic & financial plans, Board meeting agendas and supporting documents provide sufficient information and time to explore & resolve key issues. Board members demonstrate preparation for meetings through active participation in decision making.

# Report of The Audit Committee

## AUDIT COMMITTEE

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

The Audit Committee of the Company comprises three (3) members, all of whom are Non – Executive Directors, including one Independent Director. The Chairman of the Committee is an Independent Director. The Audit Committee met at least once in a every quarter. Four meetings of the Audit Committee were held during the year 2024-2025.

Chief Executive Officer, Chief Financial Officer and Head of Internal Audit attend Audit Committee meetings by invitation. The Audit Committee also separately meets the external auditors at least once in a year without the presence of the Management. The Company Secretary acted as Secretary to the Committee. Based on reviews and discussions in these meetings, the Audit Committee reports that:

1. The Company has issued a Statement of Compliance with the Code of Corporate Governance which has also been reviewed and certified by the auditors of the Company.
2. The Audit Committee reviewed and approved the quarterly, half yearly and annual financial statements of the Company and recommended them for approval of the Board of Directors. Further, the financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017, and applicable International Accounting Standards and International Financial Reporting Standards notified by SECP.
3. The Audit Committee has reviewed and approved all related party transactions.
4. The Audit Committee takes into account any feedback from the Board of Directors and incorporates for improvement.

## INTERNAL AUDIT AND RISK MANAGEMENT

1. For appraisal of internal controls and monitoring compliance, the Company has in place an appropriately staffed, Internal Audit department. The Audit Committee reviewed the resources and performance of the Internal Audit department to ensure that they were adequate for the planned scope of the Internal Audit function. Head of Internal Audit Department has direct access to the Audit Committee.
2. An Internal Audit Risk Assessment document is submitted to the Audit Committee and based on that an Audit Plan is prepared to mitigate the risks involved in the Company's operations. Audit Committee regularly monitors the execution the Audit Plan. Further, on the basis of this plan, audits are conducted and reports are submitted. The Committee on the basis of the said reports reviews the adequacy of controls and compliance shortcomings in areas audited and discuss corrective actions in the light of management responses. Regular follow ups of these reports are also taken. This ensures the continual evaluation of controls and improved compliance. Minutes of Audit Committee meetings are timely circulated to the Board of Directors.
3. For continuous improvement of internal controls, the Committee also discussed the internal controls and the management letter with the external auditors.

## EXTERNAL AUDIT

1. The external auditors Kreston Hyder Bhimji & Co. Chartered Accountants were allowed direct access to the Audit Committee and necessary coordination with internal auditors was ensured. Major findings arising from audits and any matters that the external auditors highlighted were freely discussed with them and resolved on time.
2. The Audit Committee has reviewed and discussed with the external auditors and management, all the Key Audit Matters and other issues identified during the external audit along with the methods used to address the same.
3. Being eligible for reappointment, the audit committee has recommended, Kreston Hyder Bhimji & Co. Chartered Accountants as External Auditor of the Company for the year ended September 30, 2026 as it is one of the reputable audit firm and has thorough knowledge of the Company's business and industry.
4. The Company conducted annual performance evaluation of Board, Chief Executive Officer and Committees through an independent review by Grant Thornton Anjum Rahman, Chartered Accountants to ensure transparency in the process. Evaluation confirmed that Audit Committee has effectively discharged its responsibilities in accordance with its terms of reference.
5. The Company obtains taxation related services from Bhimji Gardezi Associates (Private) Ltd.

By Order of the Audit Committee

  
Hasan Reza Ur Rahim  
Chairman  
December 17, 2025





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# Financial Indicators

## Actual Results

### Sugar Division

"During the crushing season 2024/25 that started on November 21, 2024, the plant operated for 97 days, same as the previous year, availability of sugarcane, resulted in the factory being able to crush 508,214 metric tons of sugarcane to produce 52,977 metric tons of sugar, as compared to 616,103 metric tons of sugarcane to produce 66,100 metric tons of sugar during the corresponding period last year. The plant operated efficiently throughout the crushing season. The decrease in sucrose recovery to 10.42%, from 10.73% last season, was due to delayed onset of summer and water shortage, particularly in Sindh. The Company also produced 26,086 metric tons of molasses during the period, compared to 30,110 metric tons produced during the corresponding period last year.

During the year, the Company sold 58,678 tons of sugar, including 5,003 tons of exports, compared to 70,037 tons last year. The average sale prices improved, due to higher local sugar prices and sugar exports. Other income of the Company increased to Rs. 48 million as compared to 43 millions last year.

Furthermore, cost of sales mainly decreased due to lower quantity of sugarcane crushed. The Company accounted for Rs. 124 million profit from associates and adjusted its investment in the associate by the same amount. Unicol's profitability affected significantly due to decrease in foreign exchange rates & sugar mills operation during the year"

### Paper Division

The plant produced 42,658 tons of paper in 2024-25, compare to last year was 31,968 tons. The division continues to operate efficiently, meeting customer demands despite challenges in the commercial environment, including weak demand, intense competition, and rising raw material costs. Sales prices remain under pressure, exacerbated by increased costs of old corrugated cartons (OCC) and extended credit to customers. The ongoing installation of the agro pulping plant is expected to reduce reliance on imported OCC and mitigate risks from currency devaluation.

Summarized operating performance of the Company for the current year as compared to last year is as follows:

	2025	2024
	----- (Rupees in '000) -----	
Net Sales	12,615,640	11,969,725
Cost of Sales	(11,050,647)	(11,149,846)
Gross Profit	1,564,993	819,879
Other Income	55,932	47,140
Share of profit / (loss) in associates-net	124,099	(652,468)
Other expenses & taxes	(1,996,050)	(2,435,999)
Net Loss	<u><u>(251,026)</u></u>	<u><u>(2,221,448)</u></u>

## Budgeted Results

### Sugar Division

The planned/budgeted sugarcane crushing was 680,000 MT. However, due to challenging operational conditions, particularly the delayed advent of summer and the prevailing water shortage in Sindh, sugarcane yields and sucrose recovery declined across Pakistan. Consequently, the Company was able to crush 508,214 MT of sugarcane during the season. Although sugar prices were higher than budgeted, the reduced crushing volume had a negative impact on overall performance compared to projections.

Further the actual sucrose recovery percentage was 10.42% as against planned of 10.75% resulting in lower production of sugar by 20,153 MT against the budget. Ultimately, MSM was able to sell of 58,678 MT as against 72,000 MT of sugar (budgeted).

However, improved sales prices of Sugar, decreased financial charges due to lower mark up rates and other expenses affected the actual profit positively whereas profit from associate also contributed positively. The Company's net profit of Rs.620.3 million as against the planned loss of Rs. 563 million."

	Actual	Budgeted
Total Sales Volume (M.T)	58,678	72,000
----- (Rupees in '000) -----		
Net Sales	7,953,782	8,246,642
Cost of Sales	(6,502,042)	(7,601,895)
Gross Profit	1,451,740	644,747
Others	(831,471)	(1,207,810)
Net Profit / (Loss)	<u>620,269</u>	<u>(563,063)</u>

#### **Paper Division**

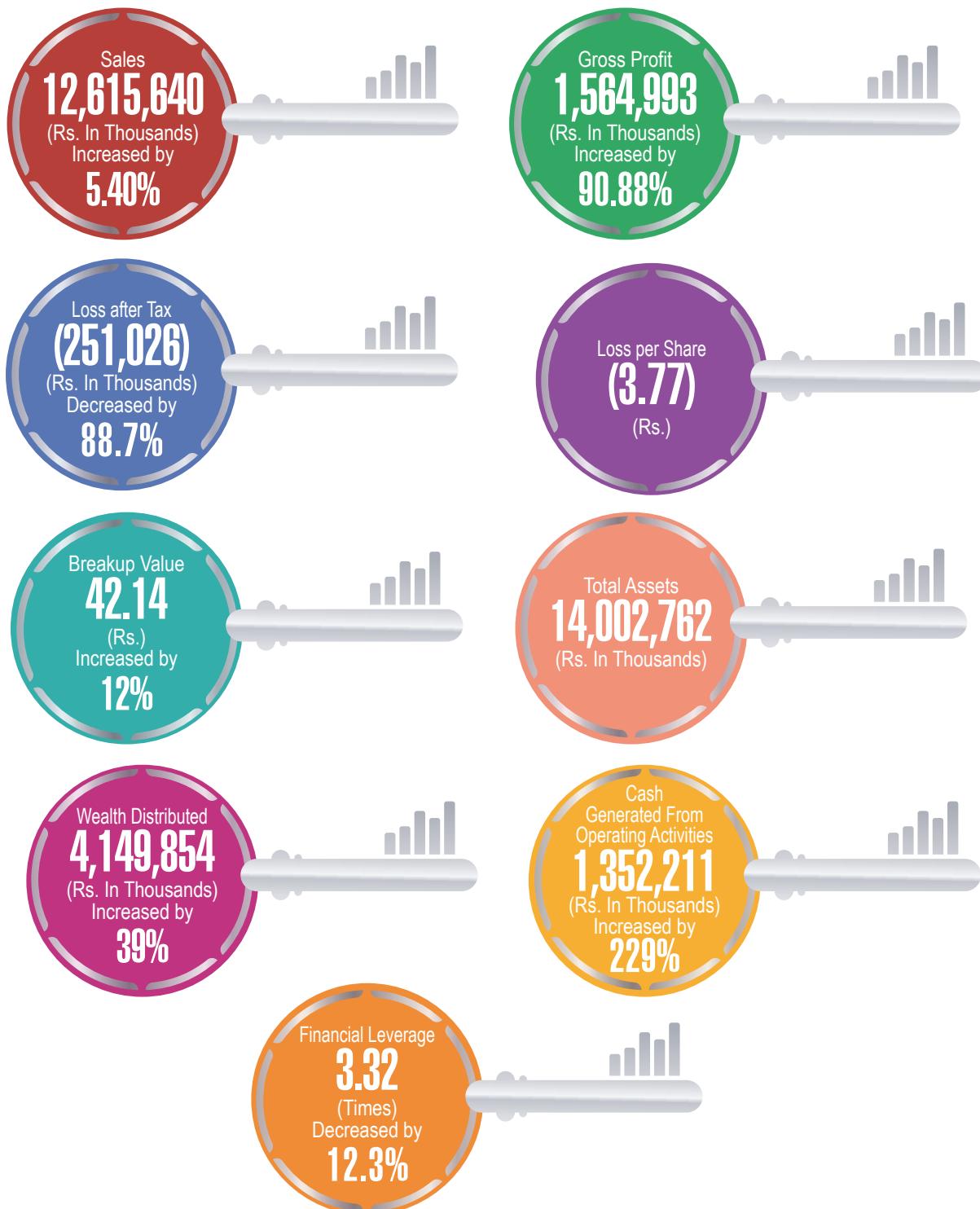
"The Company was able to produce 42,658 MT against planned/budgeted production of 39,795 MT in 2024-2025, as compare to last year 31,968 MT of paper production.

Overall Sales achieved 42,970 MT against planned sales of 40,430 MT. Sales quantity has improved as compared to last year i.e., 31,707 MT, due to significant effort. Gross Profit is declined mainly due to reduction in sales price i.e. Rs 21,187 per tons as compared to planned.

However, decrease in financial charges affected the actual profit and reduction in taxation due to less turnover contributed positively. The Company incurred net loss of Rs. 871.3 million as against the budgeted loss of Rs. 651 million."

	Actual	Budgeted
Total Sales Volume (M.T)	42,970	40,430
----- (Rupees in '000) -----		
Net Sales	4,661,858	5,242,928
Cost of Sales	(4,548,605)	(4,855,285)
Gross Profit	113,253	387,643
Others	(984,548)	(1,038,823)
Net Loss	<u>(871,295)</u>	<u>(651,180)</u>

# Key Performance Indicators



## Methods and Assumptions in Compiling Indicators

A Key Performance Indicator (KPI) should immediately inform the reader how the business is performing which in turn should suggest what actions need to be taken. KPIs provide understanding of a company's performance in key areas and measure to analyze current standing of the company and likely path the company would follow. Comparison over time is a key principle of good corporate reporting. It is recognized that KPIs may evolve over time as strategies change or more information becomes available. Mirpurkhas Sugar Mills Limited has identified and updated following KPIs that are critical to its business. While identifying KPIs, the Company analyzed various indicators, their interpretations and accordingly their extent to which they may correctly and clearly communicate the Company's performance.

# Non-Financial Indicators



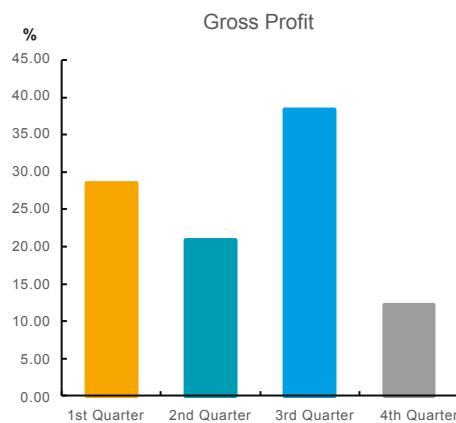
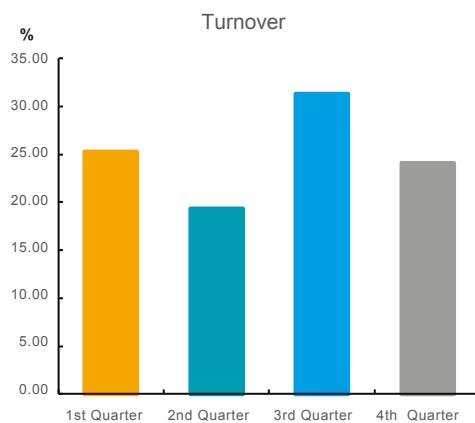
Capital forms	Objective	KPI Monitored	Future Relevance
Manufactured Capital	Product development	Produce high quality sugar for various industries including FMCG and Pharmaceuticals.	Keeps product portfolio aligned with customer needs and regulatory standards.
	Maintain industry leadership and expand sales	Market share, price management and identification of new markets.	Secures market position and revenue growth in changing markets.
	Enhance operational efficiency and efficient inventory Management	Production efficiency ratios and Activity ratios.	Invest in operational efficiency and economies of scale to maintain it in the years to come.
	Economize on costs –eliminating redundancies	Optimization of available resources and better allocation of fixed costs.	Protects margins and pricing flexibility under market pressure.
	Sustainability	Keep a close eye on Current Ratio, Gearing and Interest Cover.	
Human Capital	Health & Safety of workers	Provision of a congenial and clean environment along with safety for smooth work.	We believe in continuously providing environment which harmonize the workers efforts in higher productivity.
	Training and Education	Continuous training of employees and workers. Monitor training need analysis with special focus on health and safety at work.	
Relationship Capital	Shareholder Value	EPS, ROE, Asset Turnover and DPS	Strengthens supply-chain resilience and customer retention, reducing disruption risk.
	Stock Value	Analyse market price as a measure of relationship capital	
	Suppliers and Customers Relationships	Assess the payment stream and ensure timely payment. Provide customer with maximum support beyond customer -supplier relationship.	
Intellectual Capital	Highest product strength at lowest cost in industry	Regularly monitor avenues to increase product strength. Produce high quality sugar and paper to facilitate our customers.	Sustains competitive differentiation and margin advantage by preserving product quality while lowering unit cost.
	Maintain industry leadership		

# Quarterly Performance Analysis

for the year ended September 30, 2025

Particulars	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
	(Rupees in '000)				
Turnover-net	3,193,420	2,436,969	3,948,892	3,036,359	12,615,640
Cost of sales	(2,747,041)	(2,109,991)	(3,347,487)	(2,846,128)	(11,050,647)
Gross profit	446,379	326,978	601,405	190,231	1,564,993
Distribution cost	(111,560)	(113,020)	(49,587)	(35,745)	(309,912)
Administrative expenses	(85,482)	(75,646)	(87,243)	(96,811)	(345,182)
Other operating expenses	(357)	(1,392)	(120)	(6,132)	(8,001)
	(197,399)	(190,058)	(136,950)	(138,688)	(663,095)
Other income	22,013	13,248	16,133	4,538	55,932
Operating (loss) / profit	270,993	150,168	480,588	56,081	957,830
Finance cost	(290,280)	(319,017)	(309,629)	(255,014)	(1,173,940)
	(19,287)	(168,849)	170,959	(198,933)	(216,110)
Share of profit/ (loss) in an associate	3,486	12,119	103,963	4,531	124,099
Loss profit before taxation	(15,801)	(156,730)	274,922	(194,402)	(92,011)
Taxation	(43,923)	(37,921)	(49,122)	(28,049)	(159,015)
Loss after tax	(59,724)	(194,651)	225,800	(222,451)	(251,026)

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
	Percentage				
Sales	25.31	19.32	31.30	24.07	100.00
Gross Profit	28.52	20.89	38.43	12.16	100.00
Profit / Loss before tax	17.17	170.34	(298.79)	211.28	100.00
Profit / Loss after tax	23.79	77.54	(89.95)	88.62	100.00



# Comments Quarterly Performance Analysis

## Quarter 1

- Turnover increased to Rs. 3,193 million, supported by slightly increase in sales volume and lower cost of sales. Gross profit rose to Rs. 446 million due to comparatively better sales margins.
- Operating profit stood at Rs. 271 million; however, elevated finance costs of Rs. 290 million constrained the bottom line, resulting in a net loss.

## Quarter 2

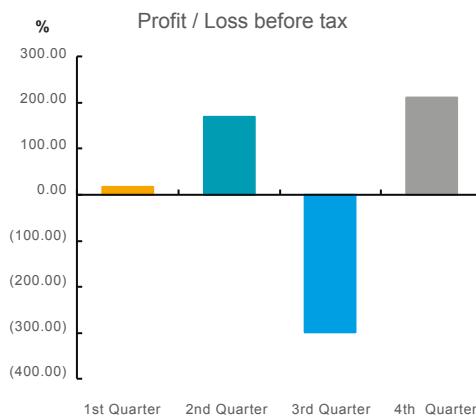
- Turnover decreased to Rs. 2,437 million following an 18% decline in sales volume compared to the previous quarter. Despite the lower turnover, gross profit remained stable at Rs. 327 million due to controlled cost of sales.
- Operating profit stood at Rs. 150 million; however, higher finance costs continued to suppress profitability.

## Quarter 3

- The Company delivered its strongest operational performance in Q3. Turnover improved significantly to Rs. 3,949 million, driven by a 45% increase in sales volume, representing 30% of annual sales. Gross profit rose to Rs. 601 million, reflecting improved pricing and a favorable product mix.
- Operating profit reached Rs. 481 million, while the share of profit from the associate contributed Rs. 104 million. After accounting for finance costs, the Company reported a net profit of Rs. 275 million in the quarter.

## Quarter 4

- Turnover declined to Rs. 3,036 million compared to Q3, primarily due to a 22% reduction in sales volume as the Company sold 24% of total sales volumes. Gross profit also narrowed to Rs. 190 million due to higher cost of sales.
- Operating profit fell sharply to Rs. 56 million, and after absorbing finance costs of Rs. 255 million and a marginal share of profit from the associate the quarter closed with a net loss.



## Six Years Statistics

	2025	2024	2023	2022	2021	2020
<b>Production Data</b>						
Sugarcane crushed	(M. Tons)	508,214	616,102	562,641	649,557	488,464
Sucrose recovery	(%)	10.42	10.73	10.55	10.85	10.63
Sugar production	(M. Tons)	52,977	66,101	59,325	70,460	51,909
Molasses production	(M. Tons)	26,086	30,110	28,772	33,080	24,296
Paper Production	(M. Tons)	42,658	31,968	17,959		25,133
(Rs. '000)						
<b>Sales &amp; Profitability</b>						
Turnover - net		12,615,640	11,969,725	7,779,469	4,832,646	3,861,442
Cost of sales		11,050,647	11,149,846	6,416,207	4,354,653	3,578,666
Gross profit		1,564,993	819,879	1,363,262	477,993	282,776
Operating profit / (Loss)		957,830	249,565	1,266,771	289,386	276,301
(Loss) / Profit before taxation		(92,011)	(2,261,298)	1,054,417	300,022	215,773
(Loss) / Profit for the year		(251,026)	(2,221,248)	839,316	203,626	(140,320)
<b>Financial Position</b>						
Fixed assets - net		6,831,910	6,633,113	6,846,091	5,781,475	3,469,425
Other non-current assets		1,627,563	1,652,409	2,390,599	1,779,820	1,838,439
	A	8,459,473	8,285,522	9,236,690	7,561,295	5,307,864
Current assets		5,543,289	5,497,374	4,587,255	2,361,638	2,134,667
Non current assets held for sale		-	-	-	301,264	301,264
Current liabilities		(6,383,320)	(7,984,232)	(6,670,830)	(3,381,611)	(2,649,786)
Liabilities associate with non current assets held for sale		-	-	-	(750,000)	(130,000)
Working capital	B	(840,031)	(2,486,858)	(2,083,575)	(1,468,709)	(343,855)
Capital employed	(A+B)	7,619,442	5,798,664	7,153,115	6,092,586	4,964,009
Less: Non current liabilities		(4,814,627)	(3,301,431)	(3,061,102)	(2,981,386)	(1,738,025)
Shareholders' equity		2,804,815	2,497,233	4,092,013	3,111,200	3,225,984
<b>Represented by:</b>						
Share capital		665,579	665,579	465,579	134,950	134,950
Reserves		1,477,740	1,170,158	2,964,938	2,131,991	2,246,775
Surplus on revaluation of fixed assets		661,496	661,496	661,496	844,259	844,259
		2,804,815	2,497,233	4,092,013	3,111,200	3,225,984
<b>Performance indicators</b>						
<b>Profitability Ratios</b>						
Gross profit ratio	(%)	12.41	6.85	17.52	9.89	7.32
Net profit to sales	(%)	(1.99)	(18.56)	10.79	4.21	3.63
EBITDA margin to sales	(%)	10.56	5.30	19.43	8.40	9.99
Operating leverage ratio	(times)	3.07	8.70	1.78	3.18	2.41
Return on equity	(%)	(8.95)	(88.95)	20.51	6.54	4.35
Return on capital employed	(%)	14.20	(7.16)	30.90	12.08	9.14
Shareholders' Funds	(%)	20.03	18.12	29.60	30.43	41.66
Return on Shareholders' Funds	(%)	(8.95)	(88.95)	20.51	6.54	4.35
<b>Liquidity Ratios</b>						
Current ratio	(times)	0.87	0.69	0.69	0.70	0.81
Quick/ acid test ratio	(times)	0.50	0.31	0.21	0.20	0.35
Cash to current liabilities	(times)	0.01	0.01	0.01	0.01	0.01
Cash flow from operations to sales	(times)	0.13	0.05	(0.08)	0.00	(0.04)
Cash flow to capital expenditures	(times)	1.35	1.84	0.90	0.58	0.55
Cash flow coverage ratio	(times)	0.57	0.06	(0.08)	0.00	(0.04)

# Six Years Statistics

	2025	2024	2023	2022	2021	2020
<b>Activity/ Turnover Ratios</b>						
Inventory turnover ratio	(times) 5.83	4.86	3.37	3.65	4.37	5.32
No. of days in inventory	(days) 62.63	75.11	108.33	99.95	83.49	68.66
Debtor turnover ratio	(times) 5.74	5.39	9.99	18.45	16.83	17.86
No. of days in receivables	(days) 63.54	67.74	36.55	19.78	21.69	20.44
Creditor turnover ratio	(times) 23.29	34.04	38.08	41.78	46.44	47.07
No. of days in creditors	(days) 15.67	10.72	9.58	8.74	7.86	7.75
Total assets turnover ratio	(times) 0.90	0.87	0.56	0.47	0.50	0.73
Fixed assets turnover ratio	(times) 1.85	1.80	1.14	0.84	1.11	1.77
Operating cycle	(days) 110.50	132.13	135.30	110.99	97.32	81.35
<b>Investment/ Market Ratios</b>						
Earnings per share - basic **	(rupees) (3.77)	(39.17)	16.43	3.98	2.75	(2.26)
Price earning ratio **	(times) (9.94)	(0.72)	2.31	32.50	35.69	(36.21)
Price to Book ratio	(%) 17.82	13.53	12.80	17.09	17.08	17.35
Dividend payout ratio	(%) -	-	36.98	9.94	-	-
Bonus Share*	(%)		200.00	15.00		
Market price per share:						
- Closing	(Rupees) 37.50	28.02	38.00	129.50	98.00	82.00
- High	(Rupees) 44.50	58.36	188.94	175.00	129.00	114.00
- Low	(Rupees) 25.00	26.50	36.52	91.75	68.01	47.53
Break-up value per share**:	(Rupees) 42.14	37.52	61.48	46.74	48.47	42.76
Break-up value per share without surplus on revaluation**:	(Rupees) 32.20	27.58	73.68	34.06	35.78	30.07
<b>Capital Structure Ratios</b>						
Financial leverage ratio	(times) 3.32	3.57	1.89	1.65	1.06	0.80
Weighted average cost of debt	(%) 11.42	18.74	13.61	7.66	6.25	11.92
Debt to equity ratio	77:23	78:22	65:35	62:38	52:48	44:56
Interest cover ratio	(times) 0.92	(0.22)	1.94	1.70	1.95	0.87
Net asset per share	(times) 42.14	37.52	61.48	46.74	48.47	42.76
<b>Employee Productivity Ratios</b>						
Production per employee	(M. Tons) 84	92	88	80	66	56
Revenue per employee		51,492	46,940	29,580	22,168	16,023
Staff turnover ratio	(%) 14.70	15.00	13.00	8.70	7.90	4.86
<b>Non Financial Ratio</b>						
% of Plant Availability-Sugar	(%) 97.00	104.30	71.90	113.76	81.67	105.94
% of Plant Availability-Paper	(%) 111.06	63.64	55.45			
Customer satisfaction Index	(%) 100	100	100	100	100	100
<b>Others</b>						
Spare Inventory as % of Assets Cost	(%) 5.14	5.77	5.35	2.82	2.66	3.32
Maintenance Cost as % of Opeaing Expenses	(%) 13.90	12.06	7.31	9.28	7.04	8.93

\* post balance sheet event

\*\*restated, based on weighted average number of ordinary shares in issue

\*\* Basic EPS and Dilutae EPS is same due to no change in weighted average number of ordinary shares in issue

# Comments on Ratios

## Profitability Ratios

Turnover improved by 5% during the year due to higher sugar sales volumes and sustained contribution from the paper division. Profitability ratios reflect mixed performance. Although gross margin strengthened by 91% due to a reduction in cost of sales, and better selling prices in certain periods. However, the overall net margin remained negative due to weaker operating leverage. Improved, return on equity and return on capital employed was on account of better gross margins, lower finance cost compared to last year, and a positive contribution from the associate during the year.

## Liquidity Ratios

The Company maintained a stable liquidity profile, with both current and quick ratios remaining at comfortable levels despite the working capital requirements of ongoing operations. Improved working capital management, including more efficient inventory utilization and disciplined receivables management, enhanced operating cash flows.

## Activity / Turnover Ratios

Credit sales increased by 54% as operations of the paper plant continued to expand the Company's customer base, resulting in higher receivable turnover days. Inventory turnover ratios improved due to better inventory control and optimization of stores and spares. Fixed asset turnover strengthened as improved production and higher sales volumes enhanced utilization of the Company's asset base.

## Investment / Market Ratios

Investment and market ratios directly reflected the Company's financial performance. Although certain operational indicators improved, such as, reduced cost of sales, lower finance cost, and profitability from associates, the overall loss for the year adversely impacted PE ratio, and market valuation. Broader macroeconomic pressures, including high interest rates, inflation, and currency devaluation, also influenced investor sentiment and market pricing.

## Capital Structure Ratios

The Company continued to manage its gearing effectively. Notably, finance cost decreased relative to the prior year, primarily due to lower borrowings and improved financing cost management. Despite this improvement, the loss for the year resulted in a weaker interest cover ratio. Debt-to-equity and financial leverage ratios reflected movements in short-term borrowings aligned with operational needs, though better cost control mitigated the overall burden compared to last year.

## Employee Productivity Ratios

Employee productivity remained robust, supported by efficient manpower utilization and the contribution of the paper division. Production per employee slightly declined, while revenue per employee improved in line with higher aggregate sales.

## Non-Financial Ratios

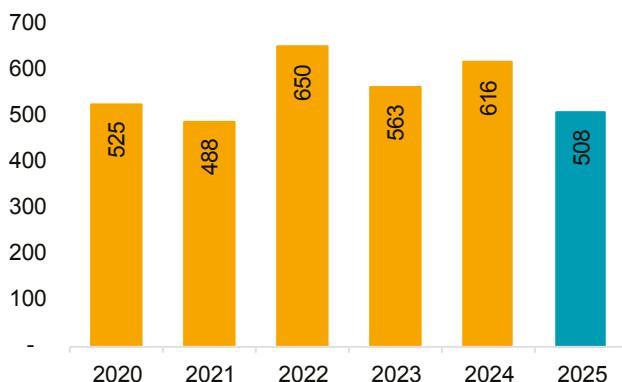
Sugar plant availability continued to depend on the availability and quality of sugarcane during crushing season. Paper plant availability remained linked to market demand, confirmed orders, and uninterrupted access to imported raw materials, all of which influenced production planning and utilization rates.

## Others

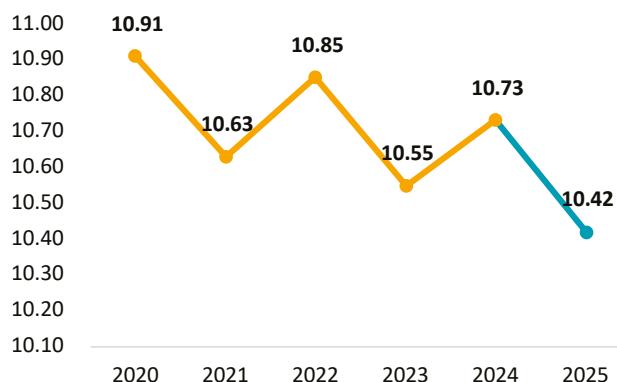
Stores and spares inventory decreased during the year owing to improved inventory management, optimized procurement, and better utilization of existing stock.

# Key Operating Highlights

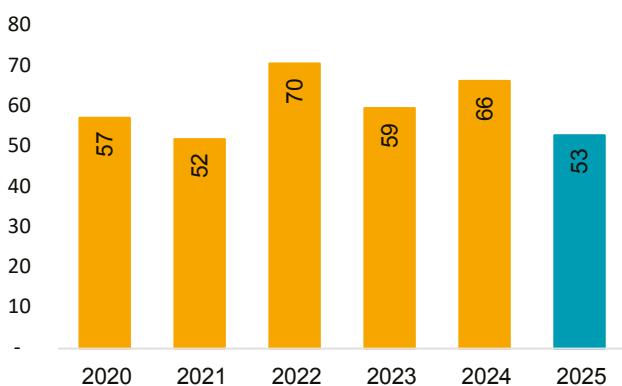
**Sugarcane crushed (000 M.Tons)**



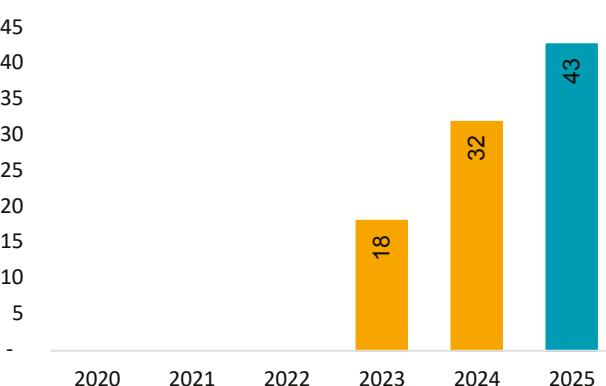
**Recovery (%)**



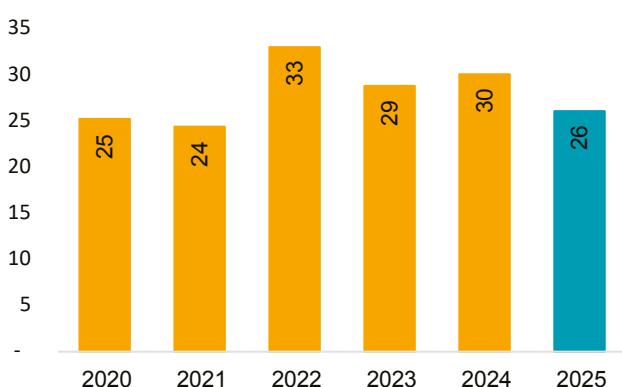
**Sugar production (000 M.Tons)**



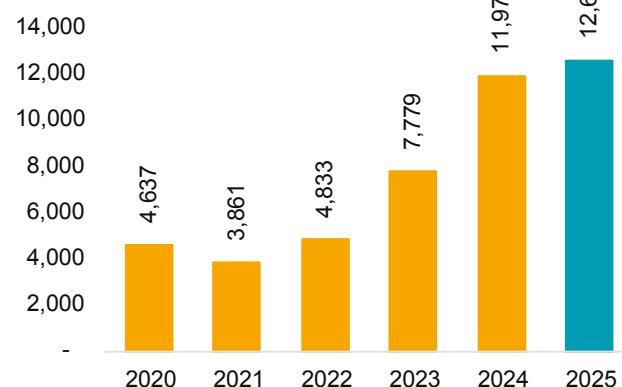
**Paper production (000 M.Tons)**



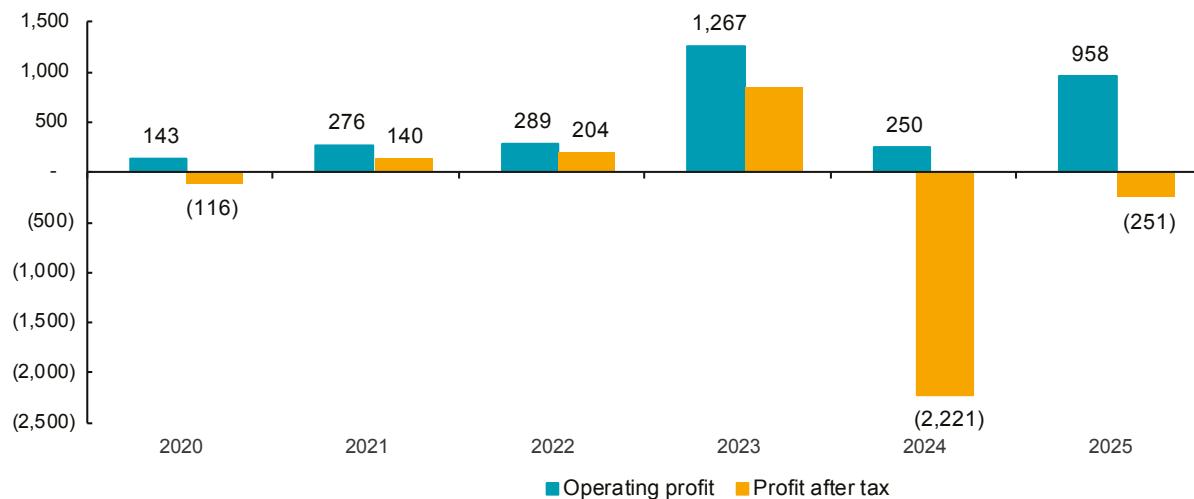
**Molasses production (000 M.Tons)**



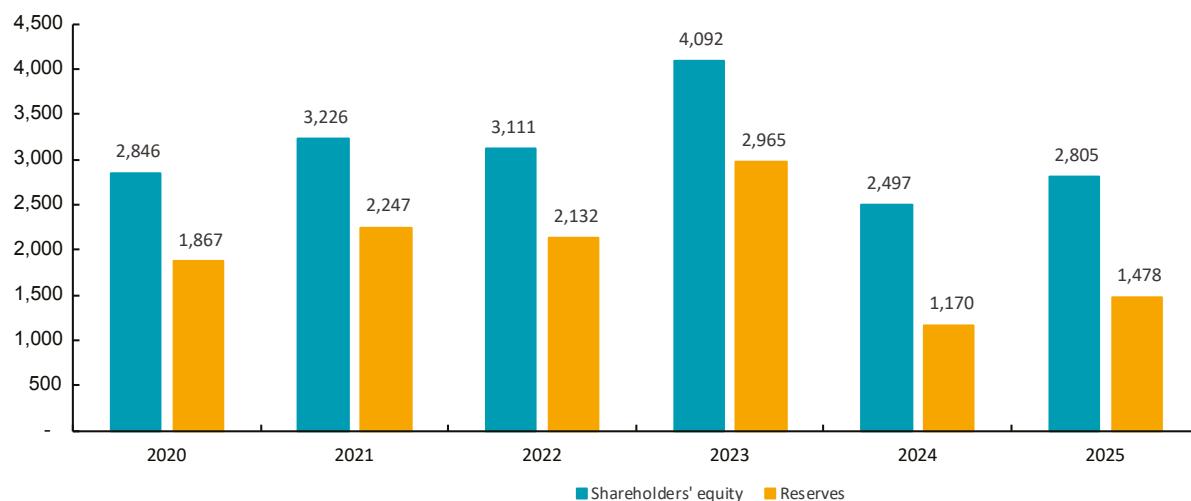
**Turnover - net (Rs. million)**



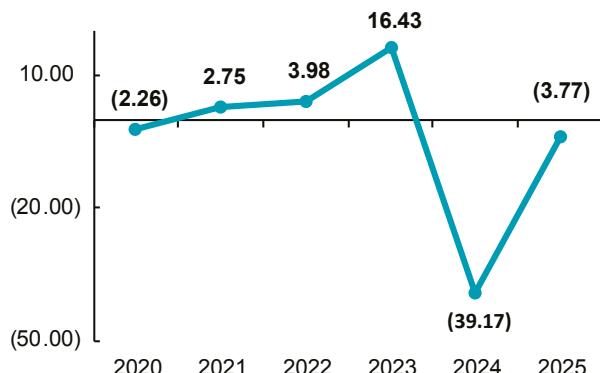
**Operating Net Profit / (Loss) (Rs. million)**



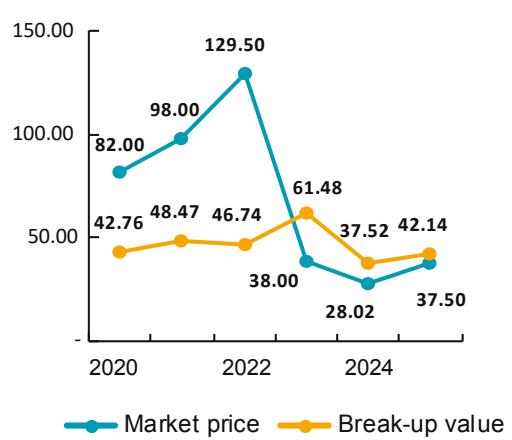
**Shareholder's equity / Reserves (Rs. million)**

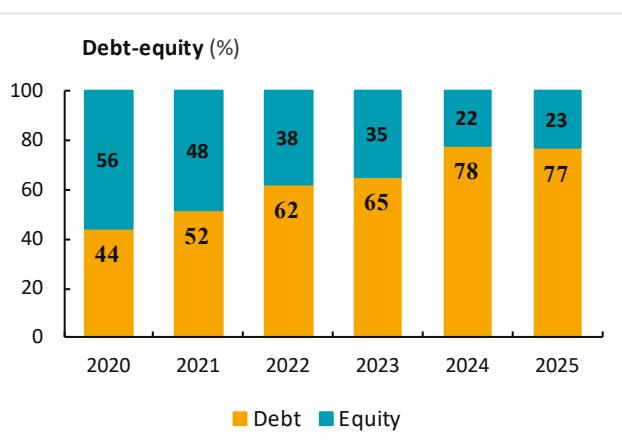
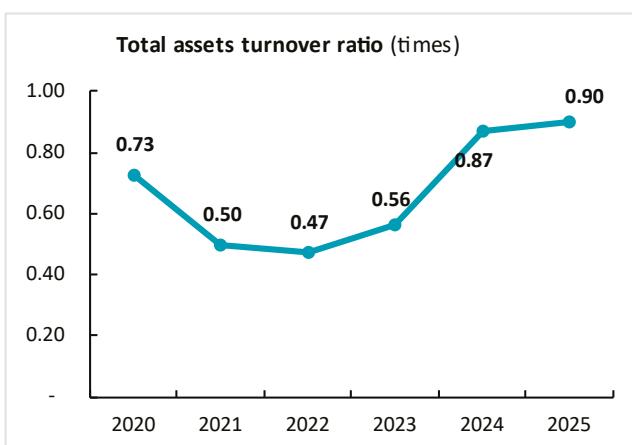
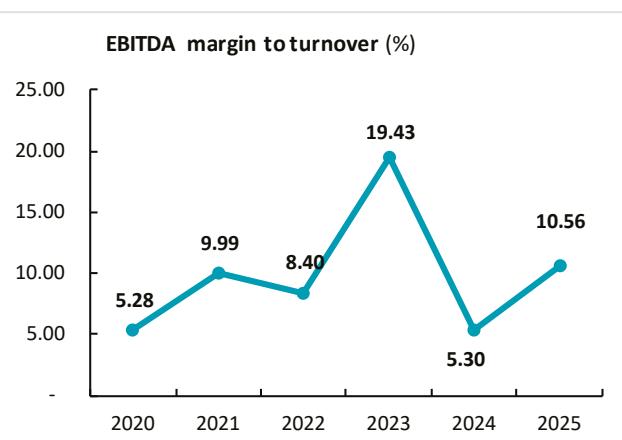
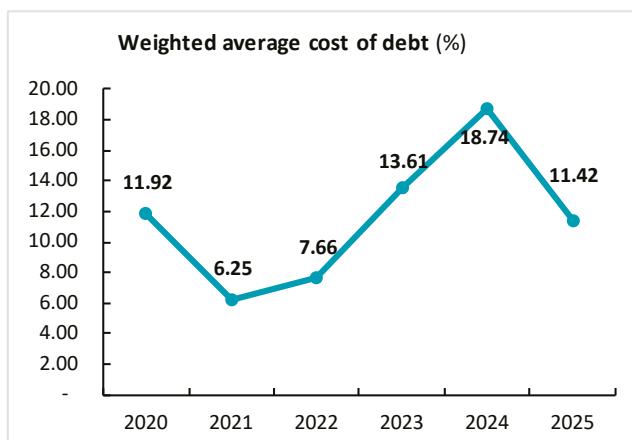
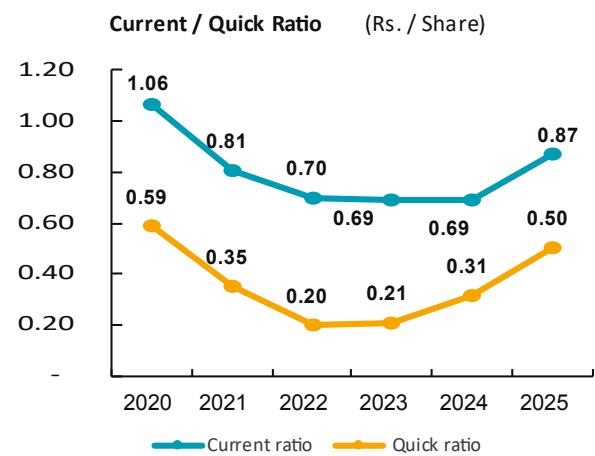
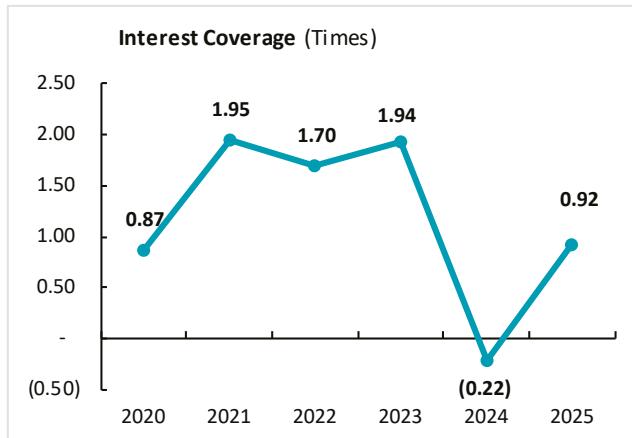


**Earnings per share (Rs. / Share)**



**Market Price/ Breakup Value (Rs. / Share)**

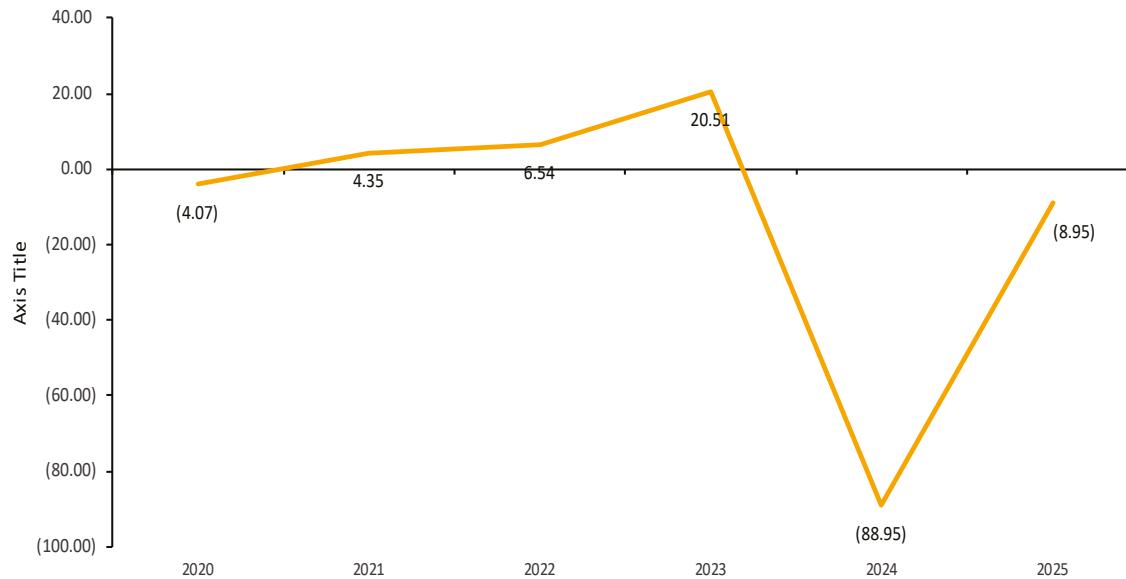




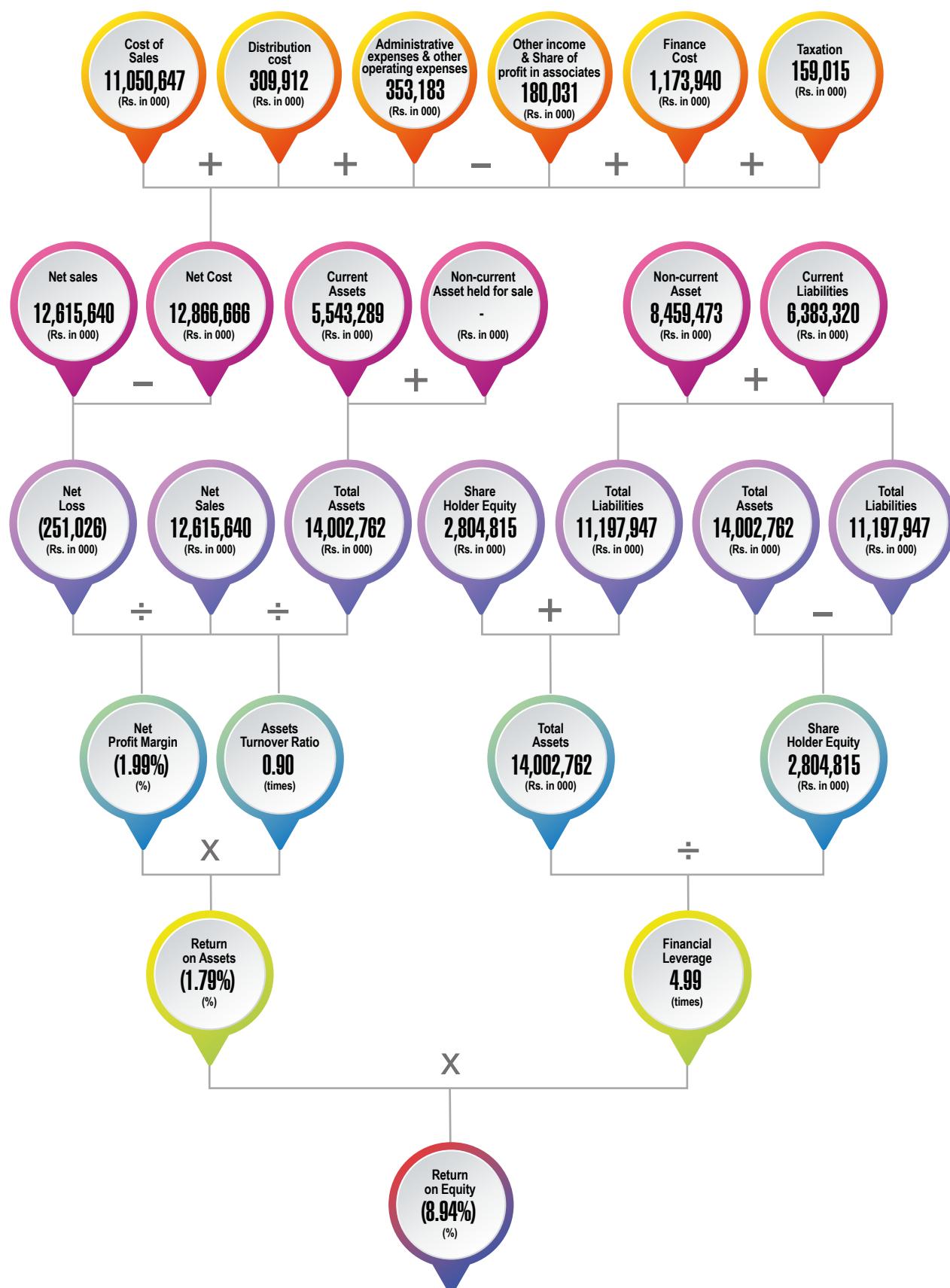
## DuPont Analysis

	2025	2024	2023	2022	2021	2020
Operating margin (%)	7.59	2.08	16.28	5.99	7.16	3.09
Asset turnover	0.90	0.87	0.56	0.47	0.50	0.73
Interest burden / efficiency (%)	(9.61)	(906.10)	83.24	103.68	78.09	(33.46)
Tax burden / efficiency (%)	272.82	98.23	79.60	67.87	65.03	241.09
Leverage (Equity Multiplier)	4.99	5.52	3.38	3.29	2.40	2.24
Return on Equity (%)	(8.95)	(88.95)	20.51	6.54	4.35	(4.07)

Graphical Presentation of Dupont Analysis

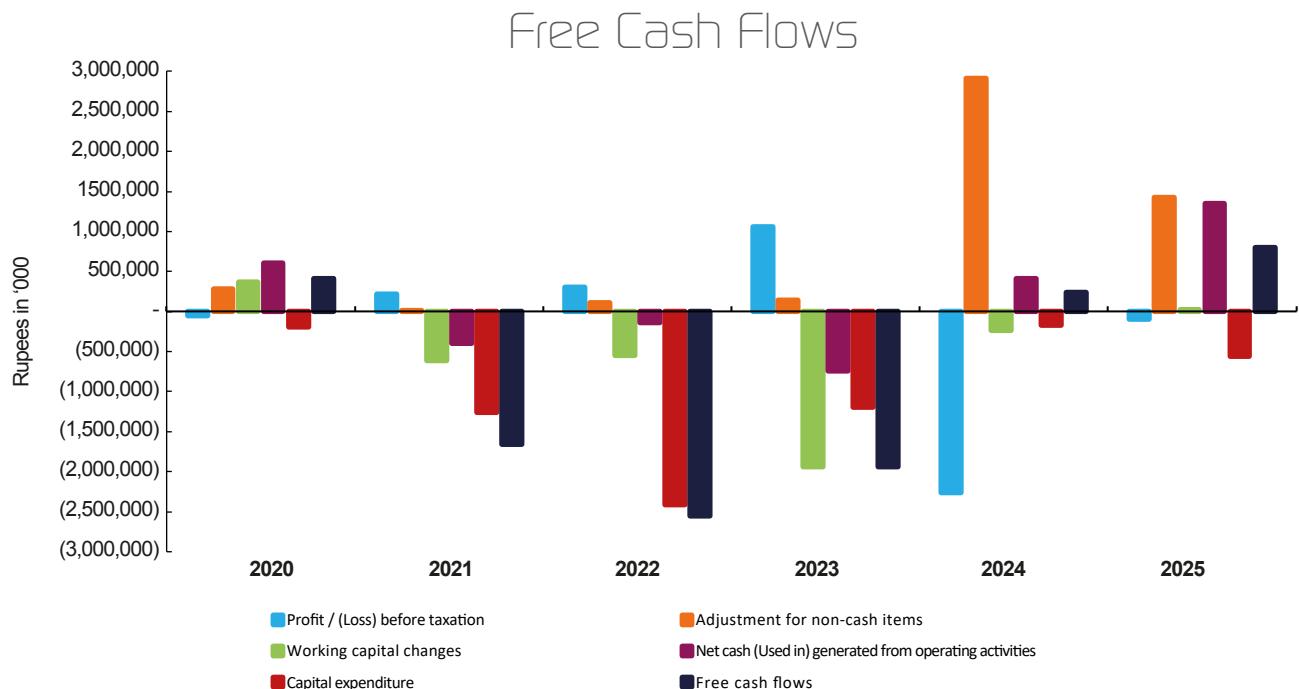


# DuPont Chart



## Statement of Free Cash Flows

	2025	2024	2023	2022	2021	2020
----- Rs in '000 -----						
Profit / (Loss) before taxation	(92,011)	(2,261,298)	1,054,417	300,022	215,773	(48,005)
Adjustment for non-cash items	1,420,779	2,908,882	141,673	107,631	6,627	285,740
Working capital changes	23,443	(236,915)	(1,941,981)	(550,467)	(617,900)	366,244
Net cash (Used in) / generated from operating activities	1,352,211	410,669	(745,891)	(142,814)	(395,500)	603,979
Capital expenditure	(557,384)	(172,611)	(1,197,979)	(2,408,574)	(1,259,975)	(190,395)
Free cash flows	794,827	238,058	(1,943,870)	(2,551,388)	(1,655,475)	413,584

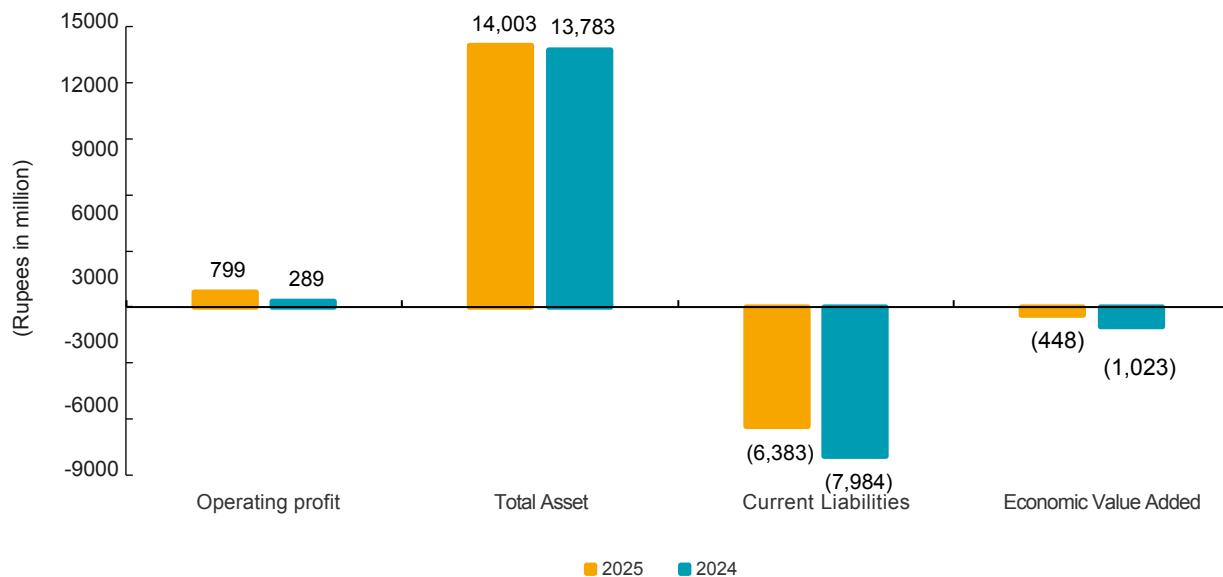


# Economic Value Added

For the year ended September 30, 2025

2025	2024
----- (Rupees in '000) -----	

Net Operating Profit After Tax	798,815	289,415
Cost of Capital	(1,246,541)	(1,312,818)
<b>Economic Value Added</b>	<b>(447,726)</b>	<b>(1,023,403)</b>
<b>Cost of Capital</b>		
Total Assets	14,002,762	13,782,896
Currents Liabilities	(6,383,320)	(7,984,232)
Invested Capital	7,619,442	5,798,664
Weighted Average Cost of Capital	16.36%	22.64%
<b>Cost of Capital</b>	<b>1,246,541</b>	<b>1,312,818</b>



## Horizontal Analysis-Last Six Years

	2025		2024	
	Rs. in '000	%	Rs. in '000	%
<b>Balance Sheet</b>				
<b>Assets</b>				
Non current assets	8,459,473	2	8,285,522	(10)
Current assets	5,543,289	1	5,497,374	20
Non current asset held for sale	-	-	-	-
<b>Total Assets</b>	<b>14,002,762</b>	<b>2</b>	<b>13,782,896</b>	<b>(0)</b>
<b>Equity &amp; Liabilities</b>				
Shareholders equity	2,804,815	12	2,497,233	(39)
Non current liabilities	4,814,627	46	3,301,431	8
Current liabilities	6,383,320	(20)	7,984,232	20
Liabilities against non current asset held for sale	-	-	-	-
<b>Equity &amp; Liabilities</b>	<b>14,002,762</b>	<b>2</b>	<b>13,782,896</b>	<b>(0)</b>
<b>Turnover &amp; Profit</b>				
Turnover-net	12,615,640	5	11,969,725	54
Gross profit/(Loss)	1,564,993	91	819,879	(40)
Operating profit/(Loss)	957,830	284	249,565	(80)
(Loss) / Profit before taxation	(92,011)	(96)	(2,261,298)	(314)
(Loss) / Profit for the year	(251,026)	(89)	(2,221,448)	(365)

### COMMENTS ON HORIZONTAL ANALYSIS:

#### Statement of Financial Position

Non-current assets increased due to capitalization during the year. Current assets increased due to increase fair value of investment.

Shareholders' equity increased due to Actuarial gain on defined benefit plan and Unrealized gain on investment at fair value.

Current liabilities decreased mainly due to settlement of advances from customers against sales.

2023		2022		2021		2020	
Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%
9,236,690	22	7,561,295	42	5,307,864	20	4,414,133	11
4,587,255	94	2,361,638	11	2,134,667	9	1,965,049	8
-	(100)	301,264	-	301,264	100	0	
<b>13,823,945</b>	<b>35</b>	<b>10,224,197</b>	<b>32</b>	<b>7,743,795</b>	<b>21</b>	<b>6,379,182</b>	<b>10</b>
4,092,013	32	3,111,200	(4)	3,225,984	13	2,845,870	43
3,061,102	3	2,981,386	72	1,738,025	3	1,684,659	33
6,670,830	97	3,381,611	28	2,649,786	43	1,848,653	(27)
-	(100)	750,000	477	130,000	100		
<b>13,823,945</b>	<b>35</b>	<b>10,224,197</b>	<b>32</b>	<b>7,743,795</b>	<b>21</b>	<b>6,379,182</b>	<b>10</b>
7,779,469	61	4,832,646	25	3,861,442	(17)	4,637,141	24
1,363,262	185	477,993	69	282,776	(7)	304,723	(50)
1,266,771	338	289,386	5	276,301	93	143,475	(68)
1,054,417	251	300,022	39	215,773	549	(48,005)	(111)
839,316	312	203,626	45	140,320	221	(115,733)	(138)

### Profit and Loss Account

Turnover increased by 5.04% as compared to year 2024 due to addition of paper export sales and improved sugar prices.

Operating income is significantly increased by 283% as compared to last year, mainly due to better operations as compared to last year & improvement in sugar prices.

Finance cost decreased during the year due to decrease in short term borrowing and lower discount rate by the State Bank of Pakistan during the year.

Share of profit in associates increased due to Profit from UNICOL.

## Vertical Analysis-Last Six Years

	2025		2024	
	Rs. in '000	%	Rs. in '000	%
<b>Balance Sheet</b>				
<b>Assets</b>				
Non current assets	8,459,473	60	8,285,522	60
Current assets	5,543,289	40	5,497,374	40
Non current asset held for sale	-	-	-	-
<b>Total Assets</b>	<b>14,002,762</b>	<b>100</b>	<b>13,782,896</b>	<b>100</b>
<b>Equity &amp; Liabilities</b>				
Shareholders equity	2,804,815	21	2,497,233	19
Non current liabilities	4,814,627	35	3,301,431	24
Current liabilities	6,383,320	46	7,984,232	58
Liabilities against non current asset held for sale	-	-	-	-
<b>Equity &amp; Liabilities</b>	<b>14,002,762</b>	<b>100</b>	<b>13,782,896</b>	<b>100</b>
<b>Turnover &amp; Profit</b>				
Turnover-net	12,615,640	100	11,969,725	100
Gross profit/(Loss)	1,564,993	12	819,879	7
Operating profit/(Loss)	957,830	8	249,565	2
(Loss) / Profit before taxation	(92,011)	(1)	(2,261,298)	(19)
(Loss) / Profit for the year	(251,026)	(2)	(2,221,448)	(19)

### COMMENTS ON VERTICAL ANALYSIS:

#### Statement of Financial Position

Total asset base almost remained same .

Non current liabilities as percentage of equity and liabilities have increased due to increase in long term financing.

Equity proportion also increased due to increased in reserves due to actuarial gain & revaluation of shares.

2023		2022		2021		2020	
Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%
9,236,690	67	7,561,295	74	5,307,864	69	4,414,133	69
4,587,255	33	2,361,638	23	2,134,667	28	1,965,049	31
-	-	301,264	3	301,264	3		
<b>13,823,945</b>	<b>100</b>	<b>10,224,197</b>	<b>100</b>	<b>7,743,795</b>	<b>100</b>	<b>6,379,182</b>	<b>100</b>
4,092,013	30	3,111,200	31	3,225,984	42	2,845,870	45
3,061,102	22	2,981,386	29	1,738,025	22	1,684,659	26
6,670,830	48	3,381,611	33	2,649,786	34	1,848,653	29
-	-	750,000	7	130,000	2		
<b>13,823,945</b>	<b>100</b>	<b>10,224,197</b>	<b>100</b>	<b>7,743,795</b>	<b>100</b>	<b>6,379,182</b>	<b>100</b>
7,779,469	100	4,832,646	100	3,861,442	100	4,637,141	100
1,363,262	18	477,993	10	282,776	7	304,723	7
1,266,771	16	289,386	6	276,301	7	143,475	3
1,054,417	14	300,022	6	215,773	6	(48,005)	(1.04)
839,316	11	203,626	4.21	140,320	3.63	(115,733)	(2.50)

### Profit and Loss Account

Gross profit improved as a percentage of turnover due to controlled cost of sales , improved selling price and other operating expense positively effected the operating profit for the year.

Finance cost decreased as compared to last year further share of profit from associate positively effected the profitability of the company.

# Summary of cash flow statement - Last six years

2025	2024	2023	2022	2021	2020
------	------	------	------	------	------

Rs in '000

## Summary of Cash flows

Net cash (used in)/generated from operating activities	1,352,211	410,669	(745,891)	(142,814)	(395,500)	603,979
Net cash (used in)/generated from investing activities	(512,157)	(143,397)	(923,298)	(1,271,580)	(532,148)	99,472
Net cash generated from/ (used in) financing activities	(858,261)	(247,082)	1,684,498	1,398,620	927,824	(710,678)
Change in cash and cash equivalents	(18,207)	20,190	15,309	(15,774)	176	(7,227)
Cash and cash equivalents - beginning of the year	55,069	34,879	19,570	35,344	35,168	42,395
Cash and cash equivalents - Year end	<u>36,862</u>	<u>55,069</u>	<u>34,879</u>	<u>19,570</u>	<u>35,344</u>	<u>35,168</u>

## Comments on Cash Flow

Cash generated from operating activities during the year is mainly due to better working capital management, improved selling price of sugar and export of paper. The Company managed to pay its creditors well on time and secure advance payments against sales. Management is fully committed for managing operations efficiently

Cash flow from investing activities mainly represents the payment of capital expenditures. The Company also invested in its capital assets to modernize the existing plant, beside this cash was generated as a result of dividend received related parties.

Cash flow from financing activities decreased due to higher finance cost against borrowings. Last year there was some cash generation due to issuance of right shares

# Statement of Cash Flows-Direct Method

For the year ended September 30, 2025

2025	2024
----- (Rupees in '000) -----	

## CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	11,965,138	11,625,356
Cash paid to suppliers and employees	(10,353,501)	(11,061,287)
Cash generated from operations	1,611,637	564,069
Long-term deposits - net	(19,257)	21,486
Income tax paid	(240,169)	(174,886)
<b>Net cash generated from operating activities</b>	<b>1,352,211</b>	<b>410,669</b>

## CASH FLOWS FROM INVESTING ACTIVITIES

Additions to property, plant and equipment	(557,384)	(172,611)
Sale proceeds of operating property, plant and equipment	10,688	1,133
Investment in Term deposit receipt	(10,000)	(20,000)
Sale proceeds of short term investment - net	13,368	-
Profit realised on term deposits	5,092	3,405
Dividend received from an associate	-	25,000
Dividend received from related parties	26,079	19,676
<b>Net cash used in investing activities</b>	<b>(512,157)</b>	<b>(143,397)</b>

## CASH FLOWS FROM FINANCING ACTIVITIES

Finance cost paid	(1,239,795)	(1,902,361)
Short-term borrowings-net	(1,085,315)	1,005,724
Long-term financing-net	1,483,119	172,013
Payment of lease liability	(16,267)	(11,941)
Proceeds from issuance of right shares-net	-	489,523
Payment of dividend	(3)	(40)
<b>Net cash Used in financing activities</b>	<b>(858,261)</b>	<b>(247,082)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(18,207)</b>	<b>20,190</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>55,069</b>	<b>34,879</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>36,862</b>	<b>55,069</b>

# Share Price Sensitivity Analysis

Many factors may result in changes in Company's share price. Following are some key factors that may affect the price of the share in the stock exchange:

## Industry Performance

The share price of the Company will move in correlation with share prices of other companies in the industry with similar performance parameters. The economic and market conditions along with cost and revenue variables, that are regulated through Government, influence generally affect the industry performance. Federal Government regulate exports from time to time. Changes in discount rate and inflationary pressure also affect the cost of production of sugar which results in share price variation. Any adverse news related to competitors will benefit the share price.

## Selling Price:

The profitability in the sugar industry is highly sensitive to the price of sugar, which eventually has a strong effect on the share price of the Company

## Raw Material Costs

Manufacturing cost mainly includes sugarcane cost and OCC cost which directly effects the cost of production of sugar and paper. The cost of procurement of sugarcane is directly affected through fair market competition in operational areas of procurement. The fluctuation in Sugarcane procurement cost / OCC cost affects the profitability of the Company and resultantly affects the share price.

## Government Policies and Regulations:

The policies adopted and regulations promulgated by the Government have a direct association with share prices. Any policy that will result in increased demand, improved tax rates, reducing production costs, the better economic environment may positively influence the Sensitivity Analysis of Change in Market Capitalization share price. Whereas the policies that create hindrances for the sugar

industry and for the overall business environment will adversely impact the share price

## Law and Order

Improved law and order conditions and stable political environment foster the business conditions. Poor law order conditions disrupt business activities and will have a negative effect on performance. Therefore, these have a direct effect on the share price sensitivity of the Company.

## Economic Conditions

The Company's performance has a direct relationship with economic conditions so as the share price. The factors that contribute to economic conditions include the discount rate, currency devaluation, and inflation. Increased in the discount rate will expose the Company to higher cost of debts. Currency devaluations will benefit the Company in terms of exports however, on the other hand, will result in a higher cost of imported raw material, stores and spares and plant and machinery. However, all these factors will improve the performance of the company if contribute positively to the economic conditions

## Operational Efficiencies

Employment of cost reduction techniques, stable plant operations, better production planning, taking benefits of synergies of the production facility will have a significant and positive effect on the profitability of the Company and eventually on the share price as well.

## Investor Sentiments

The share price of the Company is also open to the volatility of investor sentiments or confidence in the stock market and macro-economic conditions. In a strong stock market, the investors' confidence is growing and so as the share prices. Whereas in weak stock market investors' sentiments are negative so do the share prices. Stock market's strength is closely associated with economic conditions

## Share Price Sensitivity Analysis

Sensitivity Analysis of Change in Market Capitalization

Share Price of 30.09.2025

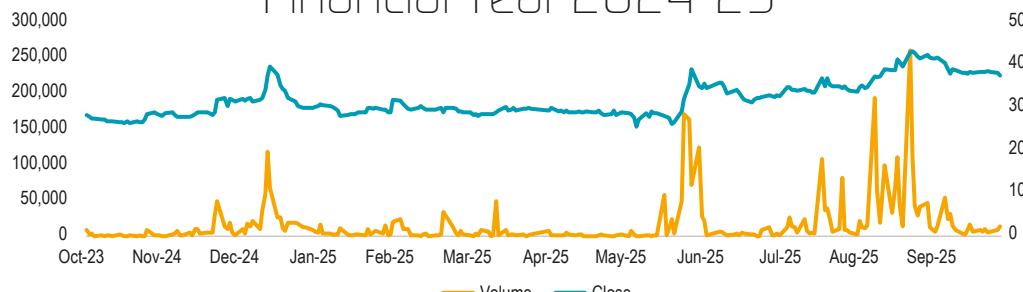
Market Capitalization as of 30.09.2025

Change in Share Price by

+10%  
-10%

: 37.5  
: 2,495,920,913  
: Change in Market Capitalization  
Rs. 249,592,091  
Rs. (249,592,091)

## Share Price- Trend v/s Volume Traded Financial Year 2024-25





## Calender of Notable Events

**Oct-24**

**18th** Achieved 1st place in the Best Corporate & sustainability report award 2023.

**23rd** Breast Cancer Awareness day (Pinktober) (PIC)

**Nov-24**

**23rd** Annual Picnic 2024

**Dec-24**

**18th** Audit committee meeting Annual 2024

**20th** Board of Directors Meeting Annual 2024.

**Jan-25**

**4th** GFG cricket & family Gala.

**24th** Audit committee meeting 1st quarter 2024-25

**27th** Board of Directors Meeting 1st quarter 2024-25

**Mar-25**

**8th** Woman's Day

**May-25**

**20th** Audit committee meeting 2nd quarter 2024-25

**22nd** Board of Directors Meeting 2nd quarter 2024-25

**Jun-25**

**18th** Board of Directors Meeting for Budget 2025-26

**Jul-25**

**24th** Audit committee meeting 2nd quarter 2024-25

**28th** Board of Directors Meeting 2nd quarter 2024-25

**Aug-25**

**1st** Mango Day 2025

**13th** Independence day Celebrations

**Sep-25**

**22nd** HR & Remuneration Committee meeting

**29th** Board of Directors Meeting for Budget 2025-26



# HR Transformation Journey at Ghulam Faruque Group

## (Sap Successfactors Implementation)

The goal of HR Digital Transformation with SAP SuccessFactors is to enhance the employee experience and boost efficiency and competitiveness by optimizing people, data, and processes in a digital environment. We are pleased to announce that the Recruitment, Onboarding, and Offboarding modules have successfully gone live and been implemented at Mirpurkhas Sugar Mills Ltd.

Attracting and onboarding the right talent is crucial for a business's continued growth and success. By implementing SAP SuccessFactors Recruiting, Mirpurkhas Sugar Mills Ltd. has equipped to draw in and engage top talent, choose the best candidates according to their needs, and assess business outcomes. This system will focus primarily on streamlining the hiring process and ensuring the selection of the most qualified candidates.

The SAP SuccessFactors 'Onboarding' module will enable us to effectively manage a range of programs and employee transitions, including Pre Day-One, Onboarding, Crossboarding, Offboarding, and rehire, all through a single solution.



# ERP Upgradation to Meet Modern Business Essentials

Mirpurkhas Sugar Mills Ltd. always make sure to match the pace of technological advancement. It can be seen in its production facilities and implementation of world renowned ERP, SAP. The SAP was implemented in the year 2009. It was upgraded and reconfigured from time to time as per the changing needs of the Company. The Company had taken this inevitable decision after viewing the promising potential of SAP S/4 HANA, the converted its existing system to SAP S/4 HANA. In this connection, the Company has engaged a renowned SAP consultant for the project. It is the first such upgradation project on cloud in Pakistan. The major benefits of this conversion are detailed below:

- **Simplification:** Simplicity is one of the key features of SAP S/4 HANA application. It brings about great simplification to the management and administration of the IT landscape. It allows the centralizing of hardware and network resources, and serves as the digital core for business processes.
- **Efficient Decision Making:** It brings together all the analytical and transactional capabilities of a variety of systems at locations. This enhances the decision making process immensely. It also enables to provide better service for customer-centric applications.
- **Innovation:** The company wants to stay ahead of the curve and make decisions that are future ready. SAP S/4 HANA sets the stage for innovation as the technology is evolving rapidly, which means merely 'keeping up' doesn't connect it anymore.



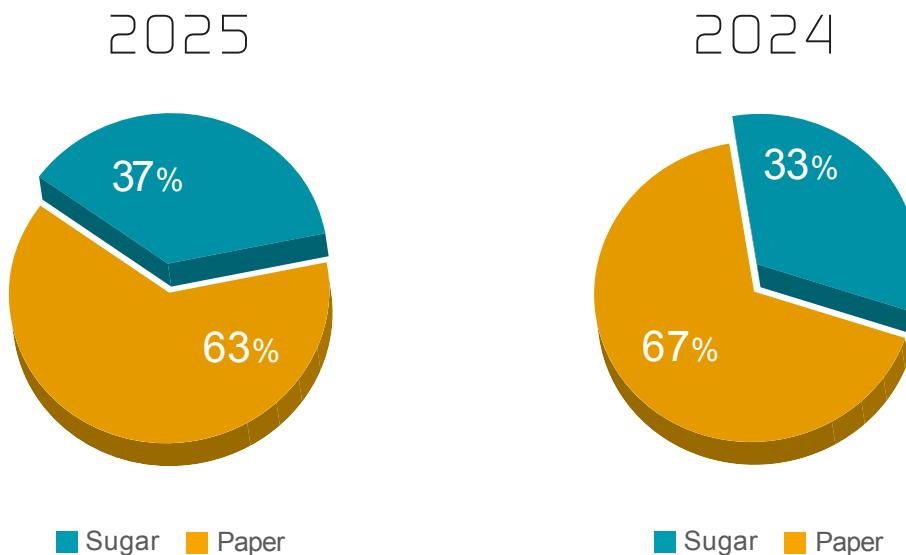
## Segmental View of Business Analysis

During the financial year ended September 2025, the sugar segment recorded revenues of Rs. 7,953 million, reflecting the impact of lower sugarcane yields across Pakistan. Despite reduced production volumes, the segment maintained a stable market share, supported by consistent domestic demand, improved sugar prices during the year, and a continued focus on production quality and operational efficiencies.

Conversely, the paper segment continued its focus on energy-efficient production processes and delivered improved performance during the financial year ended September 2025. The segment achieved net revenues of Rs. 4,661 million, an increase over the previous year, contributing approximately 37% to the Company's overall revenue.

Despite management's efforts to enhance revenues and expand the customer base, the segment faced multiple challenges during the year. Selling prices declined due to subdued economic conditions, reduced demand from key end-user sectors such as FMCG and textiles, and intense price-based competition, particularly from the un-organized sector. Notwithstanding these challenges, sales volumes improved during the year and are expected to grow further as economic conditions stabilize.

The graphical analysis of the Company's turnover is shown below:



Looking ahead, the sugar segment is expected to remain a key contributor to the Company's revenue stability, while the paper segment provides diversification benefits. The ongoing installation of the Agro Pulping Plant will reduce dependence on imported raw materials and help mitigate risks associated with currency fluctuations and dollar-based pricing. These developments are anticipated to support improved operational efficiency and strengthen the performance of both segments in the coming years.

# Business Rationale of Major Capital Expenditure /Projects During The Year and for those Planned for Next Year

To enhance stakeholder value, the Company's long-term growth and diversification strategy has focused on improving operational efficiency and developing non-sugar revenue streams.

## **Sugar**

During the year, the Company continued investments in SS lining, vessel covering, and on-line magnets to support the premium sugar segment. Approximately 30% of production was dedicated to premium sugar for the Food and Pharma sectors, with a target of 50%. These initiatives are expected to facilitate the targeted increase in premium output, generating significant incremental revenue. Additionally, operational improvements during the year have enhanced the steam-to-cane ratio, resulting in substantial bagasse savings.

## **Paper and Board project**

The Company has invested in a biomass pulping project to produce local pulp from wheat straw and bagasse, reducing reliance on imported raw materials. This initiative lowers production costs and mitigates exposure to foreign exchange fluctuations, supporting the long-term sustainability and competitiveness of the paper division.

# Board Statement on the Internal Controls including IT Controls

The Board of Directors acknowledges its overall responsibility for ensuring that the Company maintains an effective system of internal controls, including financial, operational, compliance, and IT controls. These systems are designed to provide reasonable assurance regarding the integrity of financial reporting, safeguarding MsM's assets, compliance with applicable laws, and efficient business operations.

The Internal Audit function, reporting to the Audit Committee, regularly reviews the adequacy and effectiveness of internal controls. In addition, robust IT controls have been implemented to ensure data security, cybersecurity resilience, and reliability of information systems.



## IT GOVERNANCE AND CYBER SECURITY AT MIRPURKHAS SUGAR MILLS LIMITED

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# IT Governance and Cyber security at Mirpurkhas Sugar Mills Limited

## **The Board Responsibility Statement on Cybersecurity Risk and Breach Management and AI Strategy of the Company**

The Board of Directors of Mirpurkhas Sugar Mills Limited recognizes the importance of safeguarding IT systems, maintaining effective internal controls, and managing cybersecurity risks in compliance with legal and regulatory requirements on data privacy and information security.

Oversight of IT governance, cybersecurity, and the adoption of emerging technologies such as Artificial Intelligence (AI) has been delegated to the Group IT Steering Committee. The Committee works closely with management to evaluate risks, ensure regulatory compliance, oversee breach response, and guide the responsible integration of AI and other digital initiatives in line with the Company's long-term strategy. The Group IT Steering Committee is committed to the following:

### **Cyber Risk Evaluation and Management**

Understanding Mirpurkhas Sugar Mills Limited's cyber risk environment through ongoing assessments of potential threats, vulnerabilities, and impacts on operations, assets, reputation, and stakeholders. The IT Steering Committee oversees a comprehensive cyber risk management framework, including asset identification, threat assessment, safeguard implementation, and regular strategy updates.

### **AI Strategy and Digital Transformation**

The Committee oversees digital transformation initiatives, including Joule AI with SAP S/4 HANA and SAP SuccessFactors, to enhance automation, data-driven decision-making, and workforce management. These initiatives are monitored to ensure alignment with ethical, legal, and regulatory requirements, while addressing risks related to data privacy and system integrity.

### **Legal and Regulatory Compliance**

Ensuring Mirpurkhas Sugar Mills Limited's adherence to all applicable laws and regulations related to data protection, privacy, information security, and cybersecurity. Committee works closely with management to align the company's practices with the evolving legal and regulatory landscape.

### **Oversight of Cybersecurity Policies and Procedures**

Overseeing the development, implementation, and monitoring of robust cybersecurity policies and procedures tailored to Mirpurkhas Sugar Mills Limited 's specific risk profile. These policies cover data protection, access controls, incident response, employee training, and ongoing risk assessments.

### **Breach Response and Communication**

Actively overseeing the response strategy in the event of a breach, ensuring swift action, containment, and communication with stakeholders, including customers, shareholders, regulatory authorities, and law enforcement as necessary.

### **Continual Improvement and Reporting**

Promoting continuous improvement in cybersecurity practices through regular reviews of cyber risk management efforts, incident response plans, and breach communication protocols. Providing regular updates to shareholders and stakeholders about Mirpurkhas Sugar Mills Limited's cyber risk posture and actions taken.



## DIGITAL GOVERNANCE



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### IT Governance Policy

Mirpurkhas Sugar Mills Limited's IT Governance Policy ensures that IT is used effectively and efficiently to support the company's objectives. This policy is designed to maximize IT value by balancing benefit realization with risk management and resource optimization.

The framework establishes principles and objectives for initiating, implementing, maintaining, monitoring, and enhancing IT governance controls within the organization. It specifies IT governance control requirements applicable to Mirpurkhas Sugar Mills Limited's information assets. Additionally, the framework provides guidance on IT governance requirements for Mirpurkhas Sugar Mills Limited, including its staff, third parties, and customers. The Company's IT Governance Policy is mainly charged with;

- Ensuring IT strategies support Mirpurkhas Sugar Mills Limited's business goals, enhancing operational efficiency and competitiveness.
- Managing IT resources—hardware, software, personnel, and budgets—to maximize productivity and reduce costs.
- Identifying and mitigating IT-related risks such as cybersecurity threats and data breaches to protect critical operations.
- Ensuring IT practices adhere to industry regulations, legal requirements, and internal policies. This involves staying up-to-date with regulatory requirements, conducting regular annual SAP third-party audits, and implementing controls to ensure compliance.
- Regularly assessing IT performance, including system uptime, data integrity, and service delivery.
- Facilitating the adoption of new technologies and innovations to drive growth and efficiency.

#### Policy Implementation:

- Establishing principles for initiating, implementing, maintaining, monitoring, and enhancing IT governance controls.
- Providing guidance on IT governance requirements for staff, third parties, and customers.



## IT Security Policy

The IT Security Policy aims to ensure business continuity and minimize damage by preventing and limiting the impact of security incidents.

### Policy

The purpose of the Policy is to protect Company information assets from all types of threats including cybersecurity threats, whether internal or external, deliberate or accidental. These assets relate to information stored and processed electronically. IT Security policy ensures that:

- Safeguarding information from unauthorized access.
- Preventing unauthorized disclosure or interruption.
- Protecting against unauthorized modification to maintain information accuracy and completeness.
- Meeting regulatory and legislative requirements, including record-keeping standards.
- Producing, maintaining, and testing Disaster Recovery Plans to ensure availability of information and services.
- Making information on security matters available to all staff.
- Reporting and investigating all breaches of information security, actual or suspected.

### Standards

To support this Policy, the Company follows recognized security standards, frameworks, and best practices. These include regulations, guidelines and procedures covering matters such as (not limited to) cybersecurity threats, data security, backup, endpoints control and password protection;

- Meeting business requirements for information availability and system functionality.
- Assigning responsibility for information security to a designated officer.
- Ensuring all managers implement the policy within their areas and ensure adherence by their staff.
- Requiring each employee to adhere to the policy.

### **Industry specific requirements for cybersecurity and strategy**

The Mirpurkhas Sugar Mills Limited's IT team has implemented advanced security measures, including next-generation edge network firewalls, a cloud-based web application firewall and endpoint Extended Detection and Response (XDR) solution, an email security gateway, and comprehensive user access policies and procedures aligned with industry best practices. To further strengthen cybersecurity, additional capabilities have been integrated for proactive risk exposure management, enabling enhanced threat detection, faster response, improved data visibility, and actionable insights through advanced analytics and threat intelligence. These measures ensure a resilient security posture against evolving cyber risks.

### **Board's risk oversight function for Cybersecurity**

The Board of Directors of the Mirpurkhas Sugar Mills Limited has delegated oversight of cybersecurity risk management to the Group IT Steering Committee. This delegation ensures alignment with management on the appropriate risk appetite related to cybersecurity, recognizing it as an enterprise-wide issue affecting all divisions and functions.

### **Formation of Group IT Steering Committee:**

- Group IT Steering Committee, composed of directors from each company including Mirpurkhas Sugar Mills Limited. This committee plays a pivotal role in promoting broader accountability for cybersecurity risks at the management level. Its responsibilities include discussing strategic initiatives, prioritizing risks, and reviewing IT security policies and recommendations from third-party audits.
- The IT Steering Committee has actively endorsed and directed the IT teams to implement a variety of cybersecurity controls aimed at mitigating the risks associated with cyberattacks.

### **Management Engagement:**

- Ensuring that cybersecurity is understood and managed across all divisions, with clear communication about controls, employee training, and incident response protocols.

### **Control and procedures for Cybersecurity Early Warning system and associated risks**

As networks and systems continuously evolve due to emerging threats, organizational growth, and new regulatory or business requirements, traditional analysis tools primarily focus on recording and identifying threats through logging, analysis, and reporting over time.

The IT Steering Committee regularly reviews security policies, controls, and third-party audit findings. In response, the IT team has deployed a variety of security solutions and monitoring tools.

### **Current Measures:**

- Security system including network monitoring, next-generation firewalls, web application firewalls, email security gateways, and endpoint extended detection and response (XDR) solutions and newly integrated cyber risk exposure management capabilities.
- A centralized firewall log management and analytics platform that centralizes configurations, events, and alerts, offering advanced threat visualization and actionable insights.

### **Implementation of Recommendations:**

- Third-Party Audits ensure that recommendations from independent security assessments are implemented promptly to address identified vulnerabilities and strengthen overall resilience.



## Comprehensive security assessment of technology environment

Information Security Policies and assessment of IT objects serve as the backbone of any mature information security program. IT steering committee has implemented information security policies that support its organizations' business objectives while also adhering to industry standards and regulations.

The IT Steering Committee supports and participates in comprehensive security assessments, including Vulnerability Assessment and Penetration Testing (VAPT).

## Assessment Process:

- **VAPT Approach:** The IT Steering Committee has instructed the IT teams to conduct Vulnerability Assessment and Penetration Testing (VAPT) of IT assets by a third-party company every two years. As part of this exercise, cybersecurity risk assessments of critical assets will also be performed to provide deeper insight into potential threats and prioritize remediation efforts. This process offers a detailed view of vulnerabilities affecting applications and infrastructure, enabling the IT security team to focus on mitigating high-risk exposures.
- **Review and Implementation:** VAPT reports are reviewed by the IT Steering Committee, leading to the implementation of recommended patches and revalidation by third-party providers.

## Business Continuity and Disaster recovery plan

The Board of Directors of the Mirpurkhas Sugar Mills Limited has approved and continually reviews the company's IT Policy and Business Continuity Plan. Management has arranged for offsite data storage facilities, and key records are maintained at multiple locations. Employees are trained on the procedures to follow in case of an emergency. Business Continuity Planning has become a crucial aspect of our management strategy in recent years.

## **Business Continuity Plan**

Business Continuity Planning is a process used to develop a practical plan for how a business can recover or partially restore critical business activities within a predetermined timeframe after a crisis or disaster.

## **Disaster Recovery Plan and IT Infrastructure**

The Company has established a resilient IT infrastructure supported by a comprehensive Disaster Recovery (DR) framework to ensure continuity of business operations under all circumstances. Core business functions are operated on RISE with SAP, hosted in the cloud with both Primary and Disaster Recovery Virtual Private Cloud (VPC) environments. In case the Primary VPC is unavailable, operations can be switched to the DR VPC, ensuring that SAP services and business processes continue without disruption.

For non-SAP related applications and data, the Company maintains a co-located production site with a Disaster Recovery site at the Karachi Head Office. This arrangement provides system redundancy and enables seamless transition of operations, thereby minimizing downtime and safeguarding critical information assets.

Furthermore, the Company's multi-location presence across Pakistan, supported by a secure remote VPN setup, strengthens operational flexibility and accessibility. This ensures that business processes can continue smoothly from alternate sites or remote locations whenever required. This integrated approach—combining RISE with SAP, co-located infrastructure, secure VPN access, and geographic diversification ensures high levels of resilience, security, and uninterrupted support for the Company's production and business operations.

The Company's manufacturing facility is in Sub Post Office Sugar Mills Jamrao, Umerkot Mirpurkhas, Sindh. The building is fire resilient and fully equipped with modern firefighting equipment. It also meets HSE requirements at all levels. Despite all these arrangements, insurance coverage is made at the maximum level. Therefore, in case of any natural disaster, the Company would be able to recover its financial loss through insurance coverage. Hence, partial loss would not affect the Company's operations. Moreover, other locations of the Ghulam Faruque Group are available as alternate locations therefore; interruptions, if any, can be managed.

## **Cyber Insurance**

Cybersecurity insurance is an evolving field, with organizations securing such coverage often seen as early adopters. Due to the dynamic nature of cyber risks, cybersecurity policies frequently change, and underwriters have limited historical data to develop risk models for coverage, rates, and premiums.

Mirpurkhas Sugar Mills Limited has an IT equipment insurance policy in place that provides coverage for various technology-related risks. In addition to this insurance, we have implemented a comprehensive Disaster Recovery (DR) and Business Continuity (BC) plan. This plan is designed to address potential incidents such as theft, disasters, and cyberattacks by ensuring that resources are available to restore both data and hardware.

Our IT equipment insurance, combined with our proactive DR and BC strategies, ensures that we are well-prepared to manage and recover from potential disruptions. This integrated approach supports our ability to maintain business operations and swiftly address any IT-related challenges that may arise.



### Advancement in digital transformation

Mirpurkhas Sugar Mills Limited is actively leveraging Industry 4.0 technologies to strengthen transparency, governance, and value creation through enhanced business process management and reporting. The IT Steering Committee, under the guidance of the Board of Directors, has prioritized the adoption of enterprise cloud solutions, advanced analytics, and automation to modernize operations and decision-making across the organization.

As part of this transformation, the Company has transitioned its on-premises ERP environment to a cloud-based platform through the RISE with SAP program, which includes SAP S/4HANA Cloud ERP, infrastructure, migration tools, and services. This shift enables greater operational efficiency, scalability, and agility in business processes. Additionally, SAP SuccessFactors has been deployed to provide cloud-based human capital management on a Software as a Service (SaaS) model.

The Company is currently working on the implementation of Joule AI with SAP S/4HANA and SAP SuccessFactors as part of its future roadmap. These AI-driven platforms are expected to enhance process automation, strengthen data-driven decision-making, and optimize workforce management. The integration of AI into core business functions will support the Company's long-term strategy of achieving operational excellence, agility, and sustainable growth.

To further enhance data-driven decision-making, SAP Analytics Cloud (SAC) has been implemented, offering seamless integration of data sources, interactive dashboards, and advanced planning capabilities. This unified analytics environment empowers professionals at all levels—from analysts to executives with real time insights to support informed strategic and operational decisions.

Recognizing that digital transformation requires a secure foundation, the Company has also strengthened its cybersecurity posture by introducing advanced controls such as cloud-based Extended Detection and

Response (XDR) solutions and Cyber Risk Exposure Management. These measures act as critical enablers of Industry 4.0 adoption, ensuring that new digital platforms and interconnected systems remain resilient against evolving cyber threats.

### **Disclosure about education and training efforts to mitigate cybersecurity risks**

Mirpurkhas Sugar Mills Limited prioritizes cybersecurity education and training to mitigate risks through:

#### **Employee Training**

Regular cybersecurity training sessions are provided to all employees. These sessions cover best practices, threat awareness, and safe online behavior to empower our workforce to identify and respond to potential risks.

#### **Specialized Workshops**

We conduct specialized workshops for IT personnel and other relevant teams. These workshops delve into more advanced topics such as network security, data encryption, and incident response.

#### **Security Policies Communication**

We ensure that all employees are well-informed about our cybersecurity policies and procedures. This communication helps create a shared understanding of security measures across the organization.

#### **Simulated Phishing Exercises**

To enhance vigilance, we conduct simulated phishing exercises. These exercises test employees' ability to recognize phishing attempts and reinforce the importance of cautious email interactions.

#### **Regular Updates**

Our team continually provides updates on emerging threats and evolving best practices. This keeps employees informed about the ever-changing cybersecurity landscape.

#### **Collaboration with Experts**

We collaborate with external experts and consultants to provide specialized insights. This external perspective enriches our training efforts and helps us stay ahead of emerging threats.

#### **Reporting Channels**

We emphasize the importance of reporting any security concerns promptly. Our transparent reporting channels ensure that potential threats are addressed swiftly.

#### **Continuous Improvement**

Our education and training efforts are regularly evaluated and refined to align with new threats and technologies. This ensures that our workforce is well-equipped to mitigate evolving cybersecurity risks.

Through these education and training initiatives, we foster a culture of cybersecurity awareness and responsibility across our organization, reducing vulnerabilities and enhancing our overall cybersecurity posture.



## Outlook

Forward Looking Statement..... 153

# Forward Looking Statement

During FY 2025, Pakistan's economy showed clear signs of stabilization following the successful conclusion of the Extended Financing Facility with the International Monetary Fund (IMF). Real GDP growth was recorded at approximately 2.7%–3.04%, marking a return to moderate growth after previous pressures. Declining inflation, relative stability in the Pak Rupee, improving foreign exchange reserves and remittance inflows, and reduction in policy rates eased financial conditions and supported industrial sentiment. Notably, Pakistan achieved a current account surplus for the first time in several years, contributing to improved macroeconomic confidence.

Despite improving macroeconomic indicators, a degree of volatility is expected to persist in the operating environment. Inflationary trends, interest rate movements, regulatory measures, and political developments may continue to influence input costs, financing conditions, and pricing dynamics in both the sugar and paper segments. The performance of the Sugar Division will remain closely linked to sugarcane availability, climatic conditions, irrigation water supply, and government policies relating to sugar pricing, exports, and trade. Additionally, national sugar stock levels and policy-driven market interventions may continue to exert pressure on domestic sugar prices.

In the Paper and Board Division, demand is expected to be driven by overall economic activity, consumer spending patterns, and the performance of key end-user sectors such as FMCG and textiles. Competitive pressures from imported paper and the unregulated sector are likely to persist, while raw material availability and energy costs will continue to influence cost structures and margins.

In this environment, management continues to closely monitor business requirements and market developments, taking timely and appropriate measures to manage risks, maintain operational and financial discipline, and safeguard the interests of all stakeholders.

Further details on the Company's future outlook are presented in the Directors' Report.

## Company Performance Against Last Year Projection

FY 2024/25 remained a challenging year, particularly for the Paper & Board Division, amid competitive market conditions, pricing pressures, and industry-specific constraints. Despite these challenges, operational performance in the Paper & Board Division exceeded projections. Higher throughput enabled the Company to achieve paper sales of 42,970 metric tons, surpassing the budgeted volume of 40,430 metric tons. However, the paper market remained highly competitive throughout the year, with subdued consumer spending and weak demand from the FMCG sector directly affecting packaging and corrugated product demand. Competitive pricing strategies adopted by market participants to retain market share continued to constrain margins.

In the Sugar Division, sales performance remained below budget primarily due to reduced sugarcane availability during the crushing season. Sugar sales were 58,678 metric tons, including 5,003 metric tons of exports, compared to the budgeted volumes. Sucrose recovery stood at 10.42%, slightly lower than the budgeted 10.75%, reflecting the quality and mix of cane procured. Notwithstanding lower volumes, reduced national sugar production led to tighter supply conditions, resulting in an increase in domestic sugar prices, which partially offset the impact of lower sales volumes.

From a financial perspective, working capital requirements remained elevated due to the seasonal nature of the sugar business, where sugarcane payments are concentrated during the crushing season while sales are realized over an extended period. Despite these structural pressures, the Company achieved a significant reduction in finance costs, which declined to Rs. 1.17 billion in FY 2025 from Rs. 1.86 billion in FY 2024. This improvement reflects better liquidity management, lower borrowing costs, and easing monetary conditions. The reduction in finance costs provided partial relief to the bottom line, although overall profitability remained under pressure due to prevailing market pricing constraints and cost dynamics.

## **Status Of Projects In Progress And Alignment With Prior-year Outlook**

Projects and initiatives disclosed in the previous year's forward-looking statement progressed broadly in line with management expectations. The biomass pulping project, aimed at producing pulp from wheat straw and bagasse to reduce dependence on imported waste paper and foreign exchange exposure, is progressing as planned and is expected to commence commercial operations by March 2026.

## **Sources Of Information And Assumptions Used For Projections/forecasts**

The Company prepares its master budget through a structured annual budgeting process and periodically updates forecasts to reflect prevailing market conditions, historical performance, and the forward outlook. Inputs are obtained from all relevant functions, including marketing, production, finance, and human resources, to ensure a comprehensive and integrated approach.

Key assumptions used in the budgeting and forecasting process include projected sales volumes, average selling prices, seasonal trends, production capacities, and the broader economic environment. For new initiatives or expansion projects, assumptions are supported by available market research and industry data. Where required, professional consultants are engaged to validate inputs and refine assumptions prior to the preparation of formal feasibility studies.

All feasibility studies, along with their underlying assumptions and projected financial outcomes, are reviewed by management and presented to the Board of Directors for detailed evaluation. Particular emphasis is placed on ensuring prudent assumptions, realistic cash flow projections, and reasonable payback periods, thereby minimizing reliance on overly optimistic expectations.

## **Future Plans For Artificial Intelligence [Ai] Adoption**

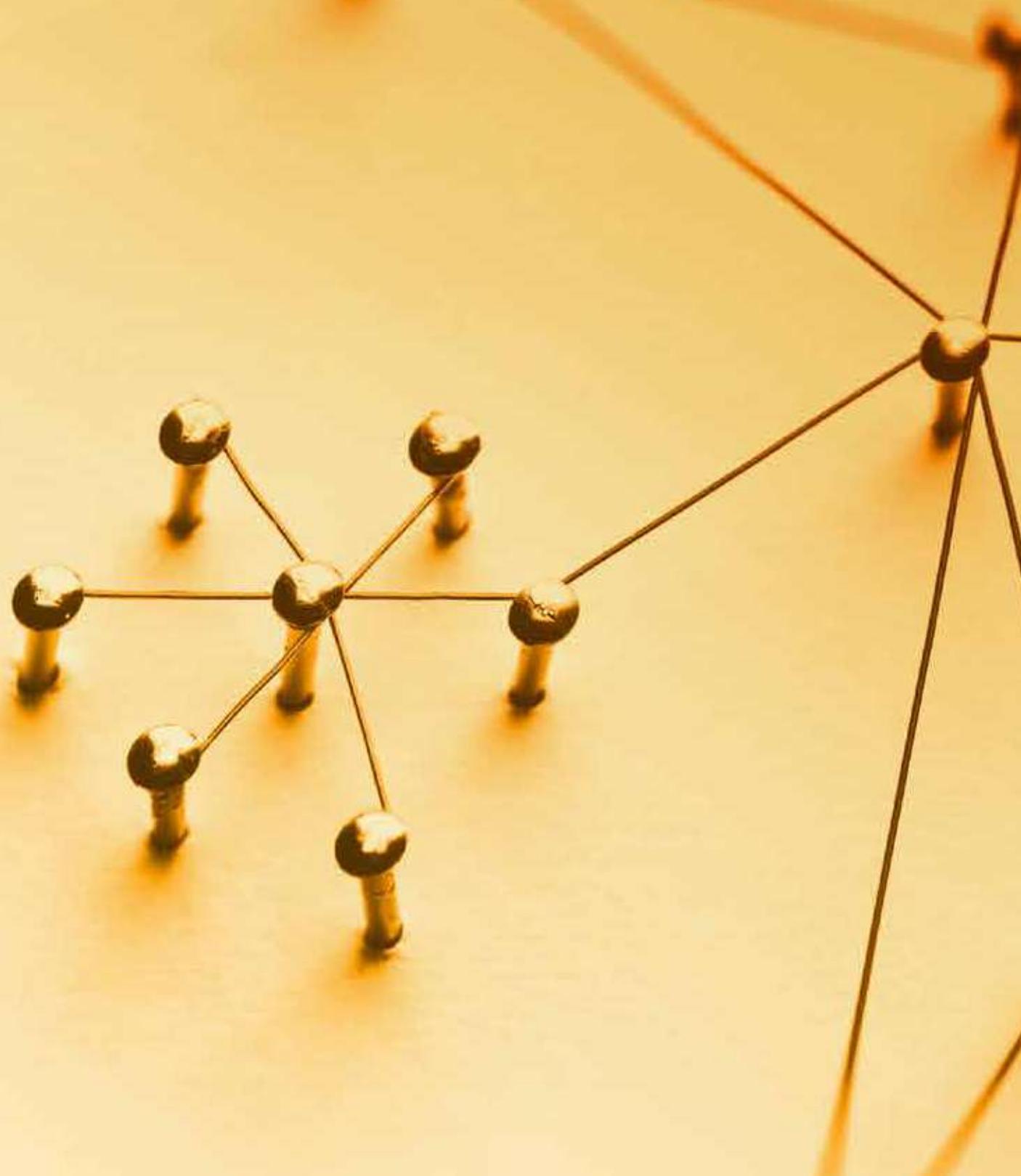
MSM's digital strategy is supported by recent upgrades to SAP S/4HANA and SAP SuccessFactors, creating a strong enterprise-wide ERP foundation. This integrated platform enables the future adoption of artificial intelligence and machine learning solutions to optimize energy usage, support predictive maintenance, and enhance supply chain efficiency. These initiatives are expected to strengthen data-driven decision-making, improve operational performance, and support the Company's long-term sustainability and cost optimization objectives.

## **Future Research & Development Initiatives**

Research and development initiatives remain integral to the Company's sustainability strategy. In the Sugar Division, efforts continue to focus on improving cane yields, recovery rates, and operational efficiency through farmer engagement, improved agronomic practices, and process optimization. Technical support programs are being used to encourage adoption of improved cane varieties.

In the Paper & Board Division, R&D efforts are directed toward improving paper quality, reducing raw material consumption, enhancing energy efficiency, and developing alternative raw material sources. The biomass pulping initiative represents a key R&D-linked project expected to improve cost competitiveness and environmental sustainability.

With respect to customer-oriented research and development, the Company's marketing function works in close coordination with customers and the production team to develop and continuously improve products that meet evolving customer requirements while remaining cost-effective and commercially viable for the Company.



## STAKEHOLDERS' RELATIONSHIP AND ENGAGEMENT

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# Stakeholders' Engagement

Our stakeholders extend valuable contribution towards our growth and existence. Procedure for stakeholders' engagement includes effective communication, harmony and compliance with laws & regulations. We cannot truly execute our purpose without input from our stakeholders.



## STAKEHOLDERS

### Institutional Investors / Shareholders

#### SHAREHOLDERS

Safeguarding our shareholders' interest is our prime responsibility. Our shareholders' interest revolves around good returns, profitability, growth and regulatory compliance. We respond to our shareholders' expectations through improvement in business mechanics, effective governance and corporate reporting framework. Annual General Meetings and statutory reporting are the most effective means of our engagement with our shareholders. Support of shareholders is critical in achieving the Company objectives.

#### MINORITY SHAREHOLDERS

The management of the Company firmly believes in encouraging and ensuring the equitable treatment of all shareholders including minority shareholders to attend, speak and vote at the Annual General Meeting and appoint another member as his / her proxy in his / her instead. The Notice of the AGM is published in Urdu and English language in one issue of a daily newspaper of respective language having a nationwide circulation. Such notice is also placed on the Company's website.

#### INVESTORS SECTION

To keep transparency in the relation between the Company and its shareholders, the website of Mirpurkhas Sugar Mills (<http://gfg.com.pk/msm>) contains all the major financial information needed for investors' decision making in a separate tab of "Investor Relations".

### Customers & Suppliers

#### WHOLESALERS, CUSTOMERS AND TRANSPORTERS

Sustaining and developing long term relationship with our wholesalers, customers and transporters forms the key of our business' success. Their expectations are focused on product quality, pricing and service delivery. Our sales team remain in close contact to this segment of our stakeholders to resolve issues on a priority basis. We continue to engage them through meetings and market visits and communications. We derive success from the brand loyalty of Mirpurkhas Sugar Mills Ltd and the cooperation from our transporters.

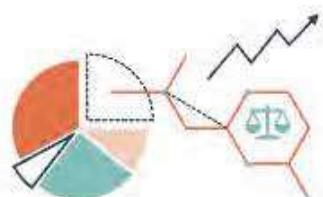
#### SUGARCANE FARMERS AND OTHER VENDORS

Efficient supplier network is a key for effective working capital management. To achieve this objective, we conduct market surveys to strengthen our bond with our sugarcane farmers and other vendors. Our supply chain management team is in continuous contact with suppliers and vendors through meetings and correspondence to resolve all queries for on time deliveries. Cooperation of our sugarcane farmers in supplying sugarcane on timely basis in order to run smooth crushing operations.

### Banks and Other Lenders

#### BANKS AND OTHER LENDERS

We value our relationship with our financial partners and lenders. Financial risk management and business sustainability are few of the interests of this segment of stakeholders. Periodic briefings, Quarterly financial reporting, Head Office and Site visits are the main means for our engagement with this category of stakeholders. Bank and other institutes help us in obtaining loans at attractive rates and advise on strategic issues whenever needed.



## Media

### MEDIA

Ads and campaigns are launched in media based on marketing requirements. Interaction with media improves the Company brand image.

## Regulators

### GOVERNMENT AND REGULATORY BODIES

Our commitment to compliance with laws and regulations is evident from our Corporate and Legal team's continued efforts for efficient and effective legal and regulatory obedience. The engagement includes submission of periodic reports, responding to enquiries and meetings as and when required. Active engagement with regulators improves level of compliance.

### AGM PROCEEDINGS

The last AGM was conducted at Mirpurkhas Sugar Mills Site on Monday, January 27, 2025 at 11:00 a.m. The meeting was well organized and well attended by the Shareholders. Shareholders asked different questions regarding Company's market share and exploring new markets and avenues to sustain. Shareholders also raised questions on the Company's cost saving strategy. Shareholders approved the Financial Statements and also gave approval for appointment of Kreston Hyder Bhimji & Co, Chartered Accountants as external auditors. Further, the Chairman & Members of the Audit Committee had participated in the Annual General Meeting of the Company and responded to queries of Shareholders.

## Analysts

### INSTITUTIONAL INVESTORS AND ANALYSTS BRIEFING

Corporate / analyst briefings are the interactive sessions between the management of Mirpurkhas Sugar Mills Limited and the investors where the Company takes the opportunity to apprise investors about the Company in explaining its financial performance, business outlook, competitive environment and right perspective of affairs of the Company in which it operates and invests. The Company has strong connections with the institutional investors and analysts. Institutional investors regularly obtain Company's business briefings and financial reports.

The management of the Company firm believes in conducting corporate briefing session in accordance with the directions / regulations issued by the Pakistan Stock Exchange to update the shareholders, institutional investors and analysts about the status of the Company's operational and financial performance.

Apart from these regular meetings, the Company also conducted formal Corporate Briefing Session at our head office via zoom on February 24, 2025 to apprise the stakeholders about the Company's operational and financial performance during the year 2020-2021. The Director and Chief Financial Officer of the Company summarized the Company's performance and progress highlighted the growth, diversification and challenges regarding the sugar sector. A Question & Answer session was also held in order to provide further explanation that shown the commitment of the Company towards continuous evolving stakeholders 'engagement.

## Employees

### EMPLOYEES

Our company has extensive employee engagement schemes in place. The employees' issues revolve around work life balance, training and development and rewards. We have educational loan schemes, in-house and outside training programs and long-term employment reward schemes in place to value our employees as Human Capital. Employee meetings are on regular intervals in form of Annual get-togethers, celebrating sports day and team building activities. Employees' engagement improves the level of dedication and hard work.



Breast Cancer Awareness Day

# Statement of Value Addition and Distribution of Wealth

2025	2024
(Rupees in '000)	

## Wealth Generated

Gross Sales	14,840,607	13,916,110
Material and Services	(10,248,724)	(10,361,864)
	4,591,883	3,554,246
Other income	55,932	47,140
Share of loss in an associate	124,099	(652,468)
	<u>4,771,914</u>	<u>2,948,918</u>

## Wealth Distributed

### EMPLOYEES REMUNERATION

1,086,320 1,013,530

### GOVERNMENT AS:

Direct & Indirect taxes	1,765,098	1,951,168
Workers' Funds	558	-

### CHARITY & DONATIONS

1,765,656 1,951,168  
298 3,333

### SHAREHOLDERS AS DIVIDEND

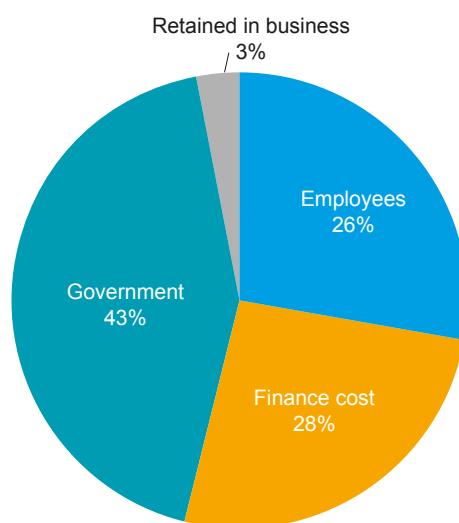
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### FINANCE COST

1,173,940 1,858,395

### RETAINED IN BUSINESS

Depreciation & Amortisation	374,666	384,722
Retained loss	(251,026)	(2,221,448)
	123,640	(1,836,726)
	<u>4,149,854</u>	<u>2,989,700</u>







## **SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY**

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# Sustainability Highlights

## Our Commitment to Sustainability

At Mirpurkhas Sugar Mills (MSM), sustainability is a core principle that guides our operations and shapes our long-term vision. Our globally recognized certifications serve as a benchmark of excellence, assuring stakeholders of our unwavering standards and responsible practices. Every initiative we undertake is designed to generate meaningful environmental and social impact.

Sustainability is fully embedded in our business model, reinforcing our mission to apply science and innovation for the greater good—Science for Goodness. As a responsible national industry player, we are committed to creating long-term value for our associates, customers, suppliers, shareholders, and the communities we serve through thoughtful, future-focused decision-making.

By cultivating an inclusive and collaborative work environment, we empower our people and contribute to the development of stronger communities. This culture enables us to deliver innovative, sustainable products and service solutions that drive enduring value for all stakeholders.

Our achievements and strong alignment with the Sustainable Development Goals (SDGs) underscore that sustainability is not an aspiration at MSM—it is integral to everything we do.

## System Certification and Accreditation

At Mirpurkhas Sugar Mills Ltd. (MSM), our commitment to product quality, employee well-being, environmental stewardship, and climate sustainability is upheld through robust management systems and disciplined governance. Dedicated functions ensure effectiveness through continuous measurement, monitoring, control, and transparent reporting to top management.

To reinforce these commitments, MSM holds multiple internationally recognized certifications and accreditations, including Quality Management (QMS), Environmental Management (EMS), Occupational Health & Safety (OH&S), and Good Manufacturing Practices (GMP). These systems are certified by Bureau Veritas Certification – Pakistan on behalf of BVC Holding SAS (UK), alongside HALAL Food Certification (PS 3733), accredited by ACTS on behalf of the Pakistan National Accreditation Council (PNAC).

In support of operational excellence and clear accountability, MSM maintains certification for its Integrated Management System (IMS) and GMP. Since June 2020, Bureau Veritas has certified MSM to:

- ISO 9001:2015 – Quality Management System
- ISO 14001:2015 – Environmental Management System
- ISO 45001:2018 – Occupational Health & Safety Management System

MSM also holds longstanding certification for Good Manufacturing Practices (Codex Alimentarius), with all certifications subject to successful annual surveillance audits. During the last year, Bureau Veritas Pakistan completed a successful IMS re-certification audit, extending its scope to include the Paper & Board Division.



Further strengthening our sustainability credentials, MSM's Paper & Board Division is accredited with FSC Chain of Custody (FSC-COC) certification by SGS Pakistan. This certification ensures responsibly sourced and traceable recycled waste paper, promotes circular economy practices, reduces dependence on virgin fiber, and enhances consumer trust while aligning operations with global environmental objectives.

Our strong foundation in IMS, GMP, and HALAL food safety reflects our dedication to consistent quality, reliability, and responsible operations across all business processes.

Looking ahead, MSM is preparing to achieve SMETA—SEDEX 4 Pillars accreditation—covering Labor Standards, Business Ethics, Occupational Health & Safety, and Environment—by November 2025, marking another significant step in our sustainability journey.

Further highlights of MSM's sustainability performance, policies, initiatives, and forward-looking plans include the following:

### Environmental

Mirpurkhas Sugar Mills (MSM) effectively manages environmental compliance in line with evolving regulatory requirements through a team of highly qualified and experienced professionals. Our interdisciplinary environmental team addresses complex challenges by developing practical, risk-mitigating strategies that balance environmental responsibility with business priorities.

MSM is fully compliant with the National Environmental Quality Standards (NEQS) as stipulated under the Sindh Environmental Protection Act, 2014 (SEPA), and is actively progressing toward cleaner production practices. In support of sustainable resource management, process waste is responsibly utilized as a soil reclaimer for fertigation, contributing to improved soil health and enhanced crop yields.

Key environmental protection measures undertaken by Mirpurkhas Sugar Mills include the following:



#### a. Energy

Energy efficiency is a critical enabler of MSM's sustainability strategy and a key driver of long-term competitiveness. Efficient energy use not only reduces environmental impact but also delivers meaningful cost advantages in a sector where energy is a major input to sugar production. Given the ongoing national energy crisis, energy conservation remains a strategic priority for the Company.

MSM has implemented multiple initiatives to optimize energy consumption, lower production costs, and reduce reliance on conventional fuels. A strong focus is placed on achieving steam economy through the efficient utilization of bagasse in the steam generation process. To embed energy-conscious practices across the organization, regular awareness and training sessions on efficient energy use are conducted at both the Head Office and the Plant!



In recognition of these efforts, the Company also participated in the Energy Management System Implementation Programme and was awarded a certification of appreciation.

### Captive Power Plant



MSM operates captive steam turbines with a combined capacity of 19 MW, utilizing steam generated from bagasse. This approach enhances steam economy, reduces dependence on external power sources, and significantly lowers environmental impact through the efficient use of renewable biomass.

To further strengthen energy efficiency and operational performance, the Company has implemented the following measures:

- Periodic internal and third-party energy audits in line with the Energy Management System (EnMS)
- Upgradation of the boiler Distributed Control System (DCS) to improve boiler efficiency
- Installation of Variable Frequency Drives (VFDs) across the manufacturing plant
- Partial automation of the crystallization process
- Introduction of the melt evaporation process
- Replacement of conventional lighting with energy-efficient LED systems
- Implementation of energy auditing systems to minimize transmission losses
- Replacement of obsolete, inefficient electric motors with high-efficiency motors

Additionally, MSM has commissioned a 2 MW solar power plant, enhancing cost efficiency while supporting the transition to a cleaner, greener energy mix.

### Energy Conservation Drive at Head Office

The installation of energy-efficient LED lighting, supported by regular training and awareness programs on energy conservation, has resulted in significant reductions in electricity consumption at the Head Office compared to the previous five years..

#### b. Emissions and Effluents

Controlling emissions is critical for mitigating climate change and protecting the ozone layer—an essential responsibility for any manufacturing enterprise. MSM maintains full compliance with all national and provincial environmental regulations.



All emission parameters from our power generation and sugar manufacturing processes are continuously monitored and consistently remain well below the limits specified in the National Environmental Quality Standards (NEQS).

### Water Conservation Plan

MSM implements a comprehensive approach to water management and effluent treatment:

- Water Balance: A detailed water balance is conducted to monitor consumption and optimize usage.
- Mapping Water Points: All water-consuming and drainage points are identified and documented.
- Reuse Planning: The subsequent utilization of used water is determined based on the specific process requirements.
- Effluent Treatment: End-pipe effluents are treated in a state-of-the-art Effluent Treatment Plant (ETP) using Activated Sludge, physicochemical, and biological processes to ensure full compliance with NEQS.
- Recycling and Reuse: Treated water is recycled and repurposed for agricultural farms, plantations, and horticultural applications, promoting resource efficiency and sustainability.



### Key Achievements in Water Conservation and Effluent Management

- Fresh Water Savings: Saved approximately 2,000 tons per day of fresh canal water by blocking contamination sources, resulting in reduced BOD and COD levels.
- Suspended Solids Reduction: Around 90% of total suspended solids (TSS) are now captured from wastewater drains, lowering TSS and TDS levels.
- Oil and Grease Reduction: Significant reduction in oil and grease levels in effluents.
- Condensate Reuse: 70–80 tons per hour of condensate water is recycled, reducing effluent discharge and improving the work environment.
- Spillage Control: Occasional spillage is minimized through continuous process optimization, enhancing operational efficiency and environmental safety.

## Air Emission

MSM's plant operates bagasse-fired boilers, with all emissions strictly monitored and maintained within the limits prescribed by NEQS, ensuring compliance with environmental standards.

## Pollution Control Equipment

MSM has installed and upgraded a range of pollution control systems to minimize emissions and reduce environmental impact:

- Bagasse Dryers: Approximately 80% of flue gases are reused to dry wet bagasse, improving energy efficiency and reducing emissions.
- Ash Removal and Collection System: Captures and removes ash from flue gases.
- Dust Catchers: Extract dust from the air stream to lower particulate emissions.
- Oil Skimmer / Gravity Separation Chamber: Collects oil and grease from wastewater.
- Strainers: Remove around 90% of total suspended solids (TSS) from wastewater drains.
- Automated DCS Boiler System & I-Boilers: Reduce fuel consumption and flue gas emissions.
- Pan Automation Project: Achieves overall 2% steam savings, reducing fuel use and emission levels.
- Energy Saving Initiatives: Installation of Variable Frequency Drives (VFDs) across the plant for enhanced efficiency.
- CO<sub>2</sub> Reuse: Significant quantities of CO<sub>2</sub> are captured and reused in the carbonation process, reducing emissions to the ambient environment.



## Products

MSM's products—including sugar, paper, and by-products such as molasses, bagasse, mud, and treated effluents—are organic and derived from renewable resources, ensuring they are environmentally safe and free from harmful impacts.

### c. Quality Operations

At MSM, delivering high-quality, food-grade sugar in compliance with GMP and HALAL Food standards is central to our operations. The Company implements a comprehensive Integrated Quality and Food Safety Management System to ensure that quality is not an added value but a fundamental requirement and a source of competitive advantage.

The Paper & Board Division (PBD) emphasizes customer satisfaction by delivering defect-free products and adheres to international quality, health & safety, and environmental standards, assuring customers of product safety, reliability, and compliance with required quality parameters.

#### Key elements of MSM's Quality Operations include:

- Equipment Qualification: Design, installation, operation, and performance qualification of all manufacturing equipment and testing instruments as part of Quality Assurance.
- Process Validation & Analytical Testing: Validation of manufacturing processes and analytical test methods to ensure consistent product quality.
- Material Testing: Timely and accurate testing of incoming raw materials, packaging, in-process items, and final products.
- Stability Studies: Concurrent and accelerated studies to determine shelf life and monitor preservation of product quality over time.
- GMP & HALAL Implementation: Strict adherence to GMP and HALAL production standards, including housekeeping, pest management, worker hygiene, and controlled points across mills, boilers, process houses, yards, and godowns.
- Risk and Change Management: Formal risk assessments prior to changes and structured change control during implementation.
- Deviation & CAPA Management: Investigation of deviations, supplier issues, and customer complaints, with implementation of corrective and preventive actions.



- Inspection & Testing: Planning and execution of inspections and tests in line with Good Laboratory Practices.
- Process Monitoring: Continuous monitoring of sugar and paper manufacturing processes using Statistical Process Control (SPC) tools to ensure capability and consistency.
- Quality Assurance Oversight: Ensuring operational activities meet process parameters and product specifications, including handling customer complaints, performing validations, and coordinating with laboratories, process, and mill houses.
- Data Integrity: Controlled data recording and reporting through SAP and Oracle ERP systems to maintain accuracy, traceability, and integrity

Through these measures, MSM consistently ensures reliability, safety, and high performance across its sugar and paper manufacturing operations, reinforcing customer confidence and operational excellence.

### Quality Operations – Work Facilities – Sugar & Paper Divisions

#### Sugar Division

- Sugarcane Quality Control Laboratory: Focuses on assessing the quality of incoming sugarcane, testing each arrival, and conducting frequent source and field inspections throughout the sugarcane growing season.
- Process Control / Main Laboratory: Monitors manufacturing activities, testing raw materials, in-process stages, and the final product to ensure consistent quality.
- Loss Reduction: Minimizes losses of in-process and finished materials through strict process control and monitoring during manufacturing.
- Quality Assurance Oversight: Monitors all operational activities against defined process parameters and product attributes, including stability studies, process validations, handling customer complaints, and investigating deviations in coordination with the main laboratory, process, and mill house.
- Data Integrity: Controlled recording and reporting of quality data are maintained using SAP and Oracle ERP systems, ensuring accuracy, traceability, and reliable reporting.



#### Paper Division

- Raw Materials Testing: Quality control begins with testing all raw materials—including wood pulp, recycled paper, and other additives—to ensure they meet required specifications.
- Process Control: Key manufacturing parameters such as steam temperature, pressure, and loads are continuously monitored and controlled to maintain consistent product quality.
- In-Process Testing: Samples are taken at various stages to assess concentration, color (shade), grammage, moisture, and strength, ensuring the final product meets quality standards.



#### Major Quality Achievements:

- Consistent production of high-quality white refined sugar in compliance with GMP Codex Alimentarius, Food Safety Management System, USP, and BP standards.
- Successful implementation and operation of the SAP (ERP) Quality Management Module.
- HALAL Food certification acquired from ACTS (PNAC-certified body), enhancing customer confidence and product integrity.
- Increased productivity through the development of high-quality sugarcane in operational areas.
- Reduced losses of in-process and finished materials through stringent manufacturing controls.

- Enhanced plant efficiency by closely monitoring and measuring performance against established indicators and target limits.
- Efficient operation of the Effluent Treatment Plant at full capacity.
- MSM's Quality Control and Assurance team comprises highly qualified personnel, ranging from science graduates to Master's, with extensive experience in sugar manufacturing.
- Research contributions by MSM's quality professionals recognized nationally and internationally:
  - **Mr. Sharif Khan**, DGM - Quality Assurance, presented a paper on innovative energy-saving techniques at the 52nd Annual Convention of the Pakistan Society of Sugar Technologists.
  - **Mr. Shakil Ahmed Malik**, GM Operations, shared insights on energy-saving techniques using planetary drives at industry forums.



#### d. Transport

MSM ensures the safe transport of sugar bags and paper reels to wholesalers and registered sectors through qualified transporters using heavy trucks and containers. Recognizing the potential environmental and safety risks associated with transportation, the Company has implemented the following measures:

- **Pre-Delivery Inspection:** QA/QC inspectors conduct thorough inspections of sugar bags and paper reels before loading to ensure product safety and secure transportation.
- **Load Management:** Truck and container capacities are carefully managed to prevent overloading, reducing the risk of accidents.
- **Specialized Bulk Transport:** Only specialized bulk trailers are used for dispatching bulk sugar, ensuring safe handling and minimizing transportation-related hazards.

These practices reinforce MSM's commitment to product integrity, operational safety, and environmental responsibility during distribution.

#### e. Tree Plantation Drive and wildlife reserve

MSM continued company-wide tree plantation drives throughout the year, including activities at the Head Office and the Plant. A significant number of trees have been planted in and around the factory premises, enhancing greenery and contributing to environmental sustainability.

Additionally, MSM maintains a wildlife reserve on factory grounds to protect local fauna, where various species of birds and animals thrive, enriching the ecosystem and fostering biodiversity.



## 2. Social Responsibility

### a. Employment

Mirpurkhas Sugar Mills Ltd. (MSM) provides substantial employment opportunities, particularly for local communities, through the expansion of its business operations. The Company is recognized as a top employer due to its competitive employee benefits and commitment to workforce development.

**b. Labour / Management Relations**

MSM upholds the rights of employees to exercise freedom of association and collective bargaining. Adequate time is provided to employees and their elected representatives to address any significant operational changes that affect them.

**c. Occupational Health and Safety (OHS)**

The health and safety of MSM's workforce is a top priority. The Company has a highly trained safety team, an emergency response team, qualified medical staff, and an in-house dispensary with a fully equipped ambulance. Safety signboards are prominently placed throughout the facility.

Employees undergo regular fire and safety training, are provided Personal Protective Equipment (PPE), and participate in theoretical and practical drills, including mock drills for chemical spills, firefighting, evacuation, casualty handling, and security emergencies. Regular safety audits are conducted, and OHS policies are embedded in SMART goals for departmental heads and senior management.

The Company concluded the year with no reportable occupational illnesses, supported by continuous monitoring of plant equipment and employee health. Health awareness sessions, including Basic Life Support (BLS) and first-aid training, are regularly conducted to ensure a safe and healthy workplace. Any reported injury is thoroughly investigated, with corrective actions assigned and monitored to prevent recurrence.

**d. Training and Education**

MSM prioritizes the training, development, and growth of its workforce. The Company aims to be an employer of choice—a “Talent Factory”—by providing formal training programs, performance appraisals, feedback systems, and an open culture. Apprenticeship and Management Trainee Programs are also in place to develop future leaders.



**e. Diversity and Equal Opportunity**

MSM is an equal opportunity employer, promoting diversity and merit-based advancement. Policies and objectives regarding diversity are detailed in the Governance section of this report.

**f. Non-Discrimination**

The Company ensures fair treatment and equitable working conditions for all employees, guided by its core values and Code of Conduct.

**g. Child Labor**

MSM maintains a strict no-child-labor policy, ensuring no children are employed at any of its facilities, including those in rural areas.

#### **h. Forced or Compulsory Labor**

All workers operate in a free and voluntary working environment, with no forced or compulsory labor practices.

#### **i. Consumer Protection Measures**

MSM ensures that sugar products are safely packed and dispatched, adhering to all safety standards and industrial requirements, while providing customers with high-quality products and value for money.

#### **j. Business Ethics and Anti-Corruption Measures**

The Company is committed to the highest ethical standards, transparency, integrity, and honesty. MSM maintains a zero-tolerance approach to corruption and fraudulent practices, expecting all employees to perform with professionalism and integrity.

#### **k. Local Communities**

MSM actively invests in the development of communities surrounding its operations, with initiatives focused on improving livelihoods and promoting social well-being. Further details are provided in the Corporate Social Responsibility section.

### **3. RAISING THE BAR – ORGANIC/BIO FERTILIZER INITIATIVE**

Rising crop input costs are increasing the overall production expenses for agricultural farms. To address this, MSM actively collaborates with organic and bio-fertilizer producers and conducts trials on its farms to compare results against conventional fertilizers in terms of productivity and profitability.

These organic/bio fertilizers are cost-effective compared to urea and DAP, while also improving soil health and reducing overall production costs, supporting sustainable and economically viable farming practices.

#### **Statement on Environmental, Social, and Governance (ESG)**

Mirpurkhas Sugar Mills Ltd. (MSM) is committed to driving positive change and long-term sustainability for its business, stakeholders, and the communities it serves. Our ESG strategy focuses on three key pillars:

##### **Environmental:**

MSM actively works to minimize its environmental impact through sustainable practices, resource conservation, and the reduction of carbon emissions.

##### **Social Responsibility:**

The Company promotes the well-being of society by prioritizing health, safety, diversity, equality, and inclusion, which are deeply embedded in our workforce and organizational culture.

##### **Governance:**

MSM ensures transparency, accountability, and ethical behavior at all levels of corporate governance, reinforcing trust with stakeholders.

The Company recognizes its responsibilities toward society, the environment, the economy, and the climate, and strives to create sustainable practices that secure healthy and prosperous conditions for current and future generations.

Our ESG awareness shapes corporate strategy, enabling MSM to undertake further initiatives and allocate financial, human, and temporal resources to achieve excellence in Environmental, Social, and Governance performance.

# Statement on strategic objective and Impact on Stakeholders

The Board of Mirpurkhas Sugar Mills is pleased to present MSM's strategic objectives concerning our Environmental, Social, and Governance (ESG) commitments and their anticipated impact on stakeholders. Our strategy is meticulously designed to integrate sustainability into every facet of our operations, reflecting our dedication to responsible business practices and long-term value creation.

Strategic Objectives	Impact on Shareholders
Promoting Eco-Friendly Practices	<ul style="list-style-type: none"><li>Enhanced Financial Stability through reduction in Operational risks &amp; Long term costs</li><li>Risk Mitigation through avoidance of regulatory fines &amp; operational disruptions</li></ul>
Encouraging Social Accountability	<ul style="list-style-type: none"><li>Strengthened Reputation</li></ul>
Promoting Sound Governance Practices	<ul style="list-style-type: none"><li>Increased confidence and credibility of Shareholders</li><li>Risk mitigation for governance related risks</li></ul>
Reducing Carbon Footprint	<ul style="list-style-type: none"><li>Cost savings and improved energy efficiency</li></ul>
Promoting Regular Community Engagement	<ul style="list-style-type: none"><li>Enhanced company's image and can attract more investment</li></ul>
Promoting Diversity in Workforce	<ul style="list-style-type: none"><li>Drives innovation in work culture and improves Business Performance</li></ul>

## Sustainability Governance at Board Level:

The Board of Directors has not formed a separate sustainability committee. Instead, overall responsibility for sustainability lies with the Board, which oversees strategic direction and monitors sustainability related risks and opportunities. These considerations, including climate related impacts, are integrated into strategic planning, risk management, and performance monitoring. To strengthen its oversight, the Board has undertaken various sessions and understanding on sustainability risks and opportunities in line with global standards.

The Board acknowledges the importance of transparent ESG reporting and is committed to enhancing disclosures in line with emerging best practices. In this regard, the Company supports the SECP's ESG Disclosure Guidelines for listed companies and is progressively aligning its reporting framework with these recommendations to provide stakeholders with clear, consistent, and comparable information.

## Management's Role

Operational responsibility for sustainability rests with management under the leadership of senior management. The management team identifies material ESG risks and opportunities, develops related strategies and policies, and tracks performance against defined targets. To strengthen accountability, the Company plans to align executive performance metrics with sustainability goals, linking ESG priorities to compensation frameworks. Management is also building its capacity through ongoing training on sustainability and climate related risks, supporting informed decision making in line with international best practices.

# Key Sustainability Related Risks and Opportunities

The Board of MSM principally assumes full responsibility for operation of the company within the laws and the urging need for the company to be environmental friendly, meeting expectations of various groups of stakeholders through application of best governance practices. The Board has put in place rigorous mechanism for identification of risks, evaluation of its possible impact on scenario based analysis on the Company and developed strategies to mitigate all possible risks. This principle keeps the Company within its risk appetite and helps to achieve its corporate objectives. The Board through its Audit Committee evaluates the control system for possible improvisation and enforce changes due to emerging risks & opportunities presented by the ESG. The Board empowered management to perform comprehensive planning to address key risk and develop established control framework comprising clear structures, authority limits and accountabilities, well implemented policies and procedures. The management of the Company has maintained close eyes in the overall environment the Company operates and align/redesign its policies and procedures to the ever-changing business dynamics and the risks involved to protect the interest of the company and its stakeholders.

Following are the major risks which may affect our business operations and mitigating strategies for controlling these risks.

Risks and Opportunities	Company Responses & Initiatives
<p>Energy shortage and reliance on non-renewable resources (timeframe: short to long term)</p> <p>Energy shortage remain a continuous concern for industries operating in Pakistan including MSM. Reliance on fossil fuels, increasing cost of energy and negative impact of non-renewable sources on the environment is the key risk the company faces related to ESG. Disruption in the supply of Energy will lead to disruption in production and will hinder meeting growing customer demands.</p>	<ul style="list-style-type: none"> <li>- Alternate Sources of energies have been explored and installed in the company;</li> <li>- The company has steam turbines of 14.5 MW, which can run on steam. This reduces the environmental impact on our society and attaining steam economy through efficient use of bagasse, canola husk and rice husk in steam generation Process;</li> <li>- Periodical energy audit (Internal &amp; Outsource) based on Energy Management System;</li> <li>- By installing solar panels, the company ensures uninterrupted production during power failures, while conserving the environment;</li> <li>- Production processes are regularly reviewed for cost efficiencies and energy savings.</li> </ul>
<p><b>Water Availability and discharge (timeframe: medium to long term)</b></p> <p>The supply of water is critical for manufacturing processes, and any delay or scarcity can lead to significant production delays. Water utilization varies across industries, but scarcity can pose serious risks to the entire supply chain, starting with the availability of raw materials. Overuse of water sources can result in drought conditions, harming local ecosystems, leading to biodiversity loss, and degrading natural habitats. Additionally, the excessive discharge of hazardous materials can severely impact ecosystems and threaten all forms of life.</p>	<p>Water is conserved through the following measures:</p> <ul style="list-style-type: none"> <li>- The end pipe effluent is being treated in a state of art effluent treatment plant. Activated Sludge process / Physicochemical and biological process in order to comply with NEQS.</li> <li>- The treated water is recycled / used in agriculture farms and plantation / horticulture purpose.</li> </ul>

<p><b>Environment protection risk, Availability of responsibly sourced paper raw material (timeframe: short to long term)</b></p> <p>Being in the paper industry that is reliant on fiber for production of paper, there is a risk of sourcing forest materials that are generated through illegal logging, deforestation and violation of human rights associated with the place where timber is harvested.</p>	<ul style="list-style-type: none"> <li>- This risk is mitigated by using waste paper as input for production instead of fresh fiber sourced from forests.</li> <li>- The company is FSC certified which means that: <ul style="list-style-type: none"> <li>• The wood used to make the product comes from responsibly managed forests that comply with the highest environmental, social and economic standards.</li> <li>• The wood is traceable throughout the manufacturing process</li> <li>• The forests are managed to protect the environment, wildlife, and people</li> <li>• The forests are managed to uphold the rights of Indigenous people</li> <li>• The forests are managed to eliminate illegal logging</li> </ul> </li> </ul>
<p><b>Supply Chain Disruption (timeframe: medium to long term)</b></p> <p>ESG factors have a very critical role in the supply chain as any hindrance at any stage of the supply chain will lead to the disruption in the succeeding stages of the supply chain with ultimate dissatisfaction of the customer. The disruption can occur at any level starting from the supplier of raw materials to transporter transporting the goods to the ultimate consumer and it may be caused by flood, earthquake, shortage of critical resources, extreme weather conditions, workers strike etc.</p>	<ul style="list-style-type: none"> <li>- Comprehensive strategy established for monitoring and mitigating supply chain risks and potential disruptions;</li> <li>- Increased suppliers base both in the local market as well as at international level;</li> <li>- Transportation arrangements are in place for timely delivery of goods to the customers</li> <li>- Contingency plans are in place including stock levels to meet urgency or disruption for quite some time and these plans are regularly reviewed/improvised;</li> <li>- The company diversifies its supplier base to reduce concentration risk in areas prone to environmental hazards by purchasing from both local and international suppliers and has multiple suppliers for most of its raw materials and consumables. This approach helps avoid interruptions caused by such disruptions.</li> <li>- For OCC, the Company strives to have long term arrangements with the suppliers and continuous engagements with respect to the quality issues as well as timely payments.</li> </ul>
<p><b>Cybersecurity (timeframe: short to long term)</b></p> <p>Mishandling or breaches of sensitive data can result in operational disruptions, financial losses, reputational harm, and regulatory penalties.</p>	<p>The company has an up-to-date disaster recovery plan to ensure the continuity of operations in the event of a disaster.</p> <p>Effective data backup mechanisms are in place, along with regular log reviews and access control audits to maintain robust system controls. Also refer the section “Disclosures on IT Governance and Cybersecurity”.</p>

<p><b>Product Safety and Integrity Risk (timeframe: short to medium term)</b></p> <p>MSM is engaged in business with many well reputed FMCGs and pharma for the supply of sugar where the product quality is paramount and any breach of product integrity, low quality product supply, allergic reactions from the product supplied by MSM could be very damaging for the company reputation and future business. Further, the Company supplies customized brown paper to various corrugators according to their product strength and shade requirements, any variations from requirements could lead to rejection of product and financial loss for the company.</p>	<p>Extensive quality testing of raw materials and finished products for conformance of the customer requirements and applicable standards;</p> <ul style="list-style-type: none"> <li>- The Company is ISO 9001: 2015 certified and meets the highest quality standards for all its products.</li> </ul>
<p><b>Climate Change: Natural Disaster/catastrophe (timeframe: short to long term)</b></p> <p>Natural disaster is hard to predict which have pervasive impact on company operations if so struck which could include flood, earthquake, thunderstorm with lightning.</p>	<ul style="list-style-type: none"> <li>- Safety measures have been taken by the Company during construction and erection of building and plant;</li> <li>- Comprehensive insurance cover is well in place for the whole company;</li> <li>- Well established disaster recovery plan and data backup to address any unwarranted event.</li> </ul>
<p><b>Air Quality (timeframe: medium to long term)</b></p> <p>In recent years, global attention to air quality and air pollution has intensified, leading to stricter environmental regulations and the implementation of advanced emission control technologies. Manufacturing processes discharge hazardous gases that significantly impact the environment and contribute to air pollution. Many countries have enacted comprehensive laws and established stringent standard operating procedures (SOPs) to control and mitigate the rising levels of emissions, aligning with global sustainability goals and climate change initiatives</p>	<p>MSM has installed and enhanced the capacity of pollution control equipment in order to reduce emission load. These are:</p> <ul style="list-style-type: none"> <li>• Bagasse Dryers: About 80% Flue gasses are used in these dryers to dry wet Bagasse.</li> <li>• Ash removing and collecting system: Ash Removed / Collected from Flue gasses.</li> <li>• Dust Catcher: Dust Extracted.</li> <li>• Automated DCS Boiler system and I-Boilers: To reduce fuel consumption and flue gases emission.</li> <li>• Major quantity of CO2 is reused at carbonation process, which also reduces the emission load in the ambient environment.</li> <li>• Regular maintenance of machines is carried out to control the emissions well within control.</li> </ul>
<p><b>Regulatory Changes in framework (timeframe: short to medium term)</b></p> <p>Due to the increasing realization of the ESG actors and its impacts; Govt. are moving towards developing clear laws, regulations and policies &amp; procedures to have better future for their next generations while other have developed and implemented laws &amp; regulations. We are witnessing a paradigm shift in laws &amp; regulations in the past few years to counter global climate change, warmer environment and depletion of natural resources.</p> <p>Non-compliance with ESG laws &amp; regulations are not only costly but also create impediments to operate. It also creates bottleneck in the engagement with the customers with consequent impact on the reputation of the Company.</p>	<ul style="list-style-type: none"> <li>- MSM believe not only on mere compliance with laws &amp; regulation but rather believe on the spirit of the law;</li> <li>- We are closely monitoring the changes taking place in the legal landscape through our dedicated legal department;</li> <li>- Contingency plans are well in place which are updated as the situation evolves and actions are taken as demanded by the circumstances;</li> <li>- Accurate and timely reporting of the material information are disclosed to the stakeholders whether inside or outside the company;</li> <li>- Arrange training &amp; development for the staff to embrace the changes &amp; challenges happening in the legal framework.</li> </ul>

# Comprehensive Governance & Strategy for sustainable Development and Risk Management

The Company's management approach is built on four core pillars: Governance, Strategy, Risk Management, and Metrics/Targets. Each pillar is detailed with specific metrics to showcase the Company's performance and advancement.

Core Pillars	Overview	Metrics
Governance	Develop structured policies and processes to oversee compliance with regulatory requirements related to sustainability and ESG practices.	<ul style="list-style-type: none"> <li>- Sustainability Goals to be defined, monitored, and integrated in operations</li> <li>- Comprehensive and transparent reporting of all related Risk &amp; Opportunities</li> </ul>
Strategy	Focus on minimizing environmental impact by optimizing resource use, enhancing energy practices, and reducing emissions.	<p>Frequency of sustainability initiatives to be overseen, including:</p> <ul style="list-style-type: none"> <li>- Energy efficiency goals,</li> <li>- Water conservation efforts,</li> <li>- Waste management practices, and</li> <li>- Sustainable sourcing strategies</li> </ul>
Risk Management	A comprehensive risk management framework to identify, assess, and address sustainability-related risks, including those associated with supply chain disruptions, and evolving regulations.	<ul style="list-style-type: none"> <li>- Monitor number of identified risks addressed</li> <li>- Check incident response times</li> <li>- Continuously assess Sustainability risk</li> </ul>
Metrics and Targets	Specific metrics to measure our progress towards sustainability goals, including enhancing energy efficiency, increasing the use of alternative fuels and raw materials, improvements in employee diversification, and maintaining robust governance standards.	<ul style="list-style-type: none"> <li>- Environmental goals (e.g. reducing carbon footprint)</li> <li>- Social objectives (e.g. community engagement initiatives)</li> <li>- Governance (e.g. adherence to strong governance protocols)</li> </ul>

# Sustainability-Related Risks and Opportunities Throughout the Value Chain

Mirpurkhas Sugar Mills places a strong emphasis on transparency in managing sustainability risks and opportunities across throughout its value chain. Ranging from Raw material, moving through production, and ending on distribution, we intend to address all consideration of ESG, to minimize risks and maximize positive impacts. Through thorough analysis of each component of value chain, our aim is to identify sustainability risks at an earlier stage, work closely with suppliers to ensure responsible sourcing and ethical practices, and implement rigorous standards for resource efficiency and waste management during production.

Value Chain Stage	Risk	Opportunities	Initiatives
Raw Material Acquisition	<ul style="list-style-type: none"> <li>- Damage to Ecosystems</li> <li>- Legal issues from stricter regulations</li> <li>- Health and safety hazards to workers</li> </ul>	<p>Sustainable practices and regulatory compliance enhance reputation and efficiency, while community engagement and technological innovation promote sustainability and reduce resource dependence.</p>	<ul style="list-style-type: none"> <li>- Comprehensive strategy established for monitoring and mitigating supply chain risks and potential disruptions.</li> <li>- The company diversifies its supplier base to reduce concentration risk in areas prone to environmental hazards by purchasing from both local and international suppliers and has multiple suppliers for most of its raw materials and consumables. This approach helps avoid interruptions caused by such disruptions.</li> <li>- Continuous engagement with the farmers to educate them to use environment friendly farming techniques.</li> <li>- Establish robust health and safety protocols and training programs, for employees and vendors</li> <li>- Explore and implement alternative materials and methods</li> </ul>
Operations	<ul style="list-style-type: none"> <li>- High energy &amp; resource consumption</li> <li>- Community impact from environmental harm</li> <li>- Inefficient waste management</li> </ul>	<p>The company can enhance sustainability by adopting energy-efficient technologies, using alternative materials, improving waste management, investing in renewable energy, and implementing eco-friendly innovations.</p>	<ul style="list-style-type: none"> <li>- Treatment of waste water for reuse</li> <li>- Investment in Solar Power Plant</li> <li>- Effective Management of Energy System</li> <li>- Regular community engagement initiatives</li> <li>- Periodical energy audit (Internal &amp; Outsource) based on EnMS.</li> </ul>

			<ul style="list-style-type: none"> <li>- Up gradation of boiler DCS system to improve boiler efficiency.</li> <li>- Maximum use of renewable energy to minimize impact on the environment.</li> </ul>
Distribution & Logistics	<ul style="list-style-type: none"> <li>- High carbon emissions due to transportation,</li> <li>- Potential inefficiencies in supply chain management</li> <li>- Environmental impacts from fuel use.</li> <li>- Overloading and risk of accidents.</li> </ul>	<p>MSM can invest in sustainable logistics and supply chain management by optimizing logistics to reduce carbon footprint, investing in fuel-efficient or alternative energy vehicles, improving packaging sustainability, and enhancing supply chain efficiency to lower overall environmental impact.</p>	<ul style="list-style-type: none"> <li>- Implementation of route optimization</li> <li>- Fuel efficient transportation</li> <li>- Pre-delivery inspection of vehicles</li> <li>- Efficient utilization of space to avoid overloading.</li> </ul>

## Climate-Related Risks & Opportunities Under IFRS S2

Mirpurkhas Sugar Mills is dedicated to sustainability and transparency, while recognizing the importance of managing climate-related risks and opportunities. We are in the process of adopting a framework aligned with IFRS S2 standards to identify, assess, and address these risks and opportunities. Our approach involves specific methodologies and tools to ensure our strategy is resilient and adaptive to the evolving climate landscape.

### **Climate-Related Risks:**

- Direct impacts of extreme weather may physically damage the assets and cause operational disruptions.
- Transition to a lower carbon mechanism, due to change in policies and technologies may cause financial and operational challenges.
- Long term climate shifts, such as rising sea, and increased temperatures may affect infrastructure stability, resource availability, and operational sustainability.

### **Climate-Related Opportunities:**

- Implementing energy-efficient processes and utilizing renewable energy sources can reduce operational expenses and increase profit margins.
- Improving water management practices can mitigate the risks of water scarcity and decrease associated operational costs.
- Utilization of eco-friendly packaging can increase brand reputation and ensure compliance with regulatory standards.
- Utilization of diversified sources and partnering with sustainable suppliers can help decrease the effects of climate-related disruptions.

# Environmental Initiatives by Focusing on 3R's

At Mirpurkhas Sugar Mills, our environmental strategy is deeply rooted in mitigating climate change and adhering to the principles of the 3Rs: Reduce, Reuse, and Recycle. These principles guide our efforts to minimize pollution, conserve resources, and combat environmental degradation.

Reduce	Reuse	Recycle
Our goal of minimizing Environmental footprint, is achieved through implementing Energy efficient technologies such as bagasse based boilers and solar plants and bagasse dryers and ash removing system for reducing pollution in the air.	The company's paper plant uses waste paper as raw material, which reduces waste, eventually leading to less reliance on non-renewable resources.	These include recycling and repurposing for various waste materials, such as used oils, waste water and empty drums.



# Corporate Social Responsibility



# Corporate Social Responsibility - CSR

Mirpurkhas Sugar Mills' remains committed to creating a meaningful and lasting impact on the communities surrounding its operations. Guided by a strong sense of responsibility, MSM continues to invest in social wellbeing, environmental stewardship, and initiatives that uplift local livelihoods. MSM's CSR framework is built around three key pillars: Community Health, Social Welfare, and Environmental Sustainability, forming a balanced approach to responsible business.

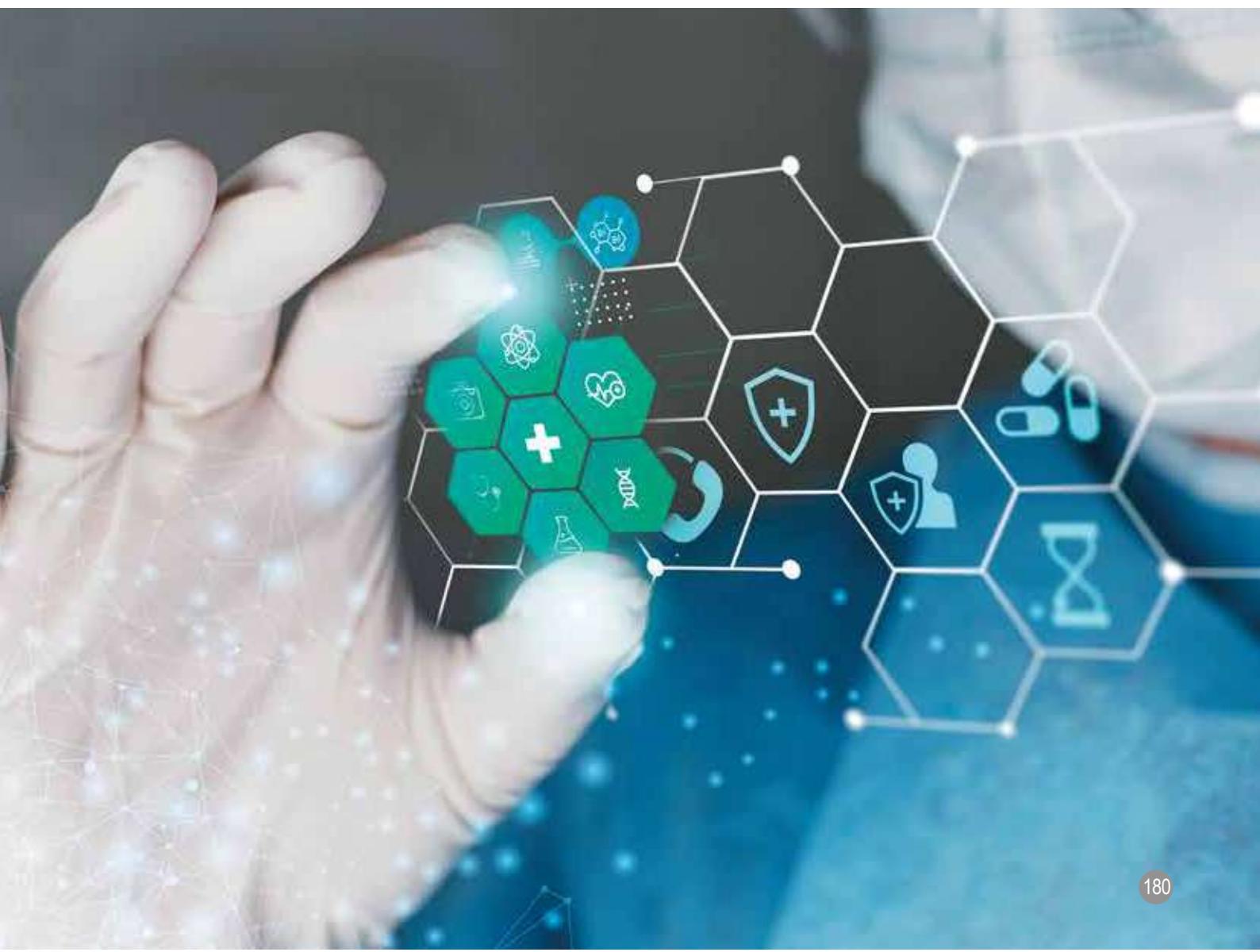
## I. Health & Medical Support

### a) Treatment Support

To support communities lacking access to medical treatment, MSM made contributions to healthcare trusts and welfare organizations. Assistance was also extended to special schools and vocational training centers, including Gulistan-e-Mazoor, supporting the needs of differently abled individuals.

### b) Medical Camps

Mirpurkhas Sugar Mills continues to support community health through targeted medical initiatives. MSM arranged eye and dental screening camps, facilitating access to essential healthcare.



- **Eye Screening Camp:** MSM organized an eye screening and diagnostic camp, providing access to essential healthcare for 80 Patients.



- **Dental Check-up Camp:** A dedicated dental check-up drive facilitated 120 patients, offering preventive care, consultations, and awareness on oral hygiene.



## 2. Ramzan Bachat Bazaar

To support families during Ramadan, MSM established subsidized stalls across key locations in Mirpurkhas. Through this initiative:

- 15 MT (300 bags) of essential goods were distributed
- Approximately 15,000 beneficiaries received subsidized food items



## 3. Sports Promotion

Mirpurkhas Sugar Mills organized a Cricket League at the PCB Ground Mirpurkhas to promote sports participation.





## 4. Employment & Youth Opportunity

MSM participates in job fairs and career platforms to provide employment opportunities to the younger generation. Through these initiatives, MSM promotes skill development and supports local talent in building sustainable careers.

### Mehran University, Jamshoro:



### Isra University, Hyderabad:



### Government College of Technology, Hyderabad:



## 5. Environmental Sustainability



### a) Solar Energy Initiatives

MSM continues to expand its renewable energy footprint through the installation of:

- 2.0 MW Solar Plant at the Mills Site
- 20 KVA Solar Installation at Reservoirs



### b) Plantation & Green Cover Enhancement

The Company remained actively engaged in reforestation efforts by:

- Planting 1,200 trees across mill surroundings
- Distributing 5,000 saplings to local communities

These activities encourage environmental restoration, biodiversity, and cleaner surroundings.





**c) Wildlife Preservation**

MSM is managing a dedicated wildlife reserve to protect local species and promote biodiversity conservation. The initiative helps maintain ecological balance and preserves the natural environment for future generations.



## 6. Safety & Emergency Preparedness Initiatives

### a) Wet Drill Competition

To commemorate World Firefighters Day and reinforce emergency readiness, the HSE team conducted a comprehensive firefighting drill followed by a wet drill competition at the Paper Plant. The activity enhanced response coordination, equipment handling, and preparedness across teams.



**b) CPR Training Session**

As part of MSM's commitment to health and safety awareness, the HSE team organized a hands-on CPR training session, enabling participants to practice essential resuscitation techniques using CPR manikins. The session equipped employees with the skills and confidence required to act effectively during critical medical situations, further strengthening MSM's safety culture.



**c) Fire Safety Enhancement at the Paper & Board Division**

MSM continued to advance its workplace safety infrastructure through the installation of an addressable fire alarm system at the Paper & Board Division. This modern system ensures precise fire detection, faster response activation, and improved coordination during emergencies, enhancing protection for employees, equipment, and operational assets.



#### d) Employee Awareness & Emergency Response Programmes

MSM strengthened its commitment to responsible practices by conducting key capability-building initiatives, including an Emergency Response Training session with Rescue 1122 and in-house sessions on Human Rights and Ethical Trade policies. These efforts enhanced employee preparedness, awareness, and compliance across operations.

##### **In-house sessions:**





## Rescue 1122 Training:







## BUSINESS MODEL

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# Our Business Model

## Key Resources

### INPUTS:

HUMAN CAPITAL  
265 Employees

### MANUFACTURED CAPITAL

- 4 process lines
- Sugar Plant capacity of 12,500 Metric Tons per day
- Paper plant capacity of 250 Metric Tons per day
- Effluent Treatment Plant
- 19 MW Power Generation Plant
- 2 MW Solar Plant
- Sugar cane procured and crushed: 12.705 million maunds costing approx. Rs. 5.8 billion
- OCC, pulp and chemicals consumed costing Rs. 2.9 billion

### FINANCIAL CAPITAL

- From equity of Rs. Rs. 2.50 billion in 2024 to Rs. 2.80 billion in 2025
- Total assets Rs. 14 billion
- Strong Credit Rating
  - Long Term A-
  - Short Term A2
- Credit lines of Rs. 10.45 billion at September 2025

### INTELLECTUAL CAPITAL

- Purest Quality refined sugar
- Producing multiple varieties of Sugar and paper
- Pharma Grade Sugar
- Quality Certifications
  - Certificate of continued satisfactory operation of the Organization's Management System ISO 9001:2015.
  - Certificate of Compliance with standard of Good Manufacturing Practices (GMP).
  - Halal Certification
- SAP S4 Hana

### SOCIAL & RELATIONSHIP CAPITAL

- Cane team educated farmers and growers on best farming techniques
- Financial support to growers for sugarcane Farming
- Specialized data driven cane procurement team
- Relationship with local and international suppliers of OCC, pulp and chemicals

### NATURAL CAPITAL

- Major production on power plants fueled by bagasse, rice husk and solar
- Planted large number of trees for environment Protection
- Certifications of
  - Implemented Environmental Management System ISO 14001:2015 certified
  - Implemented Occupational Health & Safety Management System ISO 45001:2018 certified
  - FSC (Forest Stewardship Council) Certification

## Our Integrated Value Chain

### INPUTS:

Mirpurkhas sugar mills limited (MSM) procures the best sugarcane from its surrounding areas.

A dedicated Cane procurement team performs a data driven survey throughout the year and take best sugarcane growers onboard for smooth supply in Season at optimum cost. The Company has long association with many growers.

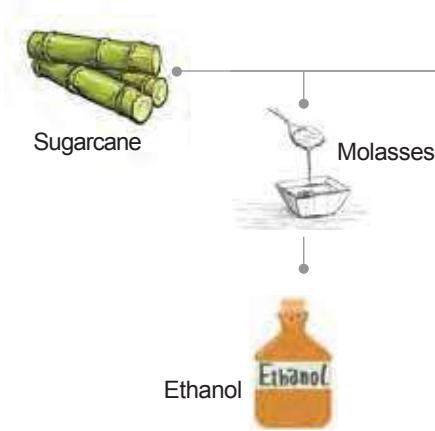
For OCC, the Company strives to have long term arrangements with the suppliers and continuous engagements with respect to the quality issues for production of fine quality paper.

With a very low employee turnover, company takes pride in its accumulated human resource.

### BUSINESS ACTIVITIES/ DIFFERENTIATION

MSM has capacity to crush 12,500 MT of sugarcane per day. All the by-products of sugarcane like bagasse, molasses etc. are 100% further converted (internally utilized/sold), to obtain maximum output from the sugar making process and minimize costs. Here, skilled human resource of the company plays key role to obtain a maximum sucrose recovery from sugarcane by better quality and timely procurement. Also, paper plant is running on renewable energy and bio-fuels.

The company supports its customers in case of any complaints and addresses their concerns.



## Key Outputs

### OUTPUT

MSM manufactures the following varieties of Sugar:

- White Refined Sugar
- Pharma & Food Grade Sugar

### Paper:

- Test liner
- White test liner
- Kraft liner
- Fluting paper

### OUTCOME

During the year MSM's net revenue was Rs. 12.61 billion.

The Company contributed Rs. 1,835 million to the National Exchequer during the year.

### HUMAN CAPITAL

- Training & Development
- New hiring
- Promotions
- High retention and low turnover

### MANUFACTURED CAPITAL

- Sugar Produced: 52,977 tons
- Paper produced: 42,658 tons
- Molasses produced: 26,086 tons
- Investment in latest manufacturing technology
- Waste water which is processed in Strainers for usage in agriculture farms.

### FINANCIAL CAPITAL

- Investment in new projects relying on the energy of sugar plant.

### INTELLECTUAL CAPITAL

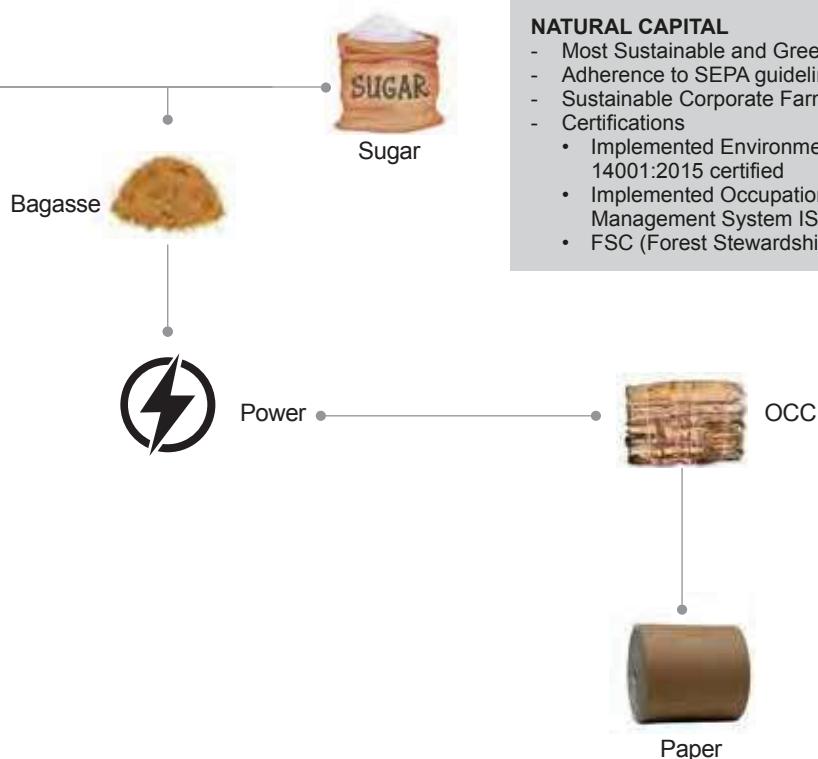
- Strong and loyal customer base
- Preferred supplier for pharma companies
- Secured & advanced remote working techniques.

### SOCIAL & RELATIONSHIP CAPITAL

- Exceptional relationship with raw material suppliers
- Preferred Mill by grower to supply Sugarcane
- 24hrs Uninterrupted cane supply and production during season.
- New growers and Procurement circles
- New customers
- Charity and donations

### NATURAL CAPITAL

- Most Sustainable and Green industry
- Adherence to SEPA guidelines
- Sustainable Corporate Farming
- Certifications
  - Implemented Environmental Management System ISO 14001:2015 certified
  - Implemented Occupational Health & Safety Management System ISO 45001:2018 certified
  - FSC (Forest Stewardship Council) Certification





**EXCELLENCE  
IN CORPORATE  
REPORTING**

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# Statement of Unreserved Compliance of International Financial Reporting Standards (IFRSs) issued by International Accounting Standards Board (IASB)

Mirpurkhas Sugar Mills Limited is preparing statutory financial statements in accordance with the IFRS issued by IASB as notified under the Companies Act 2017 including the disclosure requirements of fourth schedule.

However, SECP has not notified adoption of following IFRS:

Standards / Amendments	IASB Effective dates (annual periods beginning on or after)
------------------------	---

IFRS 1 - First time adoption of IFRSs

1-Jan-2004

In addition to this, note 2 to the financial statement specify few standards and interpretations which are yet to be effective in Pakistan. The Company believes that that the impact of the above standards and those referred in note 2 does not have any material impact to the Financial Statements.



Arif Faruque  
Chairman

Karachi: December 18, 2025

## Glossary of Terms

### Acid Test Ratio:

The ratio of liquid assets to current liabilities.

### AGM:

A mandatory, public yearly gathering of a publicly traded company's executives, directors and interested shareholders.

### Amortization:

To charge a regular portion of an expenditure over a fixed period of time.

### Borrowing Cost:

Finance costs that are directly attributable to the construction/acquisition of a qualifying assets and included in the cost of such asset.

### Current Ratio:

The current ratio indicates a company's ability to meet short-term debt obligations.

### Dividend Payout Ratio:

The ratio found by dividing the annual dividends per share by the annual earnings per share.

### Earnings Per Share:

Earnings found by dividing the net income of the Company by the number of shares of common outstanding stock.

### EBITDA:

Earnings before Interest, Taxes, Depreciation and Amortization.

### Financial leverage Ratio:

The ratio found by dividing total debt by the equity held in stock. This is a measure of financial risk.

### Gearing Ratio:

Compares some form of owner's equity (or capital) to borrowed funds.

### HR & RC:

Human Resource and Remuneration Committee.

### HS&E:

Health, Safety and Environment.

### IAS:

International Accounting Standards.

### IASB:

International Accounting Standards Board.

### IFRIC:

International Financial Reporting Issues Committee.

### IIRF:

International Integrated Reporting Framework.

### IFRS:

International Financial Reporting Standard.

### Joint Venture:

A business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task.

### KIBOR:

Karachi Inter Bank Offer Rate.

### MSM:

Mirpurkhas Sugar Mills Limited

### Price-Earnings Ratio (P/E):

The ratio found by dividing market price per share by earnings per share (This ratio indicates what investors think of the firm's earnings' growth and risk prospects).

### Principal:

In commercial law, the principal is the amount that is received, in the case of a loan, or the amount from which flows the interest.

### Qualifying Asset:

An asset that takes substantial period of time to get ready for its intended use/sale.

### Return on Equity (ROE):

The value found by dividing the Company's net income by its net assets (ROE measures the amount a company earns on investments).

### Security:

A pledge made to secure the performance of a contract or the fulfillment of an obligation.

### Spread:

Rate charged by the bank over KIBOR.

### Term:

The maturity or length of time until final repayment on a loan, bond, sale or other contractual obligation.

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## 6. Analysis of the Financial Information

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# Financial Statement

08

Revenue

Revenue

**FINANCIAL  
STATEMENTS**

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# Independent Auditors' Report To the Members of Mirpurkhas Sugar Mills Limited

## Report on the Audit of Financial Statements



### Opinion

We have audited the annexed financial statements of Mirpurkhas Sugar Mills Limited, ("the Company") which comprise the statement of financial position as at September 30, 2025, and 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 financial statements, including material accounting policy information 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 the 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 September 30, 2025 and of the loss, 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 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 Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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**OTHER OFFICES LAHORE - FAISALABAD - ISLAMABAD**

**A member of Kreston International A global network of independent accounting firms**



Following are the Key audit matters:

S.No.	Key audit matters	How the matter was addressed in our audit
1.	<p>Paper project financing.</p> <p>As disclosed in note 4 to the accompanying financial statements, the Company's capitalized cost of paper project which is financed by mix of borrowings and self generated equity. The paper project cost also includes long-term financing as disclosed in note 18 to the accompanying financial statements.</p> <p>Accordingly, we have identified the paper project financing as a key audit matter.</p>	<p>Our procedures are as follows:</p> <ul style="list-style-type: none"> <li>■ We considered whether the items of fixed cost, including borrowing cost, meet the recognition criteria in accordance with the applicable financial reporting standards.</li> <li>■ We obtained and checked the financing agreements and circularized confirmations to the financing banks to confirm outstanding financing balances and other related terms at year end.</li> <li>■ We checked compliance of the covenants and their implications. We also checked the analysis of the financing to ascertain the servicing of loans as per their remaining maturities.</li> <li>■ We assessed the adequacy of the Company's disclosures in accordance with the applicable financial reporting standards.</li> </ul>
2.	<p>Recognition of Revenue:</p> <p>The company is engaged in the production and sale of sugar and paper and recognized revenue there for the year ended September 30, 2025.</p> <p>We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that it could be subject to misstatement to meet expectations or targets.</p>	<p>Our audit procedures to assess the recognition of revenue included the following:</p> <ul style="list-style-type: none"> <li>■ Obtaining an understanding of the process relating to recognition of revenue and assessing the design, implementation and operating effectiveness of key internal controls over recording of revenue.</li> <li>■ Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards.</li> <li>■ Obtaining an understanding of the nature of the revenue, testing a sample of sales contracts to confirm our understanding and assessing whether or not management's application of IFRS 15 requirements was in accordance with the standard.</li> </ul>

S.No.	Key audit matters	How the matter was addressed in our audit
		<ul style="list-style-type: none"> <li>■ Performing analytical procedures and test of details by selecting sample of transactions for comparing with sales orders, sales invoices, delivery orders and other underlying records.</li> <li>■ Comparing a sample of revenue transactions recorded around the year end with the sales orders, sales invoices, delivery orders and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period.</li> <li>■ Reviewing the adequacy of disclosure as required under applicable financial reporting framework.</li> </ul>
3.	<p>Valuation of stock-in-trade.</p> <p>As at reporting date, the Company held stock-in-trade amounting to Rs. 1,611 million which constitutes 11% of total assets, as disclosed in note 9 to the financial statements. As described in note 9 to the financial statements, stock-in-trade is measured at lower of cost and Net Realizable Value (NRV). The cost of work-in-process and finished goods is determined at average manufacturing cost including a proportion of production overheads. Judgements are required to determine the appropriate basis for costing and its valuation.</p> <p>Given the significance of the amount involved and the level of judgements and estimates required to value the stock-in-trade, we have identified valuation of stock-in-trade as a key audit matter..</p>	<p>Our key audit procedures in this area amongst others included the following:</p> <ul style="list-style-type: none"> <li>■ Obtained an understanding of the Company's valuation process for stock-in-trade and tested controls relevant to such process.</li> <li>■ Tested the calculations of per unit cost of finished goods and assessed the appropriateness of management's basis for the allocation of cost and production overheads.</li> <li>■ Tested the NRV of the stock-in-trade by performing a review of sales close to and subsequent to the year end and comparing with the cost for a sample of products.</li> <li>■ Observed physical stock count activities to ascertain the condition and existence of stock-in-trade, performed testing on a sample of items to assess their NRV and evaluated the adequacy of NRV adjustment for stock-in-trade as at the year end.</li> <li>■ Assessed the adequacy of the related disclosures in accordance with the applicable financial reporting standards.</li> </ul>

### **Information Other than the 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 financial statements and our auditors' report thereon.

Our opinion on the 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 these financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 is responsible for overseeing the Company's financial reporting process.**

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 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 financial statements, including the disclosures, and whether the 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 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 financial statements of the current period 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) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mohammad Hanif Razzak.



**Chartered Accountants**

Karachi:

Dated: December 18, 2025

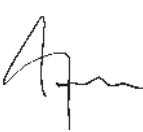
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# Statement of Financial Position

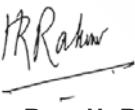
AS AT SEPTEMBER 30, 2025

Note	2025	2024		
	----- (Rupees in '000) -----			
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	4	6,831,910		
Long-term investments	5	1,512,846		
Long-term deposits	6	25,425		
Deferred tax asset-net	7	89,292		
		<b>8,459,473</b>		
<b>CURRENT ASSETS</b>				
Stores, spare parts and loose tools	8	720,385		
Stock-in-trade	9	1,611,649		
Trade debts	10	1,595,100		
Loans and advances	11	132,703		
Trade deposits and short-term prepayments	12	4,681		
Other receivables	13	157,135		
Short-term investments	14	1,053,462		
Tax refunds due from the Government		231,312		
Cash and bank balances	15	36,862		
		<b>5,543,289</b>		
		<b>14,002,762</b>		
		<b>13,782,896</b>		
<b>TOTAL ASSETS</b>				
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital	16	665,579		
Reserves	17	1,477,740		
Surplus on revaluation of property, plant & equipment	17	661,496		
		<b>2,804,815</b>		
<b>NON-CURRENT LIABILITIES</b>				
Long-term financing	18	3,998,239		
Long-term lease liabilities	19	10,512		
Deferred liabilities	20	675,483		
Government grant	21	130,393		
		<b>4,814,627</b>		
<b>CURRENT LIABILITIES</b>				
Trade and other payables	22	922,144		
Accrued mark-up	23	263,476		
Short-term borrowings	24	4,692,655		
Current portion of long-term financing	18	429,744		
Current portion of long-term lease liabilities	19	13,161		
Current portion of government grant	21	54,430		
Unclaimed dividend		7,710		
		<b>6,383,320</b>		
		<b>7,984,232</b>		
<b>CONTINGENCIES AND COMMITMENTS</b>				
	25	-		
		-		
<b>TOTAL EQUITY AND LIABILITIES</b>				
		<b>14,002,762</b>		
		<b>13,782,896</b>		

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



Aslam Faruque  
Chief Executive



Hasan Reza Ur Rahim  
Director



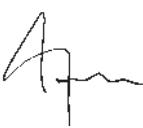
Abdul Muqeet  
Chief Financial Officer

# Statement of Profit or Loss

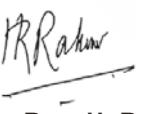
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Note	2025	2024
		----- (Rupees in '000) -----	
Turnover - net	26	<b>12,615,640</b>	11,969,725
Cost of sales	27	<b>(11,050,647)</b>	(11,149,846)
<b>Gross profit</b>		<b>1,564,993</b>	819,879
Distribution cost	28	<b>(309,912)</b>	(264,816)
Administrative expenses	29	<b>(345,182)</b>	(319,397)
Other operating expenses	30	<b>(8,001)</b> <b>(663,095)</b>	(33,241) (617,454)
Other income	31	<b>55,932</b>	47,140
<b>Operating profit</b>		<b>957,830</b>	249,565
Finance cost	32	<b>(1,173,940)</b> <b>(216,110)</b>	(1,858,395) (1,608,830)
Share of profit / (loss) in associates - net	5	<b>124,099</b>	(652,468)
<b>Loss before levies and taxation</b>		<b>(92,011)</b>	(2,261,298)
Levies	33	<b>(168,652)</b>	(165,915)
<b>Loss before taxation</b>		<b>(260,663)</b>	(2,427,213)
Taxation	33	<b>9,637</b>	205,765
<b>Loss after taxation</b>		<b>(251,026)</b>	<u>(2,221,448)</u>
Loss per share - basic & diluted (Rupees)	34	<b>(3.77)</b>	<u>(39.17)</u>

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



**Aslam Faruque**  
Chief Executive



**Hasan Reza Ur Rahim**  
Director



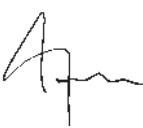
**Abdul Muqeet**  
Chief Financial Officer

# Statement of Comprehensive Income

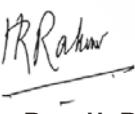
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	2025	2024
	----- (Rupees in '000) -----	
<b>Loss after taxation</b>	<b>(251,026)</b>	(2,221,448)
<b>Other Comprehensive income</b>		
<b>Items that will not be subsequently reclassified to statement of profit or loss:</b>		
Actuarial gain/ (loss) on defined benefit plan	<b>146,779</b>	(31,992)
Unrealised gain on remeasurement of equity investment at fair value through other comprehensive income - net	<b>406,066</b>	169,137
Realised gain on disposal of equity instruments - net	<b>5,763</b>	-
	<b>558,608</b>	137,145
<b>Total comprehensive income / (loss)</b>	<b>307,582</b>	<b>(2,084,303)</b>

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



**Aslam Faruque**  
Chief Executive



**Hasan Reza Ur Rahim**  
Director



**Abdul Muqeet**  
Chief Financial Officer

# Statement of Cash Flows

FOR THE YEAR ENDED SEPTEMBER 30, 2025

## CASH FLOWS FROM OPERATING ACTIVITIES

### Loss before levies and taxation

#### Adjustments for :

Depreciation	4.1	362,854	376,667
Depreciation on right-of-use asset	4.6	11,812	8,055
Provision for market committee fee	20.1	5,082	6,203
Provision against receivable		4,785	850
Accrued profit term deposit	10 / 30	(4,102)	(2,415)
Dividend income from related parties	31	(26,079)	(19,676)
Share of (profit) / loss in associates	5	(124,099)	652,468
Gain on disposal of property, plant and equipment	31	(6,937)	(266)
Provision for gratuity		-	6,902
Provision of deferred liabilities-net		23,523	21,699
Finance cost on lease liabilities	32	4,985	3,280
Finance cost	32	1,168,955	1,855,115
		1,420,779	2,908,882
		1,328,768	647,584

### Working capital changes

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

Stores, spare parts and loose tools	74,442	(55,638)
Stock-in-trade	569,160	226,932
Trade debts	(178,302)	(754,894)
Loans and advances	38,749	47,927
Trade deposits and Short-term prepayments	17,474	28,228
Other receivables	213,176	19,891
	734,699	(487,554)

#### (Decrease) / Increase in current liabilities:

Trade and other payables	(451,830)	404,039
<b>Cash generated from operations</b>	<b>1,611,637</b>	<b>564,069</b>

Long-term loans and deposits-net	(19,257)	21,486
Income tax paid	(240,169)	(174,886)
	(259,426)	(153,400)
<b>Net cash generated from operating activities</b>	<b>1,352,211</b>	<b>410,669</b>

## CASH FLOWS FROM INVESTING ACTIVITIES

Additions to property, plant and equipment	4	(557,384)	(172,611)
Sale proceeds of property, plant and equipment	4.2	10,688	1,133
Disposal of investment in related party		13,368	-
Investment in Term deposit receipt		(10,000)	(20,000)
Profit realised on term deposits		5,092	3,405
Dividend received from an associate	5	-	25,000
Dividend received from related parties	31	26,079	19,676
<b>Net cash used in investing activities</b>		<b>(512,157)</b>	<b>(143,397)</b>

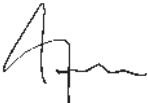
## CASH FLOWS FROM FINANCING ACTIVITIES

Finance cost paid		(1,239,795)	(1,902,361)
Short-term borrowings-net		(1,085,315)	1,005,724
Long-term financing-net		1,483,119	172,013
Payment of lease liability-net	19	(16,267)	(11,941)
Proceeds from issuance of right shares-net		-	489,523
Payment of dividend		(3)	(40)
<b>Net cash used in financing activities</b>		<b>(858,261)</b>	<b>(247,082)</b>

### Net (decrease) / Increase in cash and cash equivalents

<b>Cash and cash equivalents at the beginning of the year</b>	<b>55,069</b>	<b>34,879</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>36,862</b>	<b>55,069</b>

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



Aslam Faruque  
Chief Executive



Hasan Reza Ur Rahim  
Director



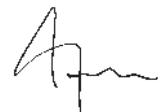
Abdul Muqeet  
Chief Financial Officer

# Statement of Changes in Equity

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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 in '000)									
<b>Balance as at October 01, 2023</b>	465,579	34,250	2,392,086	-	58,320	480,282	2,964,938	661,496	4,092,013
Loss after taxation	-	-	(2,221,448)	-	-	-	(2,221,448)	-	(2,221,448)
Other comprehensive income	-	-	-	-	(31,992)	169,137	137,145	-	137,145
Total comprehensive loss	-	-	(2,221,448)	-	(31,992)	169,137	(2,084,303)	-	(2,084,303)
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	-	-	-	(10,477)	-	-	(10,477)	-	(10,477)
<b>Balance as at September 30, 2024</b>	<b>665,579</b>	<b>34,250</b>	<b>170,638</b>	<b>289,523</b>	<b>26,328</b>	<b>649,419</b>	<b>1,170,158</b>	<b>661,496</b>	<b>2,497,233</b>
<b>Balance as at October 01, 2024</b>	<b>665,579</b>	<b>34,250</b>	<b>170,638</b>	<b>289,523</b>	<b>26,328</b>	<b>649,419</b>	<b>1,170,158</b>	<b>661,496</b>	<b>2,497,233</b>
Loss after taxation	-	-	(251,026)	-	-	(14,737)	-	-	(251,026)
Realized gain on investment disposal	-	-	14,737	-	-	146,779	-	-	558,608
Other comprehensive income	-	-	-	-	-	(14,737)	411,829	558,608	-
Total comprehensive income	-	-	(236,289)	-	146,779	397,092	307,582	-	307,582
<b>Balance as at September 30, 2025</b>	<b>665,579</b>	<b>34,250</b>	<b>(65,651)</b>	<b>289,523</b>	<b>173,107</b>	<b>1,046,511</b>	<b>1,477,740</b>	<b>661,496</b>	<b>2,804,815</b>

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



**Aslam Faruque**  
Chief Executive



**Hasan Reza Ur Rahim**  
Director



**Abdul Muqeet**  
Chief Financial Officer

# Notes to The Financial Statements

FOR THE YEAR ENDED SEPTEMBER 30, 2025

## 1. THE COMPANY & ITS OPERATIONS

**1.1** Mirpurkhas Sugar Mills Limited (the Company) was incorporated in Pakistan on May 27, 1964 as a public limited company and its shares are quoted on Pakistan Stock Exchange Limited. 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:

Business Unit Head Office	Address
<b>Registered Office / Factory</b> Sugar and Paper Division (Immovable assets)	Sub Post Office Sugar Mill Jamrao, Umerkot Road, Mirpurkhas Sindh.(Land measuring 625.875 acres and covered area 723,139 sq.ft)
<b>Land</b> (Immovable assets)	Deh 245, Tapo Butto Kot. Taluqa Shujaabad; Deh 109, Gulberg Town, Mirpurkhas. (Land measuring 1.49 and 0.06 acres respectively).

**1.2** **Summary of significant transactions and events that have affected Company's financial position and performance during the year are as follows:**

During the year company planned to commission (CTMP) chemical thermo mechanical pulp plant. Its major components are imported & civil work is in progress, it will reduce the dependency on imported raw material for paper production.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as 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 Accounting standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### 2.2 Accounting convention

These financial statements have been prepared following the accrual basis of accounting except for the statement of cash flows.

These financial statements have been prepared under the historical cost convention without any adjustments for the effect of inflation or current values, except for the following material items in the statement of financial position:

- a) Inventories which are valued at lower of weighted / moving average cost or Net Realizable Value (NRV) in accordance with IAS 2;
- b) Obligation under certain employees retirement benefits that are based on actuarial valuation in accordance with IAS 19;
- c) Free hold land which stands at revalued amount in accordance with IAS 16;
- d) Right-of-use assets and corresponding lease liabilities in accordance with IFRS-16; and
- e) Long-term loan under TERF and wage financing facility discounted at present value & related Government grant.

### 2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

### 2.4 New standards and amendments to approved accounting standards

#### 2.4.1 Accounting standards effective for the year

There were certain new amendments to the approved accounting standards and a new interpretation issued by the International Financial Reporting Interpretations Committee (IFRIC) which became effective during the year but are considered not to be relevant or have any significant effect on the Company's operations, therefore, not disclosed in these un-consolidated financial statements except for additional disclosures required by amendment in IAS-1 relating to classification of non-current liabilities (refer note 36.5).

#### 2.4.2 Accounting standards not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Effective from accounting period beginning on or after:		
IAS-21	The Effects of changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS-7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS-17	Insurance Contracts	January 1, 2026
IFRS-9	Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 1, 2026

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at January 31, 2025.

- IFRS - 1 First-time Adoption of International Financial Reporting Standards
- IFRS - 18 Presentation and Disclosure in Financial Statements
- IFRS - 19 Subsidiaries without Public Accountability: Disclosures
- IFRS - S1 General requirements for Disclosure of Sustainability-related Financial Information
- IFRS - S2 Climate-related Disclosure
- IFRIC - 12 Service Concession Arrangement

## 2.5 Significant accounting judgements, estimates and assumptions

The preparation of these financial statements in conformity with the approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses and the disclosures of contingent liabilities at the end of reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying value of assets and liabilities that are not readily apparent from other sources.

However, uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of the asset or liability affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and any future periods affected.

Judgments made by the management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuing paragraphs.

In the process of applying the accounting policies, management has made the following estimates, judgments and assumptions which are significant to the financial statements:

### a) Employees retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 13.1 to the financial statements for valuation of present value of defined benefit obligation and fair value of plan assets. 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.

### b) Property, plant and equipment and intangible assets

The Company reviews appropriateness of the rate of depreciation / amortization, useful life and residual value used in the calculation of depreciation / amortization. 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 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 and intangible assets, with corresponding effects on the depreciation / amortization charge and impairment. As of the year end the Company estimates that there is no impairment on any of its assets.

### c) Classification of investments

The management has exercised its judgment in respect of classification of investments as disclosed in note 5 to the financial statements. Any change in such judgment might materially affect the accounting policy applied in respect of such investments.

### d) Stock-in-trade

The Company reviews Net Realizable Value (NRV) of stock in trade, to assess any diminution in their respective carrying values. NRV is estimated with reference to the estimated selling price in the ordinary course of business less the estimated cost of completion and the cost necessary to make the sale.

**e) Stores, spare parts and loose tools**

These are valued at cost determined on weighted average basis less provision for slow moving and obsolete stores and spares. Items in transit are valued at invoice value plus other charges incurred thereon.

**f) Taxation**

In applying the estimate for income tax payable, the Company takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingency.

Deferred tax is provided using the statement of financial position liability method on all temporary differences arising at reporting date, between the tax bases of the assets and the liabilities and their carrying amounts. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that sufficient future taxable profits will be available against which these can be utilised.

The Company takes into account the current income tax law, legislations and decisions taken by the taxation authorities for determination of levies. These include determining the specific obligating event that triggers levy recognition based on the relevant legislation, estimating the amount payable by considering applicable rates, and deciding the appropriate timing for recognizing the levy liability. These estimates and judgements are periodically reviewed and updated as necessary.

**g) Provision for impairment**

The Company reviews the carrying amount of assets except deferred tax assets and inventories at the reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of assets is estimated and impairment losses are recognized in the statement of profit or loss.

**h) 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).

**i) Leases**

The Company uses judgments and estimates in the measurement of right of-use assets and corresponding lease liabilities with respect to discount rates, lease terms including exercise of renewal and termination options etc.

**3 MATERIAL ACCOUNTING POLICY INFORMATION**

**3.1 Segment reporting**

The Company has identified the following reportable segments on the basis of criteria defined by the "IFRS 8 Operating Segment".

Sugar Division - Manufacturing and sale of refined sugar

Paper Division - Manufacturing and sale of paper

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax assets, liabilities and related income and expenditures. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

### 3.2 **Taxation**

#### a) **Current**

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

#### b) **Levies**

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37.

#### c) **Deferred**

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that the deductible temporary differences will reverse in the future and sufficient taxable income will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be utilized.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirement.

The carrying amount of deferred tax asset is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recognized. Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred income tax relating to items recognized directly in other comprehensive income is recognized in other comprehensive income and not in statement of profit or loss.

#### **d) Sales tax and Government duties**

Revenues, expenses and assets are recognized net of amount of sales tax and government duties except:

- Where amount incurred on a purchase of asset or service is not recoverable from the taxation authority, the tax / duties is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- Receivables or payables that are stated with the amount of sales tax and government duties included.

The net amount of sales tax and government duties recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

### **3.3 Employees' retirement benefits**

#### **a) Provident fund scheme**

The Company operates two approved defined contribution provident fund schemes for its eligible permanent employees who opted for the benefits. Equal monthly contributions are made, both by the Company and the employees to the funds at the rate of 8.33 % of basic salary.

#### **b) Gratuity scheme**

The Company operates an approved and funded gratuity scheme for all of its eligible permanent employees, who have completed the minimum qualifying period of service. The scheme is administered by the trustees nominated under the trust deed. The contributions to the scheme are made in accordance with the actuarial valuation using Projected Unit Credit (PUC) method.

### **3.4 Property, plant and equipment**

#### **a) Owned assets**

These are stated at cost less accumulated depreciation except for freehold land which is stated at revalued amount and capital work-in-progress, which is stated at cost. The revaluation of freehold land is carried out once in every three years.

Assets having cost exceeding the minimum threshold as determined by the management are capitalized. All other assets are charged to income in the year when acquired.

Depreciation is charged, on a systematic basis over the useful life of the assets, to income applying reducing balance method, except for building on leasehold land, furniture and fittings, office and other equipment and computer and accessories which are depreciated using straight line method at the rates mentioned in note 4 to the financial statements, which reflects the patterns in which the assets' economic benefits are consumed by the Company. Rate of Building on leased hold land is determined on the basis of lease tenure. Additions to assets are depreciated from the month of addition while no depreciation is charged on assets disposed off during the month.

Maintenance and normal repairs are charged to statement of profit or loss, when incurred. Major renewals and improvements which increase the asset's remaining useful economic life or the performance beyond the current estimated levels are capitalized and the assets so replaced, if any, are retired.

Gains and losses on disposal of assets, if any, are recognized in the statement of profit or loss when incurred.

The carrying values of owned assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If such indications exist and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount.

**b) Capital work in progress**

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when assets become available for use.

**c) Ijarah contracts**

Ijarah contracts are classified as operating leases irrespective of whether significant portion of the risks and rewards of ownership are retained by lessor. Payments made under Ijarah contracts (net of any incentives received from the lessor) are charged to the statement of profit or loss on a straight-line basis over the period of the lease.

**d) Right-of-use assets**

The Company recognises 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.

Right-of-use assets are depreciated on a straight-line basis over the lower of the lease term and the estimated useful lives of the assets.

**3.5 Intangible assets**

An intangible asset is recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of such asset can also be measured reliably. Cost of the intangible asset (i.e. computer software) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Costs associated with maintaining computer software are recognized as an expense as and when incurred.

Computer software and implementation costs that are directly associated with the computer and computer controlled machines which cannot operate without the related specific software, are included in the cost of respective assets. Software which is not an integral part of the related hardware is classified as intangible assets.

Intangible assets are stated at cost less accumulated amortization and any impairment loss. Intangible assets are amortized when assets are available for use on straight line method. Amortization is charged from the month of the year in which addition / capitalization occurs while no amortization is charged in the month in which an asset is disposed off.

Useful lives of intangible assets are reviewed, at each financial year end and adjusted if appropriate.

The carrying values of intangible assets are reviewed for impairment at each financial year end when events or changes in circumstances, indicate that carrying value may not be recoverable. An impairment loss is recognized in the statement of profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversal of impairment losses are also recognized in the statement of profit or loss, however, it is restricted to the original cost of the asset.

### 3.6 Investments

#### a) In associate

Investment in an associate is accounted for using the equity method. Under this method, the investment is initially recognized at cost as adjusted for post acquisition changes in the Company's share of net assets of the associate and impairment in the value of investment and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss of the investee after the date of acquisition which is recognized in the statement of profit or loss. Dividend received, if any, reduces the carrying amount of investment. Changes in associate's equity including those arising from the revaluation of property, plant and equipment are recognized directly in the Company's equity in proportion of the equity held. Profit / loss from material transactions with associate is eliminated. The reporting dates of the associate and the Company are identical except for UniEnergy Limited and the associate's accounting policies conform to those used by the Company for like transactions and events in similar circumstances.

#### b) At fair value through other comprehensive income

Equity investments are initially recognised at cost, being the fair value of the consideration paid including transaction costs. Subsequent to the initial recognition these are measured at fair value, with any resultant gain or loss being recognized in the other comprehensive income. Gains or losses on fair value through other comprehensive income are recognized in the other comprehensive income and are never reclassified to the statement of profit or loss.

#### c) At fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuation in prices are classified as 'financial assets at fair value through profit or loss' category. These investments are initially recognized at fair value, relevant transaction costs are taken directly to statement of profit or loss and subsequently measured at fair value. Net gains and losses arising on changes in fair value of these financial assets are taken to the statement of profit or loss in the period in which they arise.

### 3.7 Stores, spare parts and loose tools

These are valued at moving average cost. Provision / write-off if required is made for slow moving items, where necessary and recognized in statement of profit or loss.

Items in transit are valued at invoice plus other charges incurred thereon.

### 3.8 Stock-in-trade

Stock-in-trade is valued at the lower of average manufacturing cost or NRV. The cost of work in process includes cost of raw material and proportionate manufacturing expenses.

NRV signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

Stock in transit is valued at cost comprising invoice value plus other incidental charges incurred thereon upto the reporting date.

### 3.9 Trade debts, loans, advances, deposits and receivables

Trade debts, loans, advances, deposits and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Provision is made on the basis of lifetime Expected Credit Losses (ECLs) that result from all possible default events over the expected life of the trade debts, loans and other receivables. Bad debts are written off when considered irrecoverable.

### 3.10 Trade and other payables

Liabilities for trade and other payables are recognized initially at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company and subsequently measured at amortised cost.

### 3.11 Revenue recognition

- a) Revenue from sale of goods is recognized when or as performance obligations are satisfied by transferring control of a promised good or service to a customer, and the control transfers at a point in time, i.e. at the time the goods are dispatched / shipped to customer. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, returns, rebates and government levies.
- b) Income / return on investments, loans, advances and bank deposits are recognized on an accrual basis.
- c) Dividend income on equity investment is recognized, when the right to receive the same is established.
- d) Capital gains or losses on sale of investments and disposal of Property, plant and equipment are recognized in the period in which they arise.
- e) Mark-up on growers' loans is accounted for in line with the recovery of the respective loan due to exigencies involved in such matters.
- f) Profit / (loss) on biological assets is recognized at actual and fair value gain / (loss) is recognized on standing crops
- g) Unrealized gains / (losses) arising on revaluation of securities classified as 'at fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise.
- h) Monetary assets and liabilities denominated in foreign currencies are translated into Pakistani Rupees (reporting currency) at the rates of exchange prevailing at the date of statement of financial position. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. Any resulting gain or loss from change in exchange rates is recognized in the statement of profit or loss.

### 3.12 Foreign currency transactions and translations

The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Transactions in foreign currencies are translated into Pak Rupees at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rate of exchange ruling 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 to monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss.

### 3.13 Impairment of assets

#### Financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balance for which credit risk (the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

The expected credit loss approach has not resulted in any material change in impairment provision for any financial asset.

### **Non-financial assets**

The carrying amounts of the Company's non-financial assets, other than deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss.

### **3.14 Provisions**

Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

### **3.15 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest / profit on loan and other costs that an entity incurs in connection with the borrowing of funds.

### 3.16 Related party transactions

Related party transactions are carried out on commercial terms, as approved by the Board, substantiated as given in note 39 to the financial statements.

### 3.17 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments at the lease commencement date, the Company uses the interest rate implicit in the lease. In case where the interest rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate. 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 lease payments or a change in the assessment of an option to purchase the underlying asset.

### 3.18 Financial instruments

#### Financial Asset

The Company classifies its financial assets in to following three categories:

- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVTPL); and
- Measured at amortized cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

#### Subsequent measurement

Debt Investments at FVOCI: These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

Equity Investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in statement of profit or loss.

Financial assets measured at amortized cost: These assets are subsequently measured at amortized cost using the effective interest rate method. The amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

### Non-derivative financial assets

All non-derivative financial assets are initially recognized on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, advances, other receivables and cash and cash equivalent. The Company derecognizes the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

### Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where 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 and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit or loss.

### Offsetting of financial assets and liabilities

A financial asset and financial liability is only offset and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses arising from such assets and liabilities are also offset accordingly.

#### 3.19 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and balances in current, deposit and PLS accounts with the conventional and Islamic banks.

#### 3.20 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved. Transfer between reserves made subsequent to the statement of financial position date is considered as a non-adjusting event and is recognized in the financial statements in the period in which such transfers are made.

#### 3.21 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 a 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.

### 3.22 Contingent Assets

Contingent assets are disclosed when there is a possible asset 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. Contingent assets are not recognized until their realization become virtually certain.

### 3.23 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data 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 period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

### 3.24 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 relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate are expensed out.

The benefit of a long-term finance at a below-market rate of interest is treated as a deferred grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Grants related to long-term finances are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as finance cost related to long-term finances at market rate of interest.

## 4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment - owned  
 Capital work in progress  
 Right-of-use asset

Note	2025	2024
	(Rupees in '000)	
4.1	6,389,279	6,526,839
4.5	423,613	95,274
4.6	19,018	11,000
	<b>6,831,910</b>	<b>6,633,113</b>

## 4.1 Following are the statements of property, plant and equipment for current and prior years

2025	Free hold land (Note 4.3)	Building on free hold land		Lease hold improvements	Plant & machinery	Furniture & fittings	Vehicles	Office & other equipment	Computers & accessories	Total
	Factory	Non Factory	Non Factory							
<b>As at September 30, 2025</b>										
Cost / Revalued amount	787,517	700,739	133,846	15,211	6,550,871	12,926	296,354	54,597	50,848	8,602,909
Accumulated depreciation and impairment	-	(204,848)	(51,219)	(4,098)	(1,685,550)	(11,649)	(178,503)	(35,386)	(42,378)	(2,213,630)
Carrying amount	<b>787,517</b>	<b>495,891</b>	<b>82,627</b>	<b>11,113</b>	<b>4,865,321</b>	<b>1,277</b>	<b>117,851</b>	<b>19,211</b>	<b>8,470</b>	<b>6,389,279</b>
<b>Year ended September 30, 2025</b>										
Opening carrying amount	735,812	551,131	90,033	11,620	4,960,871	2,023	139,463	22,729	13,157	6,526,839
Additions / Transfers:										
-Additions	51,705	-	1,639	-	88,628	-	8,149	3,815	1,729	155,664
-Transfers from CWIP	-	-	-	-	73,382	-	-	-	-	73,382
Disposals:	51,705	-	1,639	-	162,010	-	8,149	3,815	1,729	229,046
-Cost	-	-	-	-	(10,159)	-	(4,864)	-	-	(15,023)
-Accumulated depreciation	-	-	-	-	7,447	-	3,824	-	-	11,271
	-	-	-	-	(2,712)	-	(1,040)	-	-	(3,752)
Depreciation for the year	-	(55,240)	(9,044)	(507)	(254,848)	(746)	(28,720)	(7,333)	(6,416)	(362,854)
Closing carrying amount	<b>787,517</b>	<b>495,891</b>	<b>82,627</b>	<b>11,113</b>	<b>4,865,321</b>	<b>1,277</b>	<b>117,851</b>	<b>19,211</b>	<b>8,470</b>	<b>6,389,279</b>
Depreciation rate per annum / useful life	-	10%	10%	Lease term	5%	5 Years	20%	5 Years	3 Years	

2024	Free hold land (Note 4.3)	Building on free hold land		Lease hold improvements	Plant & machinery	Furniture & fittings	Vehicles	Office & other equipment	Computers & accessories	Total
	Factory	Non Factory	Non Factory							
<b>As at September 30, 2024</b>										
Cost / Revalued amount	735,812	700,739	132,208	15,211	6,399,020	12,926	293,070	50,782	49,119	8,388,887
Accumulated depreciation and impairment	-	(149,608)	(42,175)	(3,591)	(1,438,149)	(10,903)	(153,607)	(28,053)	(35,962)	(1,862,048)
Carrying amount	<b>735,812</b>	<b>551,131</b>	<b>90,033</b>	<b>11,620</b>	<b>4,960,871</b>	<b>2,023</b>	<b>139,463</b>	<b>22,729</b>	<b>13,157</b>	<b>6,526,839</b>
<b>Year ended September 30, 2024</b>										
Opening carrying amount	727,072	595,724	97,961	12,127	5,020,728	3,349	168,788	26,132	18,476	6,670,357
Additions / Transfers:										
-Additions	8,740	-	-	-	33,482	-	6,233	3,457	2,101	54,013
-Transfers from CWIP	-	15,712	1,933	-	162,358	-	-	-	-	180,003
Disposals:	8,740	15,712	1,933	-	195,840	-	6,233	3,457	2,101	234,016
-Cost	-	-	-	-	-	-	(2,509)	-	(180)	(2,689)
-Accumulated depreciation	-	-	-	-	-	-	1,682	-	140	1,822
	-	-	-	-	-	-	(827)	-	(40)	(867)
Depreciation for the year	-	(60,305)	(9,861)	(507)	(255,697)	(1,326)	(34,731)	(6,860)	(7,380)	(376,667)
Closing carrying amount	<b>735,812</b>	<b>551,131</b>	<b>90,033</b>	<b>11,620</b>	<b>4,960,871</b>	<b>2,023</b>	<b>139,463</b>	<b>22,729</b>	<b>13,157</b>	<b>6,526,839</b>
Depreciation rate per annum / useful life	-	10%	10%	Lease term	5%	5 Years	20%	5 Years	3 Years	

4.1.1 Operating assets as at September 30, 2025 include items having aggregate cost of Rs. 48.72 million (2024: Rs.51.16 million) which have been fully depreciated and are still in use of the Company.

4.1.2 Depreciation charged for the year has been allocated as follows:

Note	2025	2024
	(Rupees in '000)	
27	348,821	359,836
28	1,355	584
29	<b>12,678</b>	<b>16,247</b>
	<b>362,854</b>	<b>376,667</b>

2025	2024
----- (Rupees in '000) -----	

#### 4.1.3 Reconciliation of net book value:

Net book value as at beginning of the year	<b>6,526,839</b>	6,670,357
Addition during the year	<b>155,664</b>	54,013
Transfers from capital work in progress during the year	<b>73,382</b>	180,003
Depreciation for the year	<b>(362,854)</b>	(376,667)
Disposal during the year at book value	<b>(3,752)</b>	(867)
Net book value as at the end of the year.	<b>6,389,279</b>	6,526,839

#### 4.2 Disposal of property, plant and equipment

Description	Cost	Net book value	Sale proceed	Gain/(loss)	Mode of disposal	Particulars of buyers and relationship, if any
----- (Rupees in '000) -----						
Diesel Generator Synchronization System	1,080	599	599	-	Negotiation	M. Ismail Iron Store
Items having book value less than PKR 500,000 each 2025	<b>13,943</b>	<b>3,153</b>	<b>10,089</b>	<b>6,937</b>		-
	<b>15,023</b>	<b>3,752</b>	<b>10,688</b>	<b>6,937</b>		
2024	2,689	867	1,133	266		

\*None of the buyers had any relationship with the directors of the company.

**4.3** This includes Rs.661.49 million (2024 : Rs. 661.49 million) in respect of revaluation surplus (Refer note no.17.1). Had the revaluation not been carried out the freehold land would have been stated at Rs.126.02 million (2024: Rs.74.32 million).

**4.4** Forced sale value of freehold land is Rs. 588.09 million.

**4.5 Capital work in progress:**

Civil works	<b>110,265</b>	18,479
Plant and machinery	<b>313,348</b>	76,795
	<b>423,613</b>	95,274

#### 4.5.1 Movement in Capital work in progress:

Opening	<b>95,274</b>	156,679
Add: Addition during the year	<b>401,721</b>	118,598
	<b>496,995</b>	275,277
Less: Transferred to fixed assets during the year	<b>(73,382)</b>	(180,003)
	<b>423,613</b>	95,274

**4.5.2** During the year, borrowing costs have been capitalised amounting to Rs. 15.07 million (2024: Rs. Nil) on account of financing obtained specifically for this purpose.

#### 4.6 Right-of-use asset

Opening net book value	<b>11,000</b>	19,055
Add: Additions during the year	<b>19,830</b>	-
Less: Depreciation during the year	<b>(11,812)</b>	(8,055)
Closing net book value	<b>19,018</b>	11,000

**4.6.1** The Depreciation charge for the year on right-of-use asset pertains to rental payments of Head office & Godown for paper & board.

**4.6.2 Depreciation charged for the year has been allocated as follows:**

Note	2025	2024
	----- (Rupees in '000) -----	
Cost of sales	27	4,000
Administrative expenses	29	7,812
		<b>11,812</b>

## 5. LONG TERM INVESTMENTS

### In Associate

#### Unicol Limited

50,000,000 (2024: 50,000,000) fully paid ordinary shares of Rs.10/- each

Equity held : 33.33 % (2024 : 33.33%)  
Dividend received

Share of profit / (loss)

#### UniEnergy Limited

768,999 (2024:768,999) fully paid ordinary shares of Rs.10/- each

Equity held : 7.69 % (2024: 7.69%)  
Share of (loss) / (profit)

### In Related Parties

#### At fair value through other comprehensive income

#### Cherat Cement Company Limited

2,697,277 (2024:2,747,277) fully paid ordinary shares of Rs.10/- each

#### Cherat Packaging Limited

2,437,615 (2024: 2,437,615) fully paid ordinary shares of Rs.10/- each

Less: current portion of long term investments

	2025	2024
Cost of sales	27	4,000
Administrative expenses	29	7,812
	<b>11,812</b>	<b>8,055</b>
<b>In Associate</b>		
<b>Unicol Limited</b>		
50,000,000 (2024: 50,000,000) fully paid ordinary shares of Rs.10/- each		
Equity held : 33.33 % (2024 : 33.33%)	5.1.1	1,105,632
Dividend received		-
		(25,000)
Share of profit / (loss)	5.1.2	1,105,632
		128,390
		(652,544)
		<b>1,234,022</b>
<b>UniEnergy Limited</b>		
768,999 (2024:768,999) fully paid ordinary shares of Rs.10/- each		
Equity held : 7.69 % (2024: 7.69%)	5.2.1	8,004
Share of (loss) / (profit)	5.2.2	(4,290)
		3,714
		<b>1,237,736</b>
<b>In Related Parties</b>		
<b>At fair value through other comprehensive income</b>		
<b>Cherat Cement Company Limited</b>		
2,697,277 (2024:2,747,277) fully paid ordinary shares of Rs.10/- each		
		994,189
		498,411
<b>Cherat Packaging Limited</b>		
2,437,615 (2024: 2,437,615) fully paid ordinary shares of Rs.10/- each		
		275,110
		1,269,299
		(994,189)
		<b>275,110</b>
		242,567
		740,978
		(417,888)
		323,090
		<b>1,512,846</b>
		1,436,726

### 5.1 Unicol Limited

The Company holds 33.33 % (2024: 33.33 %) interest in Unicol Limited, which is a public limited (Un-quoted) company. Share of profit / (loss) arising from the associate has been taken to the statement of profit or loss in accordance with the accounting policy as mentioned in note no.3.6(a) to the annual audited financial statements for the year ended September 30, 2025 . The share of Company in the net assets has been determined on the basis of the audited financial statements of Unicol Limited for the year ended September 30, 2025.

2025 2024  
----- (Rupees in '000) -----

**5.1.1 The Company's interest in assets & liabilities of Unicol Limited:**

	2025	2024
Non-current assets	<b>3,098,324</b>	3,062,071
Current assets	<b>1,528,916</b>	2,363,148
	<b>4,627,240</b>	5,425,219
Long-term liabilities	<b>(1,922,015)</b>	(1,463,880)
Current liabilities	<b>(1,495,402)</b>	(2,855,707)
	<b>(3,417,417)</b>	(4,319,587)
<b>Net assets</b>	<b>1,209,823</b>	1,105,632

**5.1.2 The Company's share in profit and loss of Unicol Limited:**

	2025	2024
Sales	<b>6,988,629</b>	6,405,853
Cost of sales	<b>(5,954,837)</b>	(5,935,311)
	<b>1,033,792</b>	470,542
Other expenses, income and taxes	<b>(905,402)</b>	(1,123,086)
	<b>128,390</b>	(652,544)

**5.2 UniEnergy Limited**

The Company has invested Rs. 7.69 million in 768,999 (2024: 768,999) shares having face value of Rs.10/- each representing shareholding of 7.69% (2024: 7.69%) of UniEnergy Limited, a public Limited (Un-quoted) company. UniEnergy is a joint venture 50MW wind power project. This investment in UniEnergy Limited has been accounted for using the Equity method. Share of profit arising from the associate has been taken to statement of profit or loss in accordance with the accounting policy as mentioned in note no.3.6 (a) to the annual audited financial statements for the year ended September 30, 2025. The share of Company in the net assets has been determined on the basis of the audited financial statements of UniEnergy Limited as of June 30, 2025. Given the adverse economic environment, Covid-19 impacts, and unfavorable power tariffs, the Company could not meet project milestones. The Board has concluded that the project is not financially viable. Accordingly, the Board has decided to commence winding-up after completing required regulatory formalities.

**5.2.1 The Company's interest in assets & liabilities of UniEnergy Limited:**

	2025	2024
Non-current assets	-	3,803
Current assets	<b>4,365</b>	4,296
	<b>4,365</b>	8,099
Current liabilities	<b>(651)</b>	(95)
Net assets	<b>3,714</b>	8,004

**5.2.2 The Company's share in profit and loss of UniEnergy Limited:**

	2025	2024
Administrative expenses	<b>(420)</b>	(352)
Other expenses, income & taxes	<b>(3,870)</b>	428
	<b>(4,290)</b>	76

**5.3** Investment in associated companies and undertakings have been made in accordance with the requirements of Companies Act, 2017.

Note	2025	2024
	----- (Rupees in '000) -----	

## 6. LONG-TERM DEPOSITS

### Deposits:

Deposits against ijarah contracts		1,339	2,082
Others	6.1	24,086	4,086
		<b>25,425</b>	<b>6,168</b>

**6.1** These represent non-interest bearing deposits paid by the Company for obtaining various services.

**6.2** Long-term loans & deposits have been carried at cost as the effect of carrying these balances at amortised cost would not be material in the overall context of these financial statements.

## 7. DEFERRED TAX ASSET / (LIABILITY) - NET

Note	2025	2024
	----- (Rupees in '000) -----	

### Taxable temporary differences arising in respect of:

Accelerated tax depreciation allowance and investment		(1,012,443)	(907,451)
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### Deductible temporary differences arising in respect of :

Unabsorbed tax losses and others		1,095,739	1,114,923
Unpaid Liabilities		5,996	2,043
		<b>1,101,735</b>	<b>1,116,966</b>
Deferred tax asset / (liability)		<b>89,292</b>	<b>209,515</b>

## 8. STORES, SPARE PARTS AND LOOSE TOOLS

Stores		486,859	490,884
Spare parts		245,012	251,108
Loose tools		3,562	2,692
Stores & spares in transit		-	65,086
		<b>735,433</b>	<b>809,770</b>
Less: provision for obsolescence	8.1	(15,048)	(14,943)
		<b>720,385</b>	<b>794,827</b>

### 8.1 Movement in provision for obsolescence

Opening balance		14,943	14,943
Provision made during the year		105	-
Closing balance		<b>15,048</b>	<b>14,943</b>

## 9. STOCK-IN-TRADE

Raw material-OCC/ Chemicals		519,465	345,049
Work-in-process- Sugar	27	6,817	7,523
Finished stock - Sugar	27	759,457	1,308,069
Work-in-process- Paper	27	22	3,316
Finished stock Paper	27 & 9.1	302,407	422,366
Goods in transit (Raw material)		<b>23,481</b>	<b>94,486</b>
		<b>1,611,649</b>	<b>2,180,809</b>

**9.1** These include items costing Rs.Nil (2024: Rs. 205.88 million) valued at net realizable value of Rs. Nil (2024: Rs.127.53 million).

## 10. TRADE DEBTS

### Considered good:

Unsecured- Neither past due nor impaired  
Unsecured- considered doubtful  
Allowance for expected credit loss

	2025	2024
Note	----- (Rupees in '000) -----	

10.1	<b>1,595,100</b>	1,421,583
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<b>6,591</b>	1,806
<b>(6,591)</b>	(1,806)
<b>1,595,100</b>	<b>1,421,583</b>

### 10.1 Movement in allowance for expected credit loss

As at October 01  
Provision made during the year  
As at September 30

<b>1,806</b>	956
<b>4,785</b>	850
<b>6,591</b>	<b>1,806</b>

## 11. LOANS AND ADVANCES

### Considered good: Unsecured

To suppliers  
To employees classified as recoverable within next twelve months  
To sugar cane growers  
To transport contractors

<b>73,174</b>	120,338
<b>1,060</b>	1,398
<b>52,445</b>	49,716
<b>6,024</b>	-
<b>132,703</b>	<b>171,452</b>

### Considered doubtful: Unsecured

Sugar cane growers  
Allowance for expected credit loss

<b>803</b>	593
<b>(803)</b>	(593)
<b>132,703</b>	<b>171,452</b>

## 12. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Prepaid insurance  
Prepaid rent  
Other prepayments  
Security Deposits

<b>44</b>	44
<b>217</b>	268
<b>1,065</b>	681
<b>3,355</b>	21,162
<b>4,681</b>	<b>22,155</b>

## 13. OTHER RECEIVABLES

Freight subsidy  
Staff Gratuity fund  
Others

25.1.9	-	199,056
13.1	<b>154,935</b>	22,276
	<b>2,200</b>	2,200
	<b>157,135</b>	<b>223,532</b>

### 13.1 Staff Gratuity fund

In accordance with the requirements of IAS-19 "Employee Benefits", actuarial valuation was carried out as at September 30, 2025, using the "Projected Unit Credit Method". Provision has been made in the financial statements to cover obligation in accordance with the actuarial recommendations. Details of significant assumptions used for the valuation and disclosures in respect of above mentioned fund is as follows:

	2025	2024
Note	----- (Rupees in '000) -----	

13.1.2	<b>365,199</b>	303,934
13.1.3	<b>(520,133)</b>	(326,210)
	<b>(154,934)</b>	<b>(22,276)</b>

Note	2025	2024
	----- (Rupees in '000) -----	
<b>13.1.1 Movement in (Net Assets) / Liability recognized in the statement of financial position:</b>		
Balance as at October 1	<b>(22,276)</b>	(61,170)
Net expense / (income) for the year	<b>14,121</b>	6,902
Actuarial loss charged to other comprehensive income	<b>(146,779)</b>	31,992
Balance as at September 30	<b>(154,934)</b>	(22,276)
<b>13.1.2 Movement in the present value of defined benefit obligation:</b>		
Balance as at October 1	<b>303,934</b>	255,970
Current service cost	<b>18,772</b>	17,207
Interest cost	<b>36,128</b>	42,152
Benefits paid during the year	<b>(4,529)</b>	(7,930)
Actuarial (gain) / loss	<b>10,894</b>	(3,465)
Balance as at September 30	<b>365,199</b>	303,934
<b>13.1.3 Movement in the fair value of plan assets:</b>		
Balance as at October 1	<b>326,210</b>	317,140
Expected return	<b>40,778</b>	52,457
Benefits paid	<b>(4,529)</b>	(7,930)
Actuarial (loss) / gain	<b>157,674</b>	(35,457)
Balance as at September 30	<b>520,133</b>	326,210
<b>13.1.4 Amounts charged to statement of profit or loss:</b>		
Current service cost	<b>18,772</b>	17,207
Interest cost	<b>36,128</b>	42,152
Expected return on plan assets	<b>(40,778)</b>	(52,457)
	<b>14,122</b>	6,902
<b>13.1.5 Total re-measurements chargeable in other comprehensive income:</b>		
Remeasurement gain / (loss) on obligations	<b>(10,894)</b>	3,465
Remeasurement (loss) / gain on plan assets	<b>157,674</b>	(35,457)
	<b>146,780</b>	(31,992)
<b>13.1.6 Composition of plan assets is as follows:</b>		
Government securities	<b>97,875</b>	84,682
Mutual funds	<b>171,327</b>	81,817
Listed shares	<b>249,215</b>	157,296
Bank Balances	<b>2,140</b>	2,415
	<b>520,557</b>	326,210
<b>13.1.7 Principal actuarial assumptions used are as follows:</b>		
Valuation discount rate (%)	<b>11.75</b>	12.00
Expected rate of return on plan assets (%)	<b>11.75</b>	12.00
Expected rate of salary increase (%)	<b>8.00</b>	11.25

**13.1.8** The expected return on plan assets was based on the market expectations and depends upon the asset portfolio of the Company, at the beginning of the period, for returns over the entire life of related obligation.

**13.1.9** The return on plan assets was assumed to equal the discount rate. Actual return on plan assets on September 30, 2025 was Rs.198.45 million (2024: Rs.17.00 million), calculated on the basis of market conditions as allowed under IAS-19.

**13.1.10** Expected gratuity expense for the year ending September 30, 2026 is Rs. 2.45 million.

**13.1.11** The weighted average duration of defined benefit obligation is 3.17 years (2024: 4.18 years).

**13.1.12 Sensitivity Analysis:**

Particulars	PVDBO (Rupees in 000)	Percentage Change
<b>Current Liability</b>		
+1% Discount rate	365,199	
- 1% Discount rate	354,024	-3.06%
+1% Salary increase rate	377,201	3.29%
- 1% Salary increase rate	378,886	3.75%
+ 10% withdrawal rates	352,233	-3.55%
- 10% withdrawal rates	365,053	-0.04%
1 Year mortality age set back	365,353	0.04%
1 Year mortality age set forward	365,205	0.00%
	365,193	0.00%

**13.1.13 Comparisons with past years :**

	2025	2024	2023	2022	2021
	----- (Rupees in '000) -----				
Present value of defined benefit obligation	365,199	303,934	255,970	211,212	130,554
Fair value of plan assets	(520,133)	(326,210)	(317,140)	(276,470)	(302,575)
<b>Surplus</b>	<b>(154,934)</b>	<b>(22,276)</b>	<b>(61,170)</b>	<b>(65,258)</b>	<b>(172,021)</b>
Experience adjustments arising on plan liabilities	(10,894)	3,465	(12,767)	61,388	(42,109)
Experience adjustments arising on plan assets	157,674	(35,457)	9,896	47,981	(7,654)
	<b>146,780</b>	<b>(31,992)</b>	<b>(2,871)</b>	<b>109,369</b>	<b>(49,763)</b>

**13.1.14 Maturity Profile:**

Particulars	Undiscounted Payments (Rupees in 000)
Year 1	170,834
Year 2	33,611
Year 3	19,139
Year 4	24,440
Year 5	16,949
Year 6 to 10	265,892
Year 11 and above	49,851

**14. SHORT-TERM INVESTMENTS**

Note

2025 2024  
----- (Rupees in '000) -----

**In Term deposit one year**

**At amortised cost**

Conventional Bank	14.1 / 25.1.14	50,449	40,722
Shariah Compliant	14.1	8,824	9,542
		<b>59,273</b>	<b>50,264</b>

**In Related Parties**

**At fair value through other comprehensive income**

Cherat Cement Company Limited	
2,697,277 (2024: 2,747,277) fully paid ordinary shares of Rs.10/- each	

994,189	417,888
994,189	417,888
<b>1,053,462</b>	<b>468,152</b>

**14.1** Represents Term Deposit Receipt (TDR) having face value of Rs. 58.5 million (2024: Rs. 48.5 million) carrying markup rate of 6.9% to 17.5% (2024: 14.5% to 17.5%) per annum that will mature in March 2026 / August 2026 (Habib Metropolitan Bank Limited) and March 2026 (Bank Islami Pakistan Limited). The TDRs have been issued against the guarantee submitted with ETO as mentioned in note 25.1.14 and cheque with Nazir High Court.

		2025	2024
	Note	----- (Rupees in '000) -----	
<b>15. CASH AND BANK BALANCES</b>			
<b>Islamic banks</b>			
Current accounts		4,532	10,281
Saving accounts	15.1	3,645	17
		<u>8,177</u>	<u>10,298</u>
<b>Conventional Banks</b>			
Current accounts		11,041	15,425
Saving accounts	15.2	13,164	24,719
		<u>24,205</u>	<u>40,144</u>
		<u>32,382</u>	<u>50,442</u>
		<u>4,480</u>	<u>4,627</u>
<b>Cash in hand</b>		<u>36,862</u>	<u>55,069</u>

**15.1** These carry profit rates ranging from 10.5 % to 11.05% (2024: 9.01% to 11.84%) per annum.

**15.2** These carry profit rates ranging from 9.50 % to 10.50% (2024: 18.00% to 21.5%) per annum.

## 16. SHARE CAPITAL

### 16.1 Authorized capital

2025	2024
----- (Number of Shares) -----	
<b>150,000,000</b>	<b>150,000,000</b>
Ordinary shares of Rs. 10/- each	Ordinary shares of Rs. 10/- each
<b>1,500,000</b>	<b>1,500,000</b>

### 16.2 Issued, subscribed and paid-up capital

Fully paid ordinary shares of Rs. 10/- each

1,770,000	1,770,000	Allotted for consideration paid in cash	17,700	17,700
44,787,891	44,787,891	Issued as fully paid bonus shares	447,879	447,879
20,000,000	20,000,000	Issued as Right shares	200,000	200,000
<u>66,557,891</u>	<u>66,557,891</u>		<u>665,579</u>	<u>665,579</u>

**16.3** Following is the detail of shares held by the related parties.

Name of related parties	2025	2024
----- (Number of Shares) -----		
Faruque (Private) Limited	<b>27,615,080</b>	27,615,080
Greaves Pakistan (Private) Limited	<b>1,588,150</b>	1,588,150
Cherat Cement Company Limited	<b>3,594,435</b>	3,594,435
Mirpurkhas Sugar Mills Limited Employees' Provident Fund	<b>13,496</b>	13,496
Mirpurkhas Sugar Mills Limited Employees' Gratuity Fund	<b>2,044,902</b>	2,044,902
	<b>34,856,063</b>	<b>34,856,063</b>

**16.4** Voting right, Board selection, right of first refusal and block voting are in proportion to the shareholding.

2025	2024
----- (Number of Shares) -----	

### 16.5 Movement in number of shares

At beginning of the year	<b>66,557,891</b>	46,557,891
Right shares allotment	-	20,000,000
At reporting date	<b>66,557,891</b>	66,557,891

### 17. RESERVES

#### Revenue reserves

General reserve	<b>34,250</b>	34,250
Share Premium	<b>289,523</b>	289,523
Accumulated loss / Unappropriated profit	<b>(65,651)</b>	170,638
	<b>258,122</b>	494,411

#### Other components of equity

Actuarial gain on defined benefit plan	<b>173,107</b>	26,328
Unrealized gain on investment at fair value through other comprehensive income	<b>1,046,511</b>	649,419
	<b>1,219,618</b>	675,747
	<b>1,477,740</b>	1,170,158
Surplus on revaluation of freehold land	17.1	661,496
	<b>2,139,236</b>	1,831,654

**17.1** It represents revaluation of freehold land which had been carried out by independent valuers M/s. K.G. Traders (Pvt.) Limited, on September 30, 2023 to determine the present (realizable) market value by enquiring from local active realtors. Surplus on revaluation of property, plant and equipment has been disclosed as per requirement and mentioned in note. 4.3 of the financial statements.

### 18. LONG TERM FINANCING - secured

From Conventional / Islamic banks	Mode & commencement of repayment	Security	Mark up / profit rate per annum	2025	2024
----- (Rupees in '000) -----					
<b>Conventional Banks</b>					
Finance 3	Twenty eight quarterly installments commencing from July, 2017	Joint pari-passu hypothecation charge over Fixed Assets (Excluding land & Building)	3 months average KIBOR + 0.20%	-	64,286
Finance 4	Twenty quarterly installments commencing from August, 2021	Joint pari-passu hypothecation charge over Fixed Assets (Excluding land & Building)	3 months average KIBOR + 0.85%	<b>60,000</b>	140,000
Finance 5 (TERF)	Thirty two quarterly installments commencing from March 2023.	Joint pari-passu hypothecation charge over Fixed Assets (Excluding land & Building)	Flat 1.98% per annum, recognized at present value as per note 3.24	<b>213,227</b>	256,787
Finance 9	Twenty four quarterly installments commencing from March 2024.	Joint pari-passu hypothecation charge over Fixed Assets (Excluding land & Building)	3 months average KIBOR + 0.85%	<b>354,167</b>	437,500
<b>Islamic Banks</b>					
Finance 6 (ITERF)	Thirty two quarterly installments commencing from November 2023.	Joint pari-passu hypothecation charge over Fixed Assets (Excluding land & Building)	Flat 3.00% per annum, recognized at present value as per note 3.24	<b>327,855</b>	361,922
Finance 7 (ITERF)	Thirty two quarterly installments commencing from August 2023.	Joint pari-passu hypothecation charge over Fixed Assets (Excluding land & Building)	Flat 1.80% per annum, recognized at present value as per note 3.24	<b>307,257</b>	349,320
Finance 10 (IFRE)	Thirty six quarterly installments commencing from January 2024	Joint pari-passu hypothecation charge over Fixed Assets (Excluding land & Building)	Flat 6.00% per annum	<b>152,250</b>	173,250

From Conventional / Islamic banks	Mode & commencement of repayment	Security	Mark up / profit rate per annum	2025	2024
----(Rupees in '000)----					
Finance 11 (IFRE)	Sixteen semi annual installments commencing from June 2026	Joint pari-passu hypothecation charge over Fixed Assets (Excluding land & Building)	Flat 5.00% per annum	100,000	100,000
Finance 12	Twenty four quarterly installments commencing from April 2026	Joint pari-passu hypothecation charge over Fixed Assets (Excluding land & Building)	3 months average KIBOR + 0.80% per annum	1,000,000	1,000,000
Finance 13	Twenty quarterly installments commencing from March 2027	Joint pari-passu hypothecation charge over Fixed Assets (Excluding land & Building)	3 months KIBOR + 0.70% per annum	353,227	-
Finance 14	Twenty quarterly installments commencing from December 2027	Joint pari-passu hypothecation charge over Fixed Assets (Excluding land & Building)	3 months KIBOR + 1.50% per annum	1,560,000	-
Less: Current portion				4,427,983 (429,744) 3,998,239	2,883,065 (424,446) 2,458,619

## 19. LONG TERM LEASE LIABILITIES - ROU ASSET

Note

2025	2024
----(Rupees in '000)----	

As at October 01	15,125	23,786
Addition during the year	19,830	-
Accretions of interest	4,985	3,280
Rental Payments	(16,267)	(11,941)
As at September 30	23,673	15,125
Less: Current portion of lease liabilities	(13,161)	(4,014)
Long term portion of lease liabilities	10,512	11,111

## 20. DEFERRED LIABILITIES

Market committee fee	20.1 / 25.1.16	110,662	105,580
Deferred Sugar cane liability, FED and cess	25.1.6 / 25.1.7	564,821	541,298
		675,483	646,878

### 20.1 Reconciliation of Market Committee Fee

Opening balance	105,580	99,377
Charged during the year	5,082	6,203
Closing balance	110,662	105,580

## 21. GOVERNMENT GRANT

As at October 1	246,622	315,051
Received during the year	-	-
Released during the year	(61,799)	(68,429)
As at September 30	184,823	246,622
Less: Current portion of government grant	(54,430)	(61,799)
Long-term portion of government grant	130,393	184,823

The Government grant has been recorded as per the provision of IAS-20 'Accounting for Government Grant and Disclosure of Government Assistance' due to the difference between the coupon and effective interest rates of the aforementioned financial liabilities. The amortization of the Government grant has been revised prospectively as per applicable accounting standard.

**22. TRADE AND OTHER PAYABLES**

Note 2025 2024  
----- (Rupees in '000) -----

Creditors		<b>495,611</b>	352,587
Accrued liabilities		<b>66,841</b>	73,542
Advances from customers		<b>317,786</b>	794,771
Withholding tax payable		<b>11,468</b>	13,006
Sales tax payable		<b>15,448</b>	125,409
Workers' welfare fund	25.1.17	<b>1,069</b>	4,138
Other liabilities		<b>13,921</b>	10,521
		<b>922,144</b>	<b>1,373,974</b>

**23. ACCRUED MARK-UP**

**Islamic banks**

Long-term financing		<b>26,440</b>	61,443
Short-term borrowings		<b>117,619</b>	96,118

**Conventional banks**

Long-term financing		<b>44,420</b>	34,967
Short-term borrowings		<b>74,997</b>	141,788
		<b>263,476</b>	<b>334,316</b>

**24. SHORT-TERM BORROWINGS-secured**

**Islamic banks**

Short-term	24.1	<b>2,704,450</b>	2,138,855
------------	------	------------------	-----------

**Conventional banks**

Short-term	24.1	<b>1,988,205</b>	2,439,115
Money market		-	1,200,000
		<b>4,692,655</b>	<b>5,777,970</b>

**24.1** This represents utilized portion of short term finance facilities aggregating Rs.10,450 million (2024 : Rs.10,750 million) obtained from various conventional / Islamic banks. These carry mark-up ranging from KIBOR+0.20% to KIBOR + 0.75% per annum (2024: KIBOR +0.20% to KIBOR + 0.75% per annum). The facilities are secured against registered joint pari-passu hypothecation charge over various assets of the Company. These facilities are renewable annually.

**25. CONTINGENCIES AND COMMITMENTS**

**25.1 CONTINGENCIES:**

**25.1.1** The Company filed suits in the Sindh High Court against the Customs and Excise authorities for denying rebate claims for FY 1991-92 and 1992-93, amounting to Rs. 11.15 million and Rs. 1.14 million. Although the amounts were paid and charged off in the financial statements, the Company pursued appeals up to the Supreme Court. On February 26, 2018, the Supreme Court allowed the appeals and held that the Company is entitled to the excise duty exemption under SRO 505(I)/90, with refunds or adjustments to be made subject to verification that the tax burden was not passed on to consumers. A refund application has since been filed and is currently pending with the Excise and Taxation Department.

**25.1.2** The Company has filed a petition No. 3475 of 2020 before Honorable High Court of Sindh at Karachi challenging the Show Cause Notice (SCN) dated June 01, 2020 issued by Sindh Revenue Board (SRB) whereby SRB has held the Company liable for not withholding Sindh Sales Tax on various services obtained from foreign consultants claiming withholding of sales tax amounting to

Rs.12.64 million. The Company's assertion is that such services were performed by non-resident person and hence are outside the purview of SRB. Upon hearing the matter on January 17, 2025, the Honorable High Court of Sindh dismissed the Constitution Petition. Pursuant to the advice of the legal counsel, the Company has filed an appeal before the Honorable Supreme Court of Pakistan challenging the dismissal order.

**25.1.3 a)** The Company challenged levy of further sales tax @1.5 % under the Sales Tax Act 1990, amounting to Rs.4.89 million in the Honorable High Court of Sindh, for which relief was granted. Against the judgment, the department preferred appeal with the Honorable Supreme Court of Pakistan, and got stay order. The Honorable Supreme Court of Pakistan has set aside the case and referred it to the lower level. No provision is made in this regard since the management is confident that the outcome would be in Company's favor.

**b)** The amendment brought through Finance Ordinance 2001 in the Sales Tax Act 1990, with the intention to nullify the decision of the High Court of Sindh on levy of further tax @3% w.e.f June 18, 2001, does not change the legal position of further tax. However, the Company made the payment of 3% further tax under protest in order to avoid the additional tax and penalties. In previous years, Honorable Supreme Court of Pakistan had set aside the case and referred it to the tribunal level, where the Company's appeal is pending. In view of the contingencies involved in this case, the Company has not accounted for the refund amount of Rs.50.97 million being the further sales tax paid in this regard.

**25.1.4 a)** The Company in 2010, received a show cause notice from the Competition Commission of Pakistan (CCP) for violation of the Competition Ordinance 2009. The Company along with other sugar mills filed a Constitution Petition before the Honorable High Court of Sindh challenging the Ordinance. The Honorable High Court of Sindh, granted a stay against the proceedings of the CCP and restrained the CCP to pass the final order in respect of the show cause notice. The CCP filed an appeal before Honorable Supreme Court of Pakistan, which was disposed off by Honorable Supreme Court of Pakistan dated 25-03-2010 on the ground that the matter was pending before the Honorable High Courts. After several hearings and arguments for last many years, on January 17, 2022, the petition was dismissed by the Honorable High Court of Sindh. Against the dismissal order, the Company and other sugar mills have filed Civil Petitions for Leave to Appeal before the Honorable Supreme Court of Pakistan. There are no financial implications related to this at the moment.

**b)** In August 2021, the Competition Commission of Pakistan (CCP) fined the Company Rs 236 million for alleged collusive activities. The Company and the Pakistan Sugar Mills Association (PSMA) appealed against this penalty and obtained a stay order from the Sindh High Court, accordingly, no recovery could be made while the appeals were pending before the Competition Appellate Tribunal (CAT).

On 21 May 2025, CAT remanded the case back to the CCP. The Company and PSMA challenged the order of CAT before the Supreme Court. On 18 September 2025, the Honourable Supreme Court of Pakistan accepted the appeal and set aside the order of CAT. CCP has filed a review petition, as a result, the original order of CCP is set aside and the review remain pending before the Honourable Supreme Court of Pakistan.

**25.1.5** In 2011, the Company filed CP No. D-2130/2011 in the Sindh High Court challenging Section 3A of the Federal Excise Act, 2005, and SRO 655(I)/2007, and sought a refund of Rs. 41.9 million collected from July 2007 to June 2011. On February 22, 2013, the High Court declared Section 3A and the SRO void ab initio and ordered suspension of the notification and refund/adjustment of the collected duty. As the matter was contingent, no revenue was recorded. The tax department appealed in CA No. 749 of 2013. In July 2024, the Supreme Court allowed the appeal, holding that Section 3A and SRO 655(I)/2007 were valid and constitutional.

**25.1.6 a)** In 2014, the Company filed CP No. D-759/2014 before the Sindh High Court challenging an order of the Additional/Deputy Commissioner Inland Revenue, who had demanded recovery of Rs. 81.32 million in Federal Excise Duty (FED) on local sales equivalent to exported quantities. The Company had already paid FED at the reduced rate of 0.5% under ECC decisions implemented via SRO 77(I)/2013.

The Company obtained a stay order and subsequently appealed to the Commissioner Inland Revenue (Appeals), who set aside the recovery order. The Tax Department then appealed to the Appellate Tribunal, which upheld the Commissioner's decision. The Department has now filed a reference before the Sindh High Court, which the Company is contesting. A provision has been recorded in the financial statements as a prudence measure.

**b)** The Company in 2015 had filed a petition vide CP No. D-2040 of 2015, before the Honorable High Court of Sindh against the orders of Additional / Deputy Commissioner, Inland Revenue, on which the stay has been granted till the matter is disposed off. In its impugned order the concerned Additional/ Deputy Commissioner, IR ordered recovery of FED amounting to Rs. 15.75 million on local sales equivalent to exported quantity, on which the Company has already paid the FED at 0.5% while availing the benefit of reduced tax allowed to exporters by Economic Coordination Committee in its various decisions implemented under SRO 77(1)/2013 dated February 7, 2013. The matter was in adjudication at Appellate Tribunal level. As a result of efforts made by the Company, Appellate Tribunal decided the matter in favor of the Company dated January 24, 2018, and remanded back to the concerned Commissioner Inland Revenue level for further verification and reconciliation. The effect of the order is that alleged demand of Rs.15.75 million along with penalty and default surcharge stands deleted. However, as a matter of prudence, the provision has been made in the financial statements.

**25.1.7 a)** The matter of fixation of minimum price of sugarcane under two different notifications for crushing season 2014-15 issued by the Government of Sindh is still subjudice before Honorable High Court of Sindh and Honorable Supreme Court of Pakistan. The Company challenged the Notification for Crushing Season 2014-15 in Civil Appeal 48 of 2015. In the said Appeal, the judgment of Honorable High Court of Sindh dated 30.12.2014 was challenged before the Honorable Supreme Court of Pakistan. After pending for several years, on September 13, 2023, the Honorable Supreme Court of Pakistan dismissed the Civil Appeal due to non-prosecution. The Company and other sugar mills have filed the Civil Review Petition 960 of 2023, against the dismissal order. However, as a matter of prudence, the Company has already booked a provision of Rs. 152.39 million against the same in the financial statements.

**b)** The matter of fixation of minimum price of sugarcane under notification for crushing season 2017-18 issued by the Government of Sindh was challenged in Honorable High Court of Sindh. Honorable High Court of Sindh vide its decision passed in CP No. 8666 of 2017 and 7951 of 2017 dated January 30, 2018, after taking consent of all the stakeholder / petitioners of the aforesaid petitions, directed the sugar mills to pay sugarcane at Rs.160/- per 40kg to the growers for crushing season 2017-18. The Hon'ble Supreme Court in 2018 took a suo moto notice regarding the same and held that without prejudice to any right or claim of the parties, and subject to final decision by the Hon'ble Supreme Court of Pakistan in the aforesaid cases, the petitioners (mill owners) will purchase the sugarcane @ Rs. 160/- per 40 KG from the growers, for crushing season 2017-2018. Therefore, considering the nature of liability as contingent, the Company earlier recorded provision, however classified the same as a deferred liability of sugarcane cost amounting to Rs.266.05 million under impugned notification number 8(142)/S.O(Ext)/2017-18 dated December 5, 2017.

**25.1.8** The Company being aggrieved and dissatisfied with impugned order-in-original No. 05/58/2019 dated February 20, 2020 for TY 2017 passed under section 45B of the Sales Tax Act, 1990 passed by Deputy Commissioner Audit creating a demand of Rs.22 million, filed an instant Appeal before Commissioner Inland Revenue (CIR) [Appeal II], Karachi and paid Rs.2.2 million as 10% demand under protest to get stay order against coercive action that might be taken by the department. The matter is still pending before CIR [Appeal II].

**25.1.9 (a)** The Federal Board of Revenue (FBR) in the financial year 2022 issued notices for conducting tax audits for multiple years commencing from 2015 to 2019 under Section 177 of the Income Tax Ordinance, 2001 and despite provision of all records, submission of evidences and details, audit proceedings were concluded by passing detrimental orders under Section

122(1)/(5) of the Income Tax Ordinance 2001 whereby frivolous tax demand of Rs. 16.4 billion for these tax years has been created. The demand was based on arbitrary and illogical observations against which the Company preferred appeals to the CIR [Appeals-I], Karachi. In May 2023, CIR (Appeals), Karachi decided the appeal in favor of the Company and deleted the demand made in the original order. However, the LTO Karachi has filed appeals before the Appellate Tribunal Inland Revenue (ATIR) Karachi against the orders of CIR [Appeals-I] Karachi which are not yet fixed for hearing.

**(b)** In February 2022, the Deputy Commissioner Inland Revenue issued show cause notices under Section 182 (2) of Income Tax Ordinance (ITO), 2001 alleging concealment of income / unexplained income / assets under Section 111 of ITO 2001, based on surmises and relating the same to biased conclusion made during tax audits carried out under Section 177 of ITO 2001 for Tax Year 2015 to Tax Year 2019 and proposed charging 100% penalty of approx. Rs.13 billion on the alleged concealed amount for the five tax years which are subjudice in legal course. These showcause notices were baseless and connected with the demand already raised in the order for audit. Subsequently, orders had been passed for the tax years 2015 and 2016 based on the above show cause notices. The Company preferred the appeals with the CIR (Appeals) and in May 2023, CIR (Appeals), Karachi decided the appeal in favor of the Company and deleted the demand made in the original order. However, the LTO Karachi has filed appeals before the Appellate Tribunal Inland Revenue (ATIR) Karachi against the orders of CIR [Appeals-I] Karachi which are not yet fixed for hearing.

**25.1.10** For the tax year 2015, the Deputy Commissioner Inland Revenue passed an order under Section 161 (1) of the Income Tax Ordinance, 2001, raising a demand of Rs.314 million alleging default of tax withholding on entire amount of payments/expenses taken from the tax return / financial statements. In May 2023, CIR (Appeals), Karachi decided the appeal in favor of the Company and deleted the demand made in the original order. However, the LTO Karachi has filed appeals before the Appellate Tribunal Inland Revenue (ATIR) Karachi against the orders of CIR [Appeals-I] Karachi which are not yet fixed for hearing.

**25.1.11** For the tax year 2018, the Deputy Commissioner Inland Revenue passed an order under Section 161 (1) of the Income Tax Ordinance, 2001 raising a demand of Rs.5.115 million alleging default of tax withholding on certain payments/expenses taken from the tax return / financial statements which is unwarranted and illogical as the Company provided complete supporting detail and evidences of tax withholding which have not been considered by the Deputy Commissioner as well as the Commissioner Appeals which carried out hearing of the matter summarily and passed order. The tax demand has already been adjusted from the Company's determined tax refunds, however appeal has been preferred before the Appellate Tribunal Inland Revenue for redressal of the grievance.

**25.1.12** The Deputy Commissioner Inland Revenue passed an order in March 2022 disallowing input tax adjustment for the period July 2021 to November 2021 amounting to Rs.86.6 million mainly on account of not charging further tax on sales to unregistered buyers. The company preferred the appeal in CIR (Appeals) which was decided in Company's favor whereby demand on account of further sales tax of Rs. 58.52 was deleted. The remaining points were remanded back to the DCIR. However, The FBR has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the aforesaid decision of CIR (Appeals) which is pending for adjudication.

**25.1.13** The Deputy Commissioner Inland Revenue passed an order for Tax Year 2020 in April 2022 demanding Rs. 42.55 million under Section 161(1) of Income Tax Ordinance 2001 by charging tax under Section 236H of the Income Tax Ordinance 2001 on sale to unregistered buyers and treated them as retailers instead of distributor/wholesaler under 236G. The Company made an appeal to the CIR(A) against the said order and in May 2023, the case has been decided in favor of the Company and CIR (Appeals) has deleted the demand of entire amount of Rs. 42.55 million. However, LTO Karachi preferred appeal before ATIR- Karachi which has been remanded back with directions.

**25.1.14** The Company had filed a petition in Honorable High Court of Sindh against Government of Sindh for imposition of Infrastructure Cess on the goods entering or leaving the Province. The Honorable High Court of Sindh decided the case in favor of Govt. of Sindh and held that it is a valid law within the competence of the Provincial Legislature. Consequently, several petitioners filed an appeal before the Honorable Supreme Court of Pakistan (SCP) and the SCP has granted an interim relief order dated September 1, 2021 to those who have filed the appeal. Subsequently MSM has also filed the Civil Appeal No. 3159 of 2022, and got an interim order dated September 28 2022 whereby it was declared that the order of the Honorable High Court of Sindh shall remain suspended till the decision of our final order. In light of the above order the Company has submitted a bank guarantee of Rs. 50 Million towards Infrastructure Cess before ETO, till the decision of the final order of the Supreme Court. The Company has made a provision of 57.58 million in the financial statements for the amount of infrastructure cess on goods imported till reporting period.

**25.1.15** The Company filed Constitutional Petition No. 654/2023 in January 2023 before the Honorable Sindh High Court against the recovery of an Inland Freight Subsidy of Rs. 79.04 million by the Trade Development Authority of Pakistan (TDAP). The subsidy relates to sugar exports under the Economic Coordination Committee (ECC) decision of 2012. The Sindh High Court disposed of the petition on May 2, 2025, directing TDAP to decide the Company's representations within 30 days. A committee was constituted accordingly, and a "Speaking Order" was issued by TDAP. The final audit report from NZAJ & Co. remains pending as the process was earlier suspended due to NAB inquiries. Disbursement of the subsidy is subject to the reallocation of Rs. 1.3 billion by the Finance Division and the lifting of the export ban by the Ministry of Commerce. The Company, along with other sugar mills, has also challenged TDAP's "Speaking Order" before the Honorable Sindh High Court. On the date of hearing November 26, 2025 Honorable Court passed the Judgment and dismissed the appeals.

**25.1.16** The Company received a letter dated 22.05.2000 whereby demand was made for collection of Rs. 3,832,898 against levy of market committee fee for the year 1998-99 and 1999-2000 and similar letter was received for the year 2000-2001 demanding Rs. 1.916 million. Company had filed a suit in Honorable High Court of Sindh. The matter is still pending before the Honorable District Court Karachi Sindh.

**25.1.17** The company has received an order from the Deputy Commissioner Sindh Revenue Board (SRB) in July 2024, order # 1381 of 2024, concerning the non-payment of Sindh Workers Welfare Fund (SWWF) amounting to Rs. 6,300,042/- The company believes that the order issued is unfair/unjust within the applicable regulations. Consequently, the Company has filed an appeal before the Commissioner (Appeals), SRB, on 5th August 2024, seeking a review and resolution of this matter. Commissioner Appeals has granted interim stay against the same till next date of hearing.

**25.1.18** The Company received a notice under Section 11-E of the Sales Tax Act, 1990, alleging wrongful adjustment of Rs. 84 million as input tax from Dec 2021 to Sep 2024 in violation of Section 8. Although the Company submitted full documentary evidence, the amount was deposited under protest. The DCIR issued an adverse Order dated 21 August 2025, confirming the principal demand of Rs. 84,004,112 (already paid under protest), and further imposed a 100% penalty of the same amount plus default surcharge of Rs. 29,461,148.

**25.1.19** The Company has received an Order from Deputy Commissioner Sindh Board of Revenue (SRB) in Jan-2025 vide Order in Original 2251 of 2025 regarding the nonpayment of Sindh Worker Welfare Fund (SWWF) on share of profit from associate for the period ending on 30, Sep-2019 (Tax Year 2020) amounting to Rs. 8,245,660/- also imposing a penalty amounting to Rs.412,283 and default surcharge that would be determined at the time of payment. However, the Company being aggrieved by the above-mentioned Order filed an Appeal before Commissioner-IR in Jan-25. The case is still pending for adjudication.

**25.1.20** The Company has received an Order from Deputy Commissioner Sindh Board of Revenue (SRB) in Jan-2025 vide Order in Original 2252 of 2025 regarding the short payment of Sindh Worker Welfare Fund (SWWF) on share of profit from associate for the period ending on 30, Sep-2021 (Tax Year 2022) amounting to Rs. 3,426,325/- also imposing a penalty amounting to Rs.171,316 and default surcharge that would be determined at the time of payment. The payment that the company has made for WWF as per liability ascertained by Income Tax Return was considered as part payment. However, the Company being aggrieved by the above-mentioned Order filed an Appeal before Commissioner-IR in Jan-25. The case is still pending for adjudication.

**25.1.21** As a result of proceeding initiated by the DCIR vide issuance of show cause notices to MSM under section 236-G and 236-H for tax year 2019 & 2020, the concerned officer has rejected the MSM claim of treating the bulk sales of sugar made to unregistered customers as sales to wholesalers but unjustifiably finalized the total such sales as sales to retailers. Resultantly also considered the advance tax deposited by MSM under section 236-G for that period as partial payment only, and has ordered the MSM to deposit the balance amount at the rates specified under section 236-H vide issuance of orders with demand notices dated 25.06.2025, thereby creating demands amounting at Rs. 15,468,589/- and 54,181,877/- for Tax year 2019 and 2020 respectively. However, MSM being aggrieved and dissatisfied with the aforementioned Orders, filed appeals before Appellate Tribunal on July 11th 2025 and July 4th 2025 respectively. The appeal is still pending for hearing and adjudication. The Company is positive on favorable outcome. Hence, no provision is made.

25.2	<b>COMMITMENTS</b>	Note	2025	2024
			----- (Rupees in '000) -----	
<b>25.2.1</b>	<u>Commitments against LCs</u>			
	Other Commitments		<b>351,877</b>	133,061
<b>25.2.2</b>	Letters of guarantee issued by commercial bank for Excise & Taxation office	25.1.14	<b>50,000</b>	40,000
<b>25.2.3</b>	Commitments for rentals under operating lease / Ijarah contracts in respect of vehicles are as follows:			
Year			2025	2024
			----- (Rupees in '000) -----	
2024-25			-	6,578
2025-26			<b>5,856</b>	6,507
2026-27			<b>5,856</b>	6,507
2027-28			<b>5,553</b>	6,143
2028-29			<b>2,785</b>	2,785
			<b>20,050</b>	28,520
Payable not later than one year			<b>5,856</b>	6,578
Payable later than one year but not later than five years			<b>14,194</b>	21,942
			<b>20,050</b>	28,520

This represents commitments against ijarah contracts for vehicles acquired on ijarah financing repayable in 5 years at the rate of 3 month KIBOR + 1.25%.

26.	<b>TURNOVER -NET</b>		2025	2024
			----- (Rupees in '000) -----	
	Local sales - gross		<b>13,789,352</b>	13,741,985
	Less: Sales tax		<b>(1,920,937)</b>	(1,907,467)
	Less: Federal excise duty		<b>(304,030)</b>	(38,918)
	Export sales		<b>11,564,385</b>	11,795,600
			<b>1,051,255</b>	174,125
			<b>12,615,640</b>	11,969,725

**26.1** All revenue earned by the Company is Shariah Compliant

**27. COST OF SALES**

	Note	2025	2024
		----- (Rupees in '000) -----	
Raw materials -Sugar		<b>5,791,016</b>	7,309,995
Raw materials -Paper		<b>2,974,129</b>	2,451,259
Stores and spare parts consumed		<b>452,438</b>	594,764
Packing material and expenses		<b>65,173</b>	76,023
Salaries, wages and other benefits	27.1	<b>835,781</b>	807,961
Water, fuel and power		<b>670,286</b>	375,550
Insurance		<b>39,157</b>	48,717
Repairs and maintenance		<b>92,193</b>	74,457
Vehicles expenses		<b>53,589</b>	53,171
Stock handling expenses		<b>6,170</b>	4,725
Other expenses		<b>54,518</b>	50,591
Ijarah rentals		<b>1,939</b>	3,858
Depreciation	4.1.2	<b>348,821</b>	359,836
Depreciation on right of use assets	4.6.2	<b>4,000</b>	4,000
		<b>11,389,210</b>	12,214,907
Work-in-process		<b>10,839</b>	8,980
- opening		<b>(6,839)</b>	(10,839)
- closing	9	<b>4,000</b>	(1,859)
		<b>11,393,210</b>	12,213,048
Less:		<b>(727,025)</b>	(1,028,315)
- sale of molasses	27.2	<b>(250,454)</b>	-
- stock adjustment		<b>(33,655)</b>	(65,151)
- sale of bagasse	27.2	<b>(1,011,134)</b>	(1,093,466)
Cost of goods manufactured		<b>10,382,076</b>	11,119,582
Finished goods		<b>1,730,435</b>	1,760,699
- opening		<b>(1,061,864)</b>	(1,730,435)
- closing	9	<b>668,571</b>	30,264
		<b>11,050,647</b>	11,149,846

**27.1** This includes Rs. 19.70 million (2024: Rs. 14.59 million) in respect of staff retirement benefits.

**27.2** These figures are net of sales tax of Rs. 130.86 million (2024 : Rs. Nil ) in respect of molasses and Rs. 6.06 million (2024 : Rs. 11.73 million) in respect of bagasse

**28. DISTRIBUTION COST**

	Note	2025	2024
		----- (Rupees in '000) -----	
Salaries, wages and other benefits	28.1	<b>30,156</b>	22,905
Insurance		<b>8,456</b>	9,087
Brokerage and commission		<b>211</b>	-
Distribution and dispatch expenses		<b>209,385</b>	223,280
Vehicles expenses		<b>1,809</b>	2,627
Other expenses		<b>56,759</b>	5,253
Ijarah rentals		<b>1,781</b>	1,080
Depreciation	4.1.2	<b>1,355</b>	584
		<b>309,912</b>	264,816

**28.1** This includes Rs. 1.17 million (2024: Rs. 0.56 million) in respect of staff retirement benefits.

	Note	2025		2024
		----- (Rupees in '000) -----		
<b>29. ADMINISTRATIVE EXPENSES</b>				
Salaries, wages and other benefits	29.1	<b>220,383</b>	182,664	
Directors' fee		<b>3,900</b>	4,300	
Rent, rates and taxes		<b>853</b>	1,254	
Communication expense		<b>6,248</b>	5,775	
Conveyance and travelling		<b>7,822</b>	7,389	
Printing and stationery		<b>3,658</b>	2,654	
Entertainment		<b>5,224</b>	4,004	
Vehicles expenses		<b>12,451</b>	12,798	
Insurance		<b>10,095</b>	8,017	
Repairs and maintenance		<b>7,922</b>	5,342	
Subscription		<b>6,061</b>	6,974	
Legal and professional charges		<b>26,290</b>	23,480	
General expenses		<b>3,261</b>	24,998	
Utilities		<b>8,146</b>	8,311	
Ijarah rentals		<b>2,378</b>	1,135	
Depreciation	4.1.2	<b>12,678</b>	16,247	
Depreciation on right of use assets	4.6.2	<b>7,812</b>	4,055	
		<b>345,182</b>	319,397	

**29.1** This includes Rs. 13.34 million (2024: Rs. 8.94 million) in respect of staff retirement benefits.

	Note	2025		2024
		----- (Rupees in '000) -----		
<b>30. OTHER OPERATING EXPENSES</b>				
Auditors' remuneration	30.1	<b>2,045</b>	2,119	
Impairment allowance against receivable		<b>4,785</b>	1,063	
Impairment allowance against advances		<b>210</b>	-	
Provision for stores obsolescence		<b>105</b>	-	
Provisions against export deposit		-	26,726	
Workers' welfare fund		<b>558</b>	-	
Corporate social responsibility costs / donations	30.2	<b>298</b>	3,333	
		<b>8,001</b>	33,241	
<b>30.1 Auditors' Remuneration</b>				
Audit fee		<b>1,032</b>	1,032	
Half yearly review fee & certifications		<b>732</b>	807	
Out of pocket expenses		<b>281</b>	280	
		<b>2,045</b>	2,119	

**30.2** Recipient of donations do not include any donee in which any director or his spouse had any interest.

**31. OTHER INCOME**

**Income from Financial Assets**

	Note	2025	2024
		----- (Rupees in '000) -----	
Dividend from related parties	31.1	<b>26,079</b>	19,676
Profit on PLS and deposit accounts	31.2	<b>8,444</b>	16,750
Exchange gain		<b>1,304</b>	48
Mark-up on growers' loans		-	1,680
		<b>35,827</b>	38,154

**Income from non-financial assets**

	Note	2025	2024
		----- (Rupees in '000) -----	
Gain on disposal of operating property, plant and equipment / non-current asset held for sales	4.2	<b>6,937</b>	266
Miscellaneous		<b>13,168</b>	8,720
		<b>20,105</b>	8,986
		<b>55,932</b>	47,140

**31.1** Represents dividend income from Cherat Cement Company Limited & Cherat Packaging Limited, listed as Shariah compliant company at Pakistan Stock Exchange under KMIAALLSHR index and KMI-30 index.

**31.2** This includes Rs.0.35 million (2024: Rs.0.67 million) as profit from Islamic Banks.

**32. FINANCE COST**

**Islamic Banks**

	Note	2025	2024
		----- (Rupees in '000) -----	
Profit on short-term borrowings		<b>456,375</b>	848,796
Profit on long-term borrowings		<b>137,729</b>	209,541
Bank charges	32.1	<b>2,006</b>	14,497
		<b>596,110</b>	1,072,834

**Conventional Banks**

	Note	2025	2024
		----- (Rupees in '000) -----	
Mark-up on short-term borrowings		<b>455,296</b>	596,646
Mark-up on long-term borrowings		<b>113,771</b>	181,120
Bank charges	32.1	<b>3,778</b>	3,461
		<b>572,845</b>	781,227

**Others**

	Note	2025	2024
		----- (Rupees in '000) -----	
Interest on workers' profit participation fund		-	1,054
Interest on lease liabilities		<b>4,985</b>	3,280
		<b>4,985</b>	4,334
		<b>1,173,940</b>	1,858,395

**32.1** Includes the effect of amortization of government grant.

**33. LEVIES AND TAXATION**

	Note	2025	2024
		----- (Rupees in '000) -----	
Levies	33.1	<b>168,652</b>	165,915
Taxation	33.2	<b>(9,637)</b>	(205,765)
		<b>159,015</b>	(39,850)

**33.1** This represents minimum tax and final taxes paid under sections 113 and 150 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21 and IAS 37.

**33.2 TAXATION**

	2025	2024
	----- (Rupees in '000) -----	
Current		3,750
Deferred	(9,637)	(209,515)
	<b>(9,637)</b>	<b>(205,765)</b>

**33.3** The Company records tax expense based on generally accepted interpretation of tax laws and accordingly sufficient provision in respect of taxation is available in these financial statements. Following analysis shows the comparison of last three years between tax provision and tax assessment.

Tax year	Provision for tax as per financial statements	Tax assessed as per income tax return
	----- (Rupees in '000) -----	
2025	<b>169,665</b>	-
2024	163,307	-
2023	159,639	-
2022	88,950	-
2021	119,697	-

**34. EARNINGS PER SHARE- basic & diluted**

	2025	2024
(Loss) after taxation (Rupees in '000)	<b>(251,026)</b>	<b>(2,221,448)</b>
Weighted average number of ordinary shares in issue during the year (Number of Shares)	<b>66,557,891</b>	<b>56,716,881</b>
(Loss) per share - basic (Rupees)	<b>(3.77)</b>	<b>(39.17)</b>

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

**35. 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

**35.1 Segment analysis and reconciliation:**

	-----Sugar division-----		-----Paper Division-----		-----Total-----	
	2025	2024	2025	2024	2025	2024
----- Rs in '000 -----						
Turnover- net	7,953,782	8,010,208	4,661,858	3,959,517	12,615,640	11,969,725
Cost of sales	(6,397,097)	(7,190,899)	(4,300,729)	(3,595,111)	(10,697,826)	(10,786,010)
Distribution cost	(143,546)	(45,621)	(165,012)	(218,611)	(308,558)	(264,232)
Depreciation	(125,752)	(126,066)	(248,914)	(258,656)	(374,666)	(384,722)
<b>Profit / (loss) before tax and unallocated expenses</b>	<b>1,287,387</b>	<b>647,622</b>	<b>(52,797)</b>	<b>(112,861)</b>	<b>1,234,590</b>	<b>534,761</b>
<b>Unallocated income and expenses:</b>						
Administrative expenses					(324,692)	(299,095)
Other operating expenses					(8,001)	(33,241)
Other income					55,932	47,140
Finance cost					(1,173,940)	(1,858,395)
Share of profit / (loss) in associates - net					124,099	(652,468)
<b>Profit / (loss) before taxation and levy</b>	<b></b>	<b></b>	<b></b>	<b></b>	<b>(92,012)</b>	<b>(2,261,298)</b>
Levy					(168,652)	(165,915)
<b>Loss before taxation</b>	<b></b>	<b></b>	<b></b>	<b></b>	<b>(260,664)</b>	<b>(2,427,213)</b>
Taxation					9,637	205,765
<b>Loss after taxation</b>	<b></b>	<b></b>	<b></b>	<b></b>	<b>(251,026)</b>	<b>(2,221,448)</b>

**35.2 Segment asset and liabilities**

	-----Sugar division-----		-----Paper Division-----		-----Total-----	
	2025	2024	2025	2024	2025	2024
----- Rs in '000 -----						
Segment assets- allocated	6,846,942	6,971,725	6,722,978	6,264,254	13,569,920	13,235,979
Segment assets- unallocated					432,840	546,917
<b>Total assets</b>					<b>14,002,760</b>	<b>13,782,896</b>
Segment liabilities- allocated	1,065,861	1,188,930	3,675,178	2,493,866	4,741,039	3,682,796
Segment liabilities- unallocated					6,456,908	7,602,867
<b>Total liabilities</b>					<b>11,197,947</b>	<b>11,285,663</b>

**35.3** Total sales of the Company relating to customers in Pakistan were 91.70% (2024: 98.55%), vietnam were 2% (2024: Nil), Thailand were 4% (2024: Nil) and UAE were 2% (2024: Nil) during the year ended September 30, 2025.

**35.4** All non-current assets of the Company at the end of the current and preceding year are located in Pakistan.

**35.5** Sales to 10 major customers of the Company are around 65.41% of the Company's total sales during the year (2024: 68.04%).

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to certain financial risks. Such financial risks emanate from various factors that include, but are not limited to, market risk, credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. Risks measured and managed by the Company are as follows:

- Market risk including currency risk, interest rate risk and price risk.
- Credit risk
- Liquidity risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and procedures for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Company risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

The Company's senior management provides policies for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, financial instruments and investment of excess liquidity.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below :

### 36.1 Market risk

Market risk is the risk that fair value of future cash flows will fluctuate because of changes in market prices. The Company is exposed to market risks such as currency risk, interest rate risk and price risk.

Financial instruments affected by market risk include investments (investments at fair value through other comprehensive income), long-term financing, short-term borrowings and foreign currency payments against letters of credit opened.

#### a) Foreign currency risk

##### Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of the change in foreign exchange rates. The Company's exposure to this risk arises mainly from future economic transactions or receivables and payables that exist due to transactions entered into foreign currencies.

##### Exposure to foreign currency risk

The Company is exposed to foreign currency risk arising from foreign exchange fluctuations primarily with respect to the USD. The Company manages foreign currency risk through due monitoring of the exchange rates, adjusting net exposure and obtaining forward covers where necessary. Presently Company is exposed to foreign currency risk, in respect of L/Cs opened for import of raw materials and spares.

	2025	2024
Amount of net Exposure		
USD (In thousands)	<u>1,252</u>	<u>475</u>

The following significant exchange rates were applied at reporting date:

	2025	2024
<b>Rupee per USD</b>		
Reporting date rate (Buying/Selling)	<u>281.08 / 281.51</u>	<u>277.55 / 278.05</u>
Foreign currency sensitivity analysis		

A ten percent strengthening / weakening of the PKR against the USD as at September 30, 2025 would have increased / decreased the equity and profit/ loss after tax by Rs. Nil (2024: Rs. Nil). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for September 30, 2024.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year.

**b) Interest rate risk**

Interest rate risk is the risk that fair value or future cash flows of the financial instruments will fluctuate due to change in the market interest rates. The Company's interest rate risk arises from long-term and short-term borrowings obtained with floating rates. All the borrowings of the Company are obtained in functional currencies. Applicable interest rates of financial instruments are given in respective notes.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instrument is:

	2025	2024
----- (Rupees in '000) -----		
<b>Financial assets:-</b>		
<b>Fixed rate instruments</b>		
Short term investments - TDR	<u>59,273</u>	50,264
	<u>59,273</u>	50,264
<b>Financial Liabilities:</b>		
Variable rate instruments	<u>8,020,049</u>	7,419,756
Fixed rate instruments	<u>1,100,589</u>	1,241,279
	<u>9,120,638</u>	8,661,035

**Cash flow sensitivity analysis for variable rate instruments**

Change in interest rate by 2% may have a positive or negative impact of approximately Rs. 160.37 million (2024: Rs. 148.39 million ) in the statement of profit or loss account before taxation. This analysis has been made based on the assumption that all the other variables remain constant.

**Fair value sensitivity analysis for fixed rate instruments**

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss account. Therefore, a change in markup at the reporting date would not affect the statement of profit or loss of the Company.

### c) Other price risk

Other Price risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices (other than those arising from interest rate risk). The Company is currently exposed to the other price risk like equity price risk that arise from Company's investment in listed securities that are classified as investments at fair value through other comprehensive income. Listed securities are susceptible to market price risk arising from uncertainties about future returns on the investment securities.

At the reporting date, the exposure to listed equity securities at fair value was Rs. 1269.29 million (2024: Rs. 740.98 million). A decrease in 10% in the share price of the listed securities would have an impact of approximately Rs. 126.92 million (2024: Rs. 74.10 million) on the equity or income depending whether or not the decline is significant and prolonged. An increase of 10% in the share price of the same would impact equity by a similar amount but will not have an effect on income unless there is an impairment charge associated with it.

		2025	2024
		----- (Rupees in '000) -----	
<b>Investments</b>	<b>Credit rating</b>		
Cherat Cement Company Limited	A 1	<b>994,189</b>	417,888
Cherat Packaging Limited	A 1	<b>275,110</b>	323,090
		<b>1,269,299</b>	740,978

### 36.2 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. Concentrations 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. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company seeks to minimize the credit risk exposure through having exposures only to parties considered credit worthy and obtaining securities where applicable. As of the reporting date, the Company is mainly exposed to credit risk in respect of the following:

#### The maximum exposure to credit risk at the reporting date is as follows :

		2025	2024
		----- (Rupees in '000) -----	
Loans & Deposits		<b>25,425</b>	6,168
Trade debts		<b>1,595,100</b>	1,421,583
Advances		<b>53,505</b>	51,114
Short-term investment - TDR		<b>59,273</b>	50,264
Bank balances		<b>32,382</b>	50,442
		<b>1,765,685</b>	1,579,571

### 36.2.1 Credit quality of financial assets

The credit quality of financial assets that are neither past nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates :

	2025	2024
	----- (Rupees in '000) -----	
<b>Loans &amp; Deposits</b>		
Parties with no default in the past one year	<b>24,086</b>	4,086
Deposits against ijarah contracts (Credit rating "A+")	<b>1,339</b>	2,082
	<b>25,425</b>	6,168
	<b>1,595,100</b>	1,421,583
<b>Trade debts</b>		
Customers with no default in the past one year	<b>53,505</b>	51,114
<b>Advances</b>		
Counter parties without credit rating	<b>50,449</b>	40,722
Counter parties with credit rating (A1+)	<b>8,824</b>	9,542
Counter parties with credit rating (A1)	<b>59,273</b>	50,264
<b>Cash at bank</b>		
A1+	<b>25,128</b>	41,756
A1	<b>530</b>	8,434
A-1	<b>111</b>	111
A-1+	<b>6,613</b>	141
	<b>32,382</b>	50,442

All other financial assets are not exposed to any material credit risk.

### 36.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they fall due.

The Company applies prudent liquidity risk management by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. As at the reporting date, the Company has unused credit facilities of Rs. 5,757 million (2024 : Rs. 4,972 million).

Table below summarises the maturity profile of the Company's financial liabilities at the following reporting dates based on contractual undiscounted payments. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	INTEREST BEARING			NON-INTEREST BEARING			2025	2024
	Less than one year	one to five years	Sub Total (a)	Less than one year	one to five years	Sub Total (b)		
----- (Rupees '000) -----								
<b>Financial liabilities:</b>								
Long-term financing	429,744	3,998,239	4,427,983	-	-	-	<b>4,427,983</b>	2,883,065
Lease Liabilities	13,161	10,512	23,673	-	-	-	<b>23,673</b>	15,125
Deferred liabilities	-	-	-	-	675,483	675,483	<b>675,483</b>	646,878
Short-term borrowings	4,692,655	-	4,692,655	-	-	-	<b>4,692,655</b>	5,777,970
Trade & other payables	-	-	-	576,373	-	576,373	<b>576,373</b>	436,650
Accrued mark-up	-	-	-	263,476	-	263,476	<b>263,476</b>	334,316
Unclaimed dividend	-	-	-	-	7,710	7,710	<b>7,710</b>	7,713
	<b>5,135,560</b>	<b>4,008,751</b>	<b>9,144,311</b>	<b>839,849</b>	<b>683,193</b>	<b>1,523,042</b>	<b>10,667,353</b>	10,101,717

Effective interest rates for the monetary financial assets and liabilities are mentioned in the respective notes to the financial statements.

### 36.4 Fair value measurement

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

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

Level 1: Quoted prices 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)

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

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

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

The fair value of land is a level 3 recurring fair value measurement. Management engages an independent external expert / valuator to carry out periodic valuation of its non-financial assets (i.e. Land) and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained by the valuer.

**Land** The valuation is considered on the factors of location, needs of the buyers, the overall prevailing market situation and other considerations linked with this.

**Forward exchange contracts** Valuation of the foreign currency forward contracts is based on foreign currency exchange rates in active markets, thus the Company measures the fair value of these contracts under a Level 2 input.

	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
----- (Rupees in '000) -----				
Financial assets measured at fair value				
<b>September 30, 2025</b>				
Investment at fair value through other comprehensive income	<b>1,269,299</b>	<b>1,269,299</b>	-	-
<b>September 30, 2024</b>				
Investment at fair value through other comprehensive income	<b>740,978</b>	<b>740,978</b>	-	-

As at the reporting date, the fair value of all the financial assets and liabilities approximates to their carrying values. The property plant and equipment is carried at cost less accumulated depreciation and impairment if any, except free-hold land and capital work in progress. Free hold land which is stated at a revalued amount, its revaluation has been carried out by independent valuers. Capital Work in progress is stated at cost. Long term investments in associates is carried at equity method. The Company does not expect that unobservable inputs may have significant effect on fair values.

#### 36.4.1 Changes in Liabilities to cash flows arising from financing activities

	2025				
	Long term financing*	Short term borrowings	Lease liabilities	Un-claimed dividend	Accrued Mark-up
-----(Rupees in '000)-----					
At the beginning of the year	3,129,687	5,777,970	15,125	7,713	334,316
Addition during the year			19,830		
<b>Changes from financing cash flows</b>					
Borrowings - net	1,483,119	(1,085,315)	-	-	-
Lease rentals paid	-	-	(16,267)	-	-
Dividend paid	-	-	-	(3)	-
Finance cost paid	-	-	-	-	(1,239,795)
<b>Other changes</b>					
Addition of lease liability	-	-	-	-	-
Recognition of government grant - net	-	-	-	-	-
Finance cost - net of borrowing cost	-	-	4,985	-	1,168,955
Borrowing costs	-	-	-	-	-
At the end of the year	4,612,806	4,692,655	23,673	7,710	263,476
	2024				
	Long term financing*	Short term borrowings	Lease liabilities	Un-claimed dividend	Accrued Mark-up
-----(Rupees in '000)-----					
At the beginning of the year	2,957,674	4,772,246	23,786	7,753	381,562
<b>Changes from financing cash flows</b>					
Borrowings - net	172,013	1,005,724	-	-	-
Lease rentals paid	-	-	(11,941)	-	-
Dividend paid	-	-	-	(40)	-
Finance cost paid	-	-	-	-	(1,902,361)
<b>Other changes</b>					
Recognition of lease liability	-	-	-	-	-
Recognition of government grant - net	-	-	-	-	-
Finance cost - net of borrowing cost	-	-	3,280	-	1,855,115
Borrowing costs	-	-	-	-	-
At the end of the year	3,129,687	5,777,970	15,125	7,713	334,316

\*Includes the effect of government grant

#### 36.5 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as going concern in order to provide returns for share holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is not subject to any externally imposed capital requirements.

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

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

The gearing ratios as at September 30 are as follows:

	2025	2024
	----- (Rupees in '000) -----	
<b>Total Long-term debt</b>	<b>4,427,983</b>	2,883,065
Share Capital	<b>665,579</b>	665,579
Reserves	<b>1,477,740</b>	1,170,158
Surplus on revaluation of Property, plant & equipment	<b>661,496</b>	661,496
<b>Total Equity</b>	<b>2,804,815</b>	2,497,233
<b>Total Equity and Long-term debt</b>	<b>7,232,798</b>	5,380,298
<b>Gearing ratio</b>	<b>61.22%</b>	53.59%

#### Risk management strategy related to agricultural activities

#### Regulatory and environmental risks

The Company is subject to various laws and regulations in Pakistan. The Company has established environmental policies and procedures aimed at ensuring compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

#### Climate and other risks

Due to inherent nature of the agricultural assets, it contains elements of significant risks and uncertainties which may adversely affect business and resultant profitability, including but not limited to the following:

- i) adverse weather conditions such as floods etc. affecting the quality and quantity of production; and
- ii) potential insect, fungal and weed infestations resulting in crop failure and reduced yields.

#### 37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS & EXECUTIVES

Particulars	2025			2024		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
----- (Rupees in '000) -----						
Remuneration & bonus	86,207	33,258	108,540	73,762	27,294	89,791
Housing allowance	1,452	7,302	31,442	1,452	8,036	27,102
Utilities	250	2,081	8,981	250	1,786	6,399
Leave fare assistance	4,635	1,796	-	3,944	2,642	-
Retirement benefits	10,139	3,477	6,208	8,752	2,977	4,235
	<b>102,683</b>	<b>47,914</b>	<b>155,171</b>	<b>88,160</b>	<b>42,735</b>	<b>127,527</b>
No. of persons	1	1	33	1	1	26

The Chief Executive, Director and Executives are provided with the use of Company maintained cars and mobile phone facility which is reimbursed at actual to the extent of their entitlements.

**37.1** The aggregate amount charged in the financial statements for the year for meeting fee amounted to Rs. 3.90 million (2024: directors - Rs.4.30 million).

2025 2024  
----- (Rupees in '000) -----

**38. PROVIDENT FUNDS RELATED DISCLOSURE**

Note

**38.1** The following information is based on un-audited financial statements of the funds.

Size of the trusts		1,074,353	845,404
Cost of investments made		802,309	673,612
Fair value of investments	38.2	1,072,686	840,927
		----- (Percentage) -----	
Percentage of investments made		99.84	99.47
Loans to employees on mark-up		0.16	0.53
		100	100

**38.2 The major categories of investments**

Government securities		624,665	500,000
Listed securities		190,889	132,496
Units of collective investment scheme		251,571	155,244
Banks		5,561	53,187
		1,072,686	840,927

**38.3** Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

**39. TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise of related group companies, associated companies, directors and executives. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties, contribution to staff benefit funds, mark-up on loans, amount due from executives and remuneration of directors and executives are disclosed in the relevant notes. Other material transactions with related parties are given below :

Relationship	Nature of transactions	2025	2024
-----(Rupees in '000)-----			
Group Companies	Services received	37,389	26,548
	Goods purchased	75,640	47,342
	Sales made	7,890	-
	Dividend received from related parties	26,079	19,676
Associated Company	Dividend received from associated company	-	25,000
	Sales made	735,500	1,067,407
	Goods purchased	22,800	-
Other related parties	Staff provident / gratuity fund	20,099	24,092
Directors, Group companies, provident & gratuity funds	Right shares issued	-	292,728

**39.1** 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 had entered into transactions or has arrangements / agreements in place.

Name	Basis of association	Aggregate % of Shareholding
Faruque (Pvt) Ltd.	Common directorship	-
Cherat Cement Company Ltd.	Common directorship / Share holding	1.38
Greaves Pakistan (Pvt) Ltd.	Common directorship	-
Cherat Packaging Ltd.	Common directorship / Share holding	4.97
Greaves Engineering Services (Pvt) Ltd.	Common directorship	-
Greaves Air-conditioning (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	-
		<b>2025</b>
		<b>2024</b>
		----- (Rupees in '000) -----
	Note	

#### 40. CAPACITY AND PRODUCTION

##### Sugar division

No. of days mill operated	<b>97</b>	97
Crushing capacity per day (M.tons)	<b>12,500</b>	12,500
Total crushing capacity on the basis of no. of days (M.tons)	<b>1,212,500</b>	1,212,500
Actual crushing (M.tons)	<b>508,214</b>	616,103
Sugar production (M.tons)	<b>52,977</b>	66,101

The sugar production plant capacity is based on crushing sugar cane on daily basis and the sugar production is dependent on certain factors which include sucrose recovery percentage and availability of sugar cane for crushing.

##### Paper division

No. of days mill operated	<b>221</b>	175
Capacity per day (M.tons)	<b>250</b>	250
Total production capacity on the basis of no. of days (M.tons)	<b>55,250</b>	68,750
Actual paper production (M.tons)	<b>42,658</b>	31,968

The variance of actual production from capacity is primarily on account of production planning as per market demand /orders in hand and availability of essential raw materials.

#### 41. NUMBER OF EMPLOYEES

The total number of employees and average number of employees at year end and during the year respectively are as follows:

	2025	2024
Total number of employees as at September 30,	265	258
Total number of employees at factory as at September 30,	209	219
Average number of employees during the year	262	264
Average number of employees at factory during the year	214	227

**41.1** During the year the cost of the Company to recruit, select, hire, train, develop, allocate, conserve, reward & utilize human assets was Rs. 2.47 million (2024: Rs 2.44 million)

#### 42. DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

Note	2025	2024
	----- (Rupees in '000) -----	
Long term financing as per Islamic mode	18	3,800,589
Short term borrowings as per Islamic mode	24	2,704,450
Shariah Compliant bank balances	15	8,177
Revenue earned from Shariah compliant business	26	12,615,640
Dividend earned from Shariah compliant investment	31	26,079
Finance cost on Islamic mode of financing	32	596,110
Profit earned from any conventional loan / advances	31	-
Finance cost on conventional mode of Financing	32	572,845
Exchange Gain earned	31	1,304
Profit earned from any Shariah compliant bank accounts	31	350

The Company has relationship with Askari Bank Limited, Al Baraka Bank (Pakistan) Limited, Bank Al-falah Limited, Dubai Islamic Bank Limited, Meezan Bank Limited, MCB Islamic Bank Limited, Faysal Bank Limited, UBL Bank Limited & Bank Islami (Pakistan) Limited.

#### 43. DATE OF AUTHORIZATION FOR ISSUE

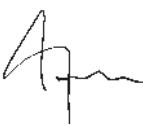
These financial statements have been authorized for issue on December 18, 2025 by the Board of Directors of the Company.

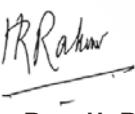
#### 44. CORRESPONDING FIGURES

There were no significant reclassifications to these financial statements during the year.

#### 45. GENERAL

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

  
Aslam Faruque  
Chief Executive

  
Hasan Reza Ur Rahim  
Director

  
Abdul Muqeet  
Chief Financial Officer





# Pattern of Shareholding

AS AT SEPTEMBER 30, 2025

Number of Shareholders	Shareholding		Shares Held
	From	To	
882	1	to	100
464	101	to	500
296	501	to	1000
523	1001	to	5000
143	5001	to	10000
73	10001	to	15000
37	15001	to	20000
26	20001	to	25000
26	25001	to	30000
16	30001	to	35000
9	35001	to	40000
6	40001	to	45000
4	45001	to	50000
4	50001	to	55000
3	55001	to	60000
2	60001	to	65000
7	65001	to	70000
6	70001	to	75000
1	75001	to	80000
1	90001	to	95000
3	95001	to	100000
1	100001	to	105000
1	105001	to	110000
3	110001	to	115000
1	125001	to	130000
2	135001	to	140000
1	145001	to	150000
2	150001	to	155000
3	185001	to	190000
1	200001	to	205000
2	225001	to	230000
1	270001	to	275000
1	280001	to	285000
1	290001	to	295000
1	330001	to	335000
1	365001	to	370000
1	405001	to	410000
1	475001	to	480000
4	540001	to	545000
1	975001	to	980000
1	1190001	to	1195000
1	1195001	to	1200000
1	1285001	to	1290000
1	1585001	to	1590000
1	1820001	to	1825000
1	2010001	to	2015000
1	2040001	to	2045000
1	2135001	to	2140000
1	3590001	to	3595000
1	5000001	to	5005000
1	27615001	to	27620000
2,572			66,557,888

Categories of Shareholders	No. of Shareholders	Shares Held	Percentage
<b>Directors, Chief Executive Officer and their spouse(s) and minor children</b>			
MR. ARIF FARUQUE	1	102,678	0.15
MR. ASLAM FARUQUE	1	409,105	0.61
MR. AMER FARUQUE	1	43,041	0.06
MR. WASIF KHALID	1	30,000	0.05
MR. HASAN REZA UR RAHIM	1	4	0.00
<b>Associated Companies, undertakings and related parties</b>			
FARUQUE (PRIVATE) LIMITED	1	27,615,080	41.49
CHERAT CEMENT COMPANY LIMITED	1	3,594,435	5.40
GREAVERS PAKISTAN (PRIVATE) LIMITED	1	1,588,150	2.39
<b>NIT and ICP</b>			
Insurance Companies	1	1,193,646	1.79
<b>Banks, Development Financial Institutions, Non Banking Financial Institutions.</b>			
Modarabas and Mutual Funds	1	5,000,504	7.51
<b>General Public</b>			
A) Local	2,490	19,681,526	29.57
B) Foreign	22	387,357	0.58
<b>Others</b>			
<b>Total</b>	<b>2,572</b>	<b>66,557,888</b>	<b>100.00</b>

Shareholders holding 10% or more	Shares Held	Percentage
FARUQUE (PRIVATE) LIMITED	27,615,080	41.49



## میر پور خاص شوگر ملز لمیٹڈ

غلام فاروق گروپ کمپنی

پوٹل بیلٹ بیپر

بدھ 21 جنوری 2026 کو صبح 11:00 بجے، کمپنی کے رجسٹرڈ آفس، نیشنری احاطہ، جمرو، عمر کوٹ روڈ، میر پور خاص، سندھ، میں منعقد ہونے والے سالانہ اجلاس عام میں خصوصی بیان کے لیے ڈاک کے دریجے ووٹ ڈالنے کے لیے:

یو اے این: 111 111 354 21 111 92 + ویب سائٹ: [www.gfg.com.pk/msm/](http://www.gfg.com.pk/msm/)

فولیو/ سی ڈی ایس اکاؤنٹ نمبر
شیئر ہولڈر/ پر اکسی ہولڈر کا نام
رجسٹرڈ ایڈریس
موجود شیئر کی تعداد
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر/ پاسپورٹ نمبر (غیر ملکی ہونے کی صورت میں) کا پی مشک کریں
اضافی معلومات اور انکلوژر (کارپوریٹ باؤنڈی، کارپوریشن، اور وفاقی حکومت کا نمائندہ ہونے کی صورت میں)
محاذ دستخط کننہ کا نام
محاذ دستخط کننہ کا کمپیوٹرائزڈ قومی شناختی کارڈ نمبر/ پاسپورٹ نمبر (غیر ملکی ہونے کی صورت میں) کا پی مشک کریں

لیجنڈا کے آئیم نمبر 5 کے لیے قرداد

(الف) ”لے پا لیا ہے کمپنیز ایکٹ، 2017 کی دفعہ 183 اور اس کے تحت لاگو ہیگر متعلقہ دفعات کے مطابق، اور قابل اطلاق قوانین کے تحت درکار تمام منظوریوں اور رضامندیوں کے حصول سے مشروط، میر پور خاص شوگر ملز لمیٹڈ (جسے بعداً ان کمپنی کہا جائے گا) کو اس بات کی اجازت دی جاتی ہے کہ وہ اپنی مشک کمپنیوں، چیاٹ سینٹ کمپنی لمیٹڈ اور جیئنگ لمیٹڈ میں رکھے گئے ایکوئی شیئرزاوپن مارکیٹ میں فروخت کر سکے۔“

(ب) مزید طے پایا ہے کہ چیف ایگزیکیوٹیو فائر، چیف فانشل آفیسر اور کمپنی سیکریٹری میں سے کوئی بھی دو افراد پاس بات کے محاذ ہوں گے کہ وہ اس قرارداد کے نفاذ کے لیے تمام ضروری اقدامات کریں، دستاویزات پر دستخط کریں، اور وہ تمام افعال، اعمال اور امور انجام دیں جو نہ کوہہ افران کمپنی کے مخاذ میں مناسب تھیں۔

لیجنڈا کے آئیم نمبر 6 کے لیے قرداد

(a) قرار دیا جاتا ہے کہ 30 ستمبر 2025 کو ختم ہونے والے مالی سال کے دوران متعلقہ پارٹیز اور مشک کمپنیز کے ساتھ معمول کے مطابق کیے گئے لین دین، جسے فانشل اسٹیشنٹس کے نوٹ 39 میں ظاہر کیا گیا ہے، کی توثیق کی جاتی ہے اور منظوری دی جاتی ہے

(b) مزید قرار دیا جاتا ہے کہ کمپنی کے بورڈ آف ڈائریکٹر 30 ستمبر 2026 کو ختم ہونے والے سال کے دوران متعلقہ پارٹیز اور مشک کمپنیز کے ساتھ معمول کے مطابق کیے جانے والے تمام لین دین کی منظوری دینے کے محاذ ہیں۔

### ہدایات برائے پول

- برائے مہربانی اپنے ووٹ کا اظہار متعلقہ بیکس کے آگے نک (J) کے نشان سے کریں
- اگر دونوں بیکس کے آگے نک (J) نشان مارک کیا جاتا ہے تو آپ کا ووٹ منسوخ تصور کیا جائے گا
- میں/ہم مندرجہ بالا قرارداد کے حوالے سے اپنا ووٹ بیلٹ کے ذریعے استعمال کرتے ہوئے قرارداد پر اپنی رضامندی یا اختلاف کا اظہار کرتے ہوئے یونچ مناسب بیکس میں نک (J) کا نشان لگاتے ہیں۔

میں/ہم قرارداد سے متفق ہیں (حق میں ووٹ)	قرداد
	لیجنڈا کے آئیم نمبر 5 کے لیے قرارداد
	لیجنڈا کے آئیم نمبر 6 کے لیے قرارداد

- باقاعدہ طور پر پوٹل شدہ بیلٹ بیپر چیئر میں کو سیکنڈ فلور، مادرن موٹر ہاؤس، بیو موٹر روڈ، کراچی پر ارسال کیا جائے یا [agmmsm@gfg.com.pk](mailto:agmmsm@gfg.com.pk)، پر ای میل کیا جائے۔
- شناختی کارڈ / پاسپورٹ کی کاپی (غیر ملکی کی صورت میں) پوٹل بیلٹ فارم کے ساتھ مشک کی جائے
- بیلٹ بیپر منگل، 20 جنوری، 2026 تک کاروباری اوقات میں چیئر میں نک بیٹھنا چاہیے۔ اس تاریخ کے بعد موصول ہونے والے کسی بھی پوٹل بیلٹ پر دینگ کے لئے غور نہیں کیا جائے گا۔
- بیلٹ بیپر پر دستخط شناختی کارڈ / پاسپورٹ (غیر ملکی کی صورت میں) پر موجود دستخط کے مطابق ہونے چاہیے۔
- ایسے پول بیپر ز جو ناکمل، غیر دستخط شدہ، غلط، مسخ شدہ، پھٹے ہوئے، یا جن میں اور رینگ ہوائیں مسزد کر دیا جائے گا۔
- کارپوریٹ باؤنڈی، کارپوریشن یا وفاقی حکومت کے نمائندے کی صورت میں بیلٹ بیپر فارم کے ساتھ کسی محاذ شخص کے شناختی کارڈ کی کاپی، بورڈ ریزولوشن کی تصدیق شدہ کاپی / پاور آف امارنی / اخراجی لیٹر وغیرہ مشک ہونا ضروری ہے، جس کا اطلاق کمپنیز ایکٹ 2017ء کے سیکشن (س) 138 یا 139 کے مطابق ہوتا ہے۔
- بیلٹ بیپر فارم کی کمپنی کی ویب سائٹ / [www.gfg.com.pk/msm/](http://www.gfg.com.pk/msm/) پر دستیاب ہیں۔ ممبران ویب سائٹ سے بیلٹ بیپر ڈاؤن لوڈ کر سکتے ہیں۔

تاریخ:

شیئر ہولڈر/ پر اکسی ہولڈر کے دستخط / محاذ دستخط کننہ  
(کارپوریٹ ایٹھی کی صورت میں برائے مہربانی کمپنی کی مہر ثبت کریں)

متعلقہ پارٹی لین دین

بیان میں "خصوصی امور" سے متعلق مادی حقوق بیان کیے گئے ہیں جو بده، 21 جنوری 2026 کو ہونے والے کمپنی کے سالانہ اجلاس عام میں سامنے آنے والے ہیں۔ ان کے متعلق کمپنی کے ارکان کی منظوری سے لاحقہ علیحدہ کیا جائے گا:

30 ستمبر 2025 کو ختم ہونے والے مالی سال کے دوران، کمپنی نے اپنی متعلقہ کمپنیوں اور متعلقہ پارٹیز کے ساتھ اپنی پالیسیوں اور قابل اطلاق قوانین اور ضابطوں کے مطابق لین دین کیا۔ متعلقہ پارٹیز کے لین دین کے لیکنڈر ایکٹ 2017 اور 208 کے تحت شیئر ہولڈر رز کی منظوری درکار ہوتی ہے۔ اس طرح کے لین دین کو سالانہ اجلاس عام میں منظور کی جانے والی خصوصی قرارداد کے ذریعے شیئر ہولڈر رز کے سامنے ان کی منظوری کے لیے تجویز کیا جا رہا ہے۔

شیئر ہولڈر رز سے درخواست کی جاتی ہے کہ وہ ان لین دین کی توثیق کریں جن کا اکٹھاف 30 ستمبر 2025 کو ختم ہونے والے سال کے مالیاتی گوشواروں میں نوٹ نمبر 39 میں کیا گیا ہے اور مزید بورڈ آف ڈائریکٹر کو 30 ستمبر 2026 کو ختم ہونے والے سال کے لیے متعلقہ پارٹیز کمپنیوں کے ساتھ لین دین کرنے کا اختیار دیں۔

30 ستمبر 2025 کو ختم ہونے والے سال کیلئے مالیاتی بیانات کو نوٹ نمبر 39 میں ظاہر کیا گیا اور ذیل میں دیے گئے لین دین کو پارٹی کے حساب سے تقسیم کیا گیا ہے:

متعلقہ فریق کا نام	لین دین کی نوعیت	رقم (روپے)
زین سافت (پرائیویٹ) لمیڈ	خدمات کی ادائیگی	(20,212,007)
گریوز ایئر کنڈیشننگ (پرائیویٹ) لمیڈ	خدمات کی ادائیگی	(1,638,745)
گریوز ایئر کنڈیشننگ (پرائیویٹ) لمیڈ	خریداری	(598,282)
گریوز پاکستان (پرائیویٹ) لمیڈ	خدمات کی ادائیگی	(15,538,703)
گریوز پاکستان (پرائیویٹ) لمیڈ	خریداری	(1,981,457)
چیراٹ سیمنٹ کمپنی لمیڈ	وصول شدہ منافع	15,110,023
چیراٹ پیکچنگ لمیڈ	خریداری	(73,060,020)
چیراٹ پیکچنگ لمیڈ	وصول شدہ منافع	10,969,268
چیراٹ پیکچنگ لمیڈ	فروخت	7,889,716
یونیکول لمیڈ	فروخت	735,499,979
یونیکول لمیڈ	خریداری	22,800,000
پی ایف/ جی ایف	اسٹاف پروویڈنٹ اور گریجویٹ فنڈ کی ادائیگی	(20,099,000)

ڈائریکٹر ان مذکورہ بالا کاروبار میں حص کی ملکیت کے پیشان میں بیان کردہ حد تک شیئر ہولڈر ہونے کے علاوہ، کوئی بلا واسطہ یا بالواسطہ مفاد نہیں ہے۔

18۔ اگر انتخاب کے لیے پیش ہونے والے ارکین کی تعداد منتخب کیے جانے والے ڈائریکٹرز کی تعداد سے زیادہ ہو تو ایسے ارکین بغیر ووٹنگ کے، بلا مقابلہ منتخب تصور کیے جائیں گے۔

19۔ مقابلہ کرنے والے ڈائریکٹرز کی تعداد سے کم از کم سات (7) دن قبل اخبارات میں شائع کی جائے گی۔ مزید برآں، کمپنی کی ویب سائٹ کو بھی مطلوبہ معلومات کے ساتھ اپڈیٹ کیا جائے گا۔

20۔ اگر ڈائریکٹر کا انتخاب درکار ہو تو بذریعہ پوٹل بیٹ/ایکٹر انک ووٹنگ کا شیدول اور طریقہ کار، بعد پوٹل بیٹ، سالانہ اجلاس عام سے سات (7) دن قبل اخبارات میں شائع کیا جائے گا اور کمپنی کی ویب سائٹ/ [www.gfg.com.pk/msm](http://www.gfg.com.pk/msm) پر بھی دستیاب کر دیا جائے گا۔

### اسکر وٹنائزر

21۔ کمپنیز (پوٹل بیٹ) ریگولیشن، 2018 کی ریگولیشن 11 کے مطابق، کمپنی نے یوائچ وائے حسن نعیم اینڈ کو، چارٹرڈ اکاؤنٹنٹس آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے کوائٹی کنٹرول ریپورٹر گرام (QCR) کے تخت رینٹنگ یافتہ ہیں، کو سالانہ اجلاس عام میں ہونے والے ڈائریکٹر کے انتخاب کے لیے اور وہ بیزنس جو کیشن (3) 183 کمپنی ایکٹ 2017 کے تحت ہو۔ کمپنی کا اسکر وٹنائزر مقرر کیا ہے، جو ریگولیشن 11A میں بیان کردہ دیگر ذمہ داریاں بھی انجام دیں گے۔

### کمپنیز ایکٹ، 2017 کی دفعہ 166 کے تحت بیان—آزاد ڈائریکٹر کے بارے میں

آزاد ڈائریکٹر کا انتخاب کمپنیز ایکٹ، 2017 کے کیشن 166 اور کمپنیز (آزاد ڈائریکٹر کے طریقہ کار اور انتخاب) ریگولیشن، 2018 میں آزادی سے متعلق مقررہ قابل اطلاق معیار کے مطابق کیا جائے گا۔ مزید برآں، اس چمن میں جاری کردہ ریگولیشن کے مطابق آزاد ڈائریکٹر امیدواروں کے نام پاکستان انسٹیٹیوٹ آف کار پوریٹ گورنمنس کے زیر انتظام آزاد ڈائریکٹر کے ڈیٹا بینک میں درج ہونا ضروری ہیں۔ تاہم، امیدوار کا انتخاب کمپنیز ایکٹ، 2017 کے کیشن 159 کے تحت دیگر ڈائریکٹر کے انتخاب کے مطابق کار کے طریقہ کار کے مطابق ہی کیا جائے گا۔ مندرجہ بالا کاروبار میں کسی بھی ڈائریکٹر کا، بطور شریہ ہولڈر کے علاوہ، کوئی بلا واسطہ یا با لواسطہ مفاد نہیں ہے، اور وہ امیت کے مقررہ معیار سے مشروط ہو کر ڈائریکٹر کے انتخاب میں حصہ لے سکتے ہیں۔

### کمپنیز ایکٹ 2017 کی دفعہ 134 کے تحت بیان

اچنڈا آئی ایم (5): کمپنی کے ایکوئی شیئرز کی فروخت (Divestment)

No.	PARTICULARS	RELEVANT INFORMATION	
1.	Name of the assets	Cherat Cement Company Limited	Cherat Packaging Limited
2.	Acquisition date(s)	Various years from 1983 – 2019 including right issues and bonus shares	Various years 1990 – 2023 including right issues and bonus shares
3.	Total Cost	Rs.24,976,785	Rs.66,156,871
4.	Revalued amount and date of revaluation (if applicable)	These investments are listed and actively traded on the stock exchange. Their fair values, based on market prices at the respective reporting period end, are reflected in the Company's financial statements. The fair values of these investments as at 30 September 2025 are as follows:	
		Rs. 994,189,329	Rs. 275,109,228
5.	Book value	Same as stated in serial No. 4 above	
6.	Approximate current market price/fair value	Rs.954,701,194	Rs.241,177,628
7.	In case of sale, if the expected sale price is lower than book value or fair value, then the reasons thereof	Not applicable	
8.	The proposed manner of disposal of the said assets.	To be sold in open market at the prevailing rates as on the date of disposal	
9.	In case the company has identified a buyer, who is a related party the fact shall be disclosed in the statement of material facts.	Disposal will occur at prevailing market prices through public sale; no identified buyer(s) are currently party to the transaction.	
10.	Purpose of the sale, lease or disposal of assets along with following details: a) Utilization of the proceeds received from the transaction; b) Effect on operational capacity of the company, if any; and c) Quantitative and qualitative benefits expected to accrue to the members.	<p>a) The proceeds from the disposal of the Company's investments in listed securities will be utilized primarily for reducing debt of Company by the repayment of existing borrowings. This is expected to result in a reduction in finance costs and strengthen the Company's liquidity position.</p> <p>b) The proposed disposal is not expected to have any material impact on the Company's operational or production capacity, or its ongoing business activities.</p> <p>c) Based on current estimates, the transaction is expected to have a positive impact on earnings per share (EPS) of approximately Rs. 1.61 per share on an annualized basis, assuming full-year impact. Upon disposal, any unrealized gains or losses previously recorded in equity / other comprehensive income (OCI) relating to these investments will cease to arise in future periods.</p>	

13- ممبر ان کو مطلع کیا جاتا ہے کمپنیز (پوٹل بیلٹ) ریگولیشنز، 2018 کے تحت، ایس ای سی پی نے تمام لفڑ کمپنیوں کو ہدایت کی ہے کہ وہ خصوصی کاروبار کے طور پر درجہ بند تمام امور پر اور ڈائریکٹر کے انتخاب کی صورت میں، جب انتخاب کے لیے پیش ہونے والے امیدواروں کی تعداد کمپنیز ایکٹ، 2017 کی دفعہ 159 کے تحت مقرر کردہ ڈائریکٹر کی تعداد سے زیادہ ہو، اراکین کو ایکٹر انک ووٹنگ اور بذریعہ ڈاک ووٹنگ کی سہولت فراہم کریں۔

لہذا، کمپنی کے اراکین کو خصوصی کاروبار اور ڈائریکٹر کے انتخاب (اگر درکار ہو) کے لیے، بده، 21 جنوری 2026 کو صبح 11 بجے منعقد ہونے والے سالانہ اجلاس عام میں، مذکورہ ریگولیشنز میں درج شرائط و ضوابط کے مطابق ایکٹر انک ووٹنگ یا بذریعہ ڈاک ووٹنگ کے ذریعے اپنی حق رائے دہی استعمال کرنے کی اجازت ہوگی، جو کمپنیز ایکٹ 2017 کے سیشن 144 اور کمپنیز (پوٹل بیلٹ) ریگولیشنز 2018 کے لگو شقون سے مشروط ہے۔

ای ووٹنگ کا طریقہ کار:

14- ای ووٹنگ کی سہولت کی تفصیلات کمپنی کے ان شیئر ہولڈرز کے ساتھ ایک ای میل کے ذریعے شیئر کی جائیں گی جن کے پاس اپنے درست CNIC نمبر، موبائل فون نمبر، اور ای میل ایڈریس کمپنی کے ممبران کے رجسٹر میں 13 جنوری 2026 کو کاروباری دن کے اختتام تک دستیاب ہوں گے۔  
ویب ایڈریس، لاگ ان کی تفصیلات، ای میل کے ذریعے ممبر ان کو مطلع کر دی جائیں گی۔ سیکورٹی کوڈزی ڈی ای شیئر جسٹ اسوسی에یٹ (ای ووٹنگ سروس فراہم کنندہ ہونے کے ناطے) کے ویب پورٹل سے ایس ایم ایس کے ذریعے اراکین کو آگاہ کر دیے جائیں گے۔  
ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے شیئر ہولڈر زکی شناخت ایکٹر انک ووٹنگ یا لاگ ان کے لیے قدریق کے ذریعے کی جائے گی۔  
ای ووٹنگ لائیں 16 جنوری 2026 سے شروع ہوں گی اور 20 جنوری 2026 کو شام 5:00 بجے بند ہوں گی۔ شیئر ہولڈر زاس مدت کے دوران کی بھی وقت اپنا ووٹ ڈال سکتے ہیں۔ ایک بار کسی قرارداد پر ووٹ ڈالنے کے بعد، اسے بعد میں تبدیل کرنے کی اجازت نہیں ہوگی۔

پوٹل بیلٹ کے ذریعے ووٹ ڈالنے کا طریقہ کار:

شیئر ہولڈر زاس بات کو لیکنی بنا جائیں گے کمپیوٹر ایڈریس ڈی تو می شناختی کارڈ (CNIC) کی کاپی کے ساتھ درست طریقے سے بھرے ہوئے اور دستخط شدہ بیلٹ پیپر، سالانہ اجلاس عام سے ایک دن پہلے 20 جنوری 2026 تک کام کے اوقات میں کمپنی کے ایڈریس، دوسری منزل مادران مودر زادوں، یہ مونٹ روڈ، کراچی، چیئر مین تک پہنچا جائیں یا شیئر ہولڈر زکی سہولت کے لیے، بیلٹ پیپر اس نوٹس کے ساتھ مسلک ہے اور اسے ڈاؤن لوڈ کرنے کے مقصد کے لیے کمپنی کی ویب سائٹ [www.gfg.com.pk/msm](http://www.gfg.com.pk/msm) پر بھی دستیاب ہے۔

15- سیکورٹیز ایڈاچیجن کمیشن آف پاکستان کی جانب سے جاری کردہ ہدایات کے تحت، مینٹنگ میں کوئی تھانف تقسیم نہیں کیے جائیں گے۔

16- شیئر ہولڈر زکے پاس ای میل کے ذریعے سالانہ آڈٹ شدہ مالیاتی گوشوارے اور اجلاس عام کی اطلاع وصول کرنے کا اختیار ہے۔ کمپنی کے شیئر ہولڈر ز سے درخواست ہے کہ اگر وہ ای میل کے ذریعے سالانہ آڈٹ شدہ مالیاتی گوشوارے اور اجلاس عام کی اطلاع حاصل کرنا چاہتے ہیں تو وہ ہمارے شیئر جسٹر اور یا کوپ ڈیٹ کرنے کے لیے اپنی رضامندی سے آگاہ کریں۔ تاہم، اگر شیئر ہولڈر ز، اس کے علاوہ، آڈٹ شدہ مالیاتی گوشواروں کی ہارڈ کاپ کی بھی حاصل کرنا چاہتے ہیں تو وہ اس کیلئے تحریری درخواست کر سکتے ہیں، اور ان کی ایسی تحریری درخواست کی وصولی کے سات (7) دن کے اندر اسے مفت فراہم کر دی جائے گا۔

17- کوئی بھی ممبر جو ڈائریکٹر کے عہدے کے انتخاب میں حصہ لینے کا ارادہ رکھتا / رکھتی ہو، وہ سالانہ جزل مینٹنگ کی تاریخ سے کم از کم چودہ (14) دن قبل کمپنی کے ہیڈ آفس میں درج ذیل دستاویزات جمع کروائے:

الف) کمپنیز ایکٹ، 2017 کی دفعہ (3) 159 کے تحت آزاد ڈائریکٹر، خاتون ڈائریکٹر یا دیگر ڈائریکٹر کے طور پر انتخاب میں حصہ لینے کے ارادے کا تحریری نوٹس؛  
ب) فارم 9 کے دستخط شدہ ضمیمہ پر ابتوڑ ڈائریکٹر خدمات انجام دینے کی رضامندی، جو امیدوار کی جانب سے باقاعدہ طور پر مکمل اور دستخط شدہ ہو، ساتھ درست قومی شناختی کارڈ (CNIC) کی نقل؛

ج) تفصیلی پوفائل (بیموں دیگر ڈائریکٹر پس، اگر کوئی ہوں) بمعہ پیچہ، جو سالانہ جزل مینٹنگ کی تاریخ سے سات (7) دن قبل کمپنی کی ویب سائٹ پر شائع کرنے کے لیے فراہم کیا جائے؛

د) لفڑ کمپنیز (کوڈ آف کار پوریٹ گورننس) ریگولیشنز، 2019 اور کمپنیز ایکٹ، 2017 میں درج الہیت کے معیار کی تعییل سے متعلق اعلامیہ / عہدہ نامہ؛

ہ) آزاد ڈائریکٹر کی جانب سے لفڑ کمپنیز (کوڈ آف کار پوریٹ گورننس) ریگولیشنز، 2019 اور کمپنیز (آزاد ڈائریکٹر کے طریقہ کاروبار انتخاب) ریگولیشنز، 2018 کے تحت اسٹاپ پیپر پر اعلامیہ / عہدہ نامہ، جس میں اس بات کی قدریق ہو کہ کمپنیز ایکٹ، 2017 کی دفعہ 166 کے تقاضوں پر پورا تر تھا / اتر تھا ہے؛ اور و) امیدواران پر لازم ہے کہ کمپنیز ایکٹ، 2017 اور لفڑ کمپنیز (کوڈ آف کار پوریٹ گورننس) ریگولیشنز، 2019 میں درج ڈائریکٹر کی تقری / انتخاب سے متعلق متعلقہ دفاعات و تقاضوں کا بغور مطالعہ کریں اور ان پر مکمل طور پر عملدر آمد کو لیکنی بنا جائیں۔

نوٹ:

1- کمپنی کے ممبران کا جائزہ 14 جنوری 2026 سے بھولے 21 جنوری 2026 (بیانیوں کی دوں ایام) بند رہے گا اور اس دوران کوئی ٹرانسفر جائز نہیں کیا جائے گا۔ کمپنی کے شیئر جائزہ اسی ڈی سی شیئر جائزہ سر و سر لیڈ (CDCSR) کے ذریعے ہے، ایسی بی، بلاک ایم، ایس ایم، ایس ایم، شاہراہ فیصل، کراچی 74400، 13 میں منگل، 13 جنوری 2026 کو کاروباری اوقات کے اختتام تک درست صورت میں موصول ہونے والے شیئر زبردست تصور ہوں گے۔

2- کمپنی کا کوئی ممبر، جو سالانہ اجلاس عام میں شرکت کرنے، بولنے اور ووٹ دینے کا اہل ہے، اپنی جگہ کسی دوسرے ممبر کو شرکت کرنے، بولنے اور ووٹ دینے کیلئے اپنا پرکسی مقرر کر سکتا اسکتی ہے۔ پرکسیز کے موثر ہونے کیلئے لازمی ہے کہ وہ تحریری طور پر ہوا درکمپنی کے صدر درفتر کا اجلاس شروع ہونے سے 48 گھنٹے قبل موصول ہو جائے۔

3- سالانہ اجلاس عام کی کارروائی ویڈیو کے ذریعے ZOOM اپیلکیشن (ویڈیو لائک کانفرننس کی سہولت) کے ذریعے ہمی منعقد کی جائے گی۔ اجلاس میں شرکت کیلئے دلچسپی رکھنے والے شیئر ہولڈر زے درخواست کی جاتی ہے کہ "میر پور خاص شوگر ملز لیڈ" اجلاس عام کیلئے جائزہ اسی ڈی سی شیئر جائزہ" کے موضوع کے ساتھ مطلوبہ معلومات اور کمپیوٹر ائرڈر قومی شاخی کارڈ (CNIC) کی دونوں جانب کی درست کاپی cdcslr@cdcsrsl.com کی میل کریں۔ شیئر ہولڈر زکوہ دہایت کی جاتی ہے درج ذیل طریقے کے مطابق اپنی کامل تفصیل فراہم کریں۔

شیئر ہولڈر کا مکمل نام / پرکسی ہولڈر	موباکل فون نمبر	کمپنی	کمپوٹر ائرڈر قومی شاخی کارڈ نمبر	فولیواسی ڈی سی اکاؤنٹ نمبر
		میر پور خاص شوگر ملز لیڈ		

4- ویڈیو لائک کی تفصیلات اور لگان کی تفصیلات ممبران کو ان کے فراہم کردہ ای میل ایڈریس پر پہنچ دی جائیں گی تاکہ وہ مقررہ تاریخ اور وقت پر اجلاس میں شرکت کر سکیں۔

5- سالانہ اجلاس عام میں شیئر ہولڈر زکوہ لگان ہونے کیلئے اپنی ڈی سی اکاؤنٹ کے ذریعے شاخت کیلئے مطلوبہ ضروریات اور شیئر ہولڈر کی تصدیق کی شرکت کر سکیں گے۔ ویڈیو لائک اور لگان کی تفصیلات صرف ان ممبران کے ساتھ شیئر کی جائیں گی جن کی ای میل میں تمام مطلوبہ معلومات ہوں گی اور وہ اجلاس عام کے وقت سے کم از کم 48 گھنٹے پہلے موصول ہوئی ہوں گی۔

6- کمپنی کے ممبران جن کے شیئر زیسٹرل ڈیاہری سسٹم (CDS) کے ساتھ ان کے اکاؤنٹ سب اکاؤنٹ میں رجسٹر ڈیں ان سے درخواست کی جاتی ہے کہ وہ تصدیق کے لیے CDS میں اپنے اکاؤنٹ نمبر اور شرکت کنندہ کا شاخی نمبر کے ساتھ اصل کمپیوٹر ائرڈر قومی شاخی کارڈ ہمراہ لائیں۔

7- کمپنی کے فریکل شیئر زکے حامل ممبران سے درخواست کی جاتی ہے کہ وہ اپنے پتوں میں کسی تبدیلی کی اطلاع کمپنی کے شیئر جائزہ کو دیں۔ جبکہ، اسی اکاؤنٹ کے حامل شیئر ہولڈر زے سے درخواست کی جاتی ہے کہ وہ اپنے پتوں میں کسی بھی تبدیلی کی اطلاع اپنے متعلقہ ڈی سی شرکت کنندہ / برکار اسی ڈی سی انویٹر اکاؤنٹ سر و سر کو فوری طور پر پہنچوائیں۔

8- کمپنیز ایکٹ، 2017 کے سیشن 119، اکمینیزر گیلویشن، 2024 کی ریگولیشن 47 کے مطابق، تمام فریکل شیئر ہولڈر زکوہ پر یہ کیا جاتا ہے کہ وہ اپنی لازمی معلومات جیسے کہ CNIC نمبر، پہنچ، ای میل ایڈریس، رابطہ فون یا موبائل نمبر، بیویہ وغیرہ سی ڈی سی شیئر جائزہ سر و سر لیڈنگ فوری طور پر فراہم کریں تاکہ قانون کی عدم قابلیت میں اسی بھی قسم کی زحمت سے بچ جاسکے۔

9- فریکل شیئر زکے ممبران جنہوں نے ابھی تک اپنے درست کمپیوٹر ائرڈر قومی شاخی کارڈ (CNIC) کی فوٹو کاپی جمع نہیں کروائی ہے ان سے درخواست کی جاتی ہے کہ وہ اسے کمپنی کے شیئر جائزہ کے پاس جمع کروادیں۔

10- کمپنیز ایکٹ، 2017 کے سیشن 72 کے مطابق ہر موجودہ لیڈنگ کمپنی کو اپنے فریکل شیئر زایک مقررہ طریقے سے ایس ای سی پی کی مقرر کردہ تاریخ سے بک انٹری کی شکل میں تبدیل کرنا لازمی ہوں گے۔ فریکل شیئر رکھنے والے شیئر ہولڈر کوئی ڈی سی کے انویٹر اکاؤنٹ سر و سر کے ساتھ پہنچانے کا کاؤنٹ یا کسی بھی برکار کے ساتھ ذیلی اکاؤنٹ کھولنے اور اپنے فریکل شیئر زکوہ بک انٹری فارم میں تبدیل کرنے کی ضرورت ہے۔ یہ شیئر ہولڈر کوئی طریقوں سے سہولت فراہم کرے گا، جس کے تحت وہ اپنے شیئر زکوہ پنی کسٹڈی میں رکھتا اسکتی ہے اور جب چاہے فروخت کر سکتا ہے، کیونکہ پاکستان اشٹاک ایچیجن لیڈنگ کے موجودہ ضوابط کے مطابق فریکل شیئر زکی تجارت کی اجازت نہیں ہے۔

11- شیئر ہولڈر زکوہ دہانی کروائی جاتی ہے کہ کمپنیز ایکٹ، 2017 کے سیشن 242 کے مطابق کسی لیڈنگ کمپنی کی صورت میں، کمپنی کی جانب سے اعلان کردہ نقد منافع مقصہ (ڈی یڈنڈز) کی رقم لازمی طور پر الیکٹرائیک ذریعے سے برادرست شیئر ہولڈر کے بینک اکاؤنٹ میں جمع کروائی جائے گی۔ اپنے بینک اکاؤنٹ میں منافع مقصہ برادرست حاصل کرنے کے لیے، شیئر ہولڈر زے درخواست کی جاتی ہے کہ وہ اسی ڈی یڈنڈ مینڈیٹ فارم کو پکر کریں جو کمپنی کی ویب سائٹ www.gfg.com.pk/msm/ پر دستیاب ہے اور اس پر دھنکڑ کر کے CNIC کی کاپی کے ساتھ فریکل شیئر ہونے کی صورت میں کمپنی کے رجسٹر اسی ڈی سی شیئر جائزہ سر و سر لیڈنگ کو بھجوادیں۔ اگر کسی ڈی سی میں شیئر زکوہ گئے ہیں، تو اسی ڈی یڈنڈ مینڈیٹ فارم برادرست شیئر ہولڈر کے بینک اکاؤنٹ کی ادائیگی روک لے گی۔ مزید برآں، مجموعی ڈی یڈنڈ، بیکس / زکوہ کی کوئی اور ڈی یڈنڈ کی خالص رقم کے بارے میں معلومات سنٹر لائزڈ کیش ڈی یڈنڈ رجسٹر (CCDR) کے ذریعے فراہم کی جائے گی۔ لہذا، شیئر ہولڈر زکیلے لازمی ہے کہ وہ خود کوئی ڈی سی کے اسی سر و سر پورٹل <https://eservices.cdcaccess.com.pk> پر رجسٹر کروالیں۔

12- کمپنیز ایکٹ، 2017 کے سیشن 244 کے تحت، جب کمپنی مقررہ تاریکی کا رواںیاں مکمل کر لے گی تو وہ تمام غیر وصول شدہ منافع اور پاکیشیز جو واجب الادا اور قابل ادائیگی ہونے کی تاریخ سے تین سال یا اس سے زائد عرصہ تک غیر وصول شدہ رہیں گے، منافع کی صورت میں وفاقی حکومت کے کھاتے میں جمع کر دیے جائیں گے اور فریکل شیئر زکی صورت میں ایس ای سی کو ن منتقل کر دیے جائیں گے۔ وہ شیئر ہولڈر زکوہ کوئی بھی وجہ سے اپنا غیر وصول شدہ منافع اور پاکیشیز جو واجب الادا اور قابل ادائیگی ہوں تو اس کے بارے میں معلومات حاصل کرنے پاوسوی کے لیے کمپنی کے شیئر جائزہ سر و سر سے رابطہ کریں۔

## اطلاع برائے سالانہ اجلاسِ عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ کمپنی کا 616 واس سالانہ اجلاس عام 21 جنوری 2026 بروز بده، صبح 11:00 بجے کمپنی کے جنرل ڈفتر واقع فیشری کی حدود، جراہ، عمر کوٹ روڈ، میر پور خاص، سندھ میں درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا:

### عمومی امور

- کمپنی کے آٹھ شدہ حسابات برائے سال مختتمہ 30 ستمبر 2025 مع ڈائریکٹر زاورا آڈیٹر زکی رپورٹس وصول کرنا اور ان پر غور کرنا۔
- کمپنیز ایکٹ 2017 کے سیشن (1) 159 کے تحت بورڈ آف ڈائریکٹر زکی جانب سے مقرر کردہ کمپنی کے سات (7) ڈائریکٹر زکی انتخاب کرنا۔ ریٹائر ہونے والے ڈائریکٹر زکی نام یہ ہیں: (1) جناب عارف ڈینوفاروق (2) جناب اسلم فاروق (3) جناب عاصم فاروق (4) محترمہ فرزانہ فاروق (5) جناب حسن الرحیم (6) جناب عبداللہ کورش خاں اور (7) جناب واصف خالد۔
- سال 26/2025 کیلئے آڈیٹر زکر مسٹن حیدر بھیم جی اینڈ کوچارڈ کاؤنٹننس کی تقریبی اور ان کے معاوضے کا تھیں کرنا۔
- چیری مین کی اجازت سے دیگر امور کی انجام دہی۔

### خصوصی امور

- درج ذیل قراردادوں کو خصوصی قرارداد کے طور پر منظور اور پر غور کرنا۔

کمپنیز ایکٹ، 2017 کی دفعہ 183 کے تحت، درج ذیل عام قراردادوں پر غور کرنا اور اگر مناسب سمجھا جائے تو ترمیم کے ساتھ یا بغیر ترمیم کے منظور کرنا، تاکہ کمپنی کو اپنی نسلک کمپنیوں، یعنی چیری مین کمپنی لیمیٹڈ اور چیری پیکنگ لیمیٹڈ میں موجوداً یکوئی شیئر زکی فروخت کی اجازت اور منظوری دی جاسکے۔

الف) ”ٹے پایا ہے کمپنیز ایکٹ، 2017 کی دفعہ 183 اور اس کے تحت لگوڈیگر متعلقہ دفعات کے مطابق، اور قابل اطلاق قوانین کے تحت درکار تمام منظوریوں اور رضامندیوں کے حصول سے مشروط، میر پور خاص شوگر ملز لیمیٹڈ (جسے بعد ازاں کمپنی کہا جائے گا) کو اس بات کی اجازت دی جاتی ہے کہ وہ اپنی نسلک کمپنیوں، چیری مین کمپنی لیمیٹڈ اور چیری پیکنگ لیمیٹڈ میں رکھے گئے ایکوئی شیئر زاد پن مارکیٹ میں فروخت کر سکے۔“

ب) ”مزید ٹے پایا ہے کہ جیف ایگر کیٹھ آفیس، جیف فناش آفیس اور کمپنی سیکریٹری میں سے کوئی بھی دو افران مشترک کے طور پر اس بات کے مجاز ہوں گے کہ وہ اس قرارداد کے نفاذ کے لیے تمام ضروری اقدامات کریں، دستاویزات پر دستخط کریں، اور وہ تمام افعال، اعمال اور امور سراج نام دیں جو مذکورہ افران کمپنی کے مفاد میں مناسب سمجھیں۔“

- درج ذیل قراردادوں کو خصوصی قرارداد کے طور پر منظور اور پر غور کرنا۔

الف) ”ٹے پایا ہے کہ متعلقہ پارٹیز اور ایسوی ایٹھ کمپنیز کے ساتھ 30 ستمبر 2025 کو ختم ہونے والے سال کے دوران کا روابری معاملات میں کیے گئے لین دین کی، جیسا کہ مالیاتی گوشواروں کے نوٹ 39 میں ظاہر کیا گیا ہے، تو شیکن کی جاتی ہے اور منظور کیا جاتا ہے۔“

ب) ”مزید ٹے پایا گیا ہے کہ کمپنی کا بورڈ آف ڈائریکٹر 30 ستمبر 2026 کو ختم ہونے والے سال کے دوران متعلقہ پارٹیز اور ایسوی ایٹھ کمپنیز کے ساتھ کا روابری معمولات میں کیے جانے والے لین دین کی منظوری کیلئے مجاز ہے اور ہوگا۔“

حکم بورڈ آف ڈائریکٹر



عاصم امیج آخوند

کمپنی سیکریٹری

کراچی: 30 ستمبر 2025

کمپنیز ایکٹ 2017 کے تحت سالانہ آٹھ شدہ مالیاتی گوشواروں کی رپورٹس اور دستاویزات کو کمپنی کی ویب سائٹ پر اپ لوڈ کر دیا گیا ہے جنہیں دیے گئے انک کے ذریعے اور ایف ایف ال QR کوڈ اسکین کر کے ڈاؤن لوڈ کیا جاسکتا ہے۔

ویب لینک	کیو آ کوڈ
<a href="http://gfg.com.pk/msm/financial-information/">http://gfg.com.pk/msm/financial-information/</a>	

## بعداز واقعات

کمپنی کے مالی حالات کو متأثر کرنے والی کوئی اہم تبدیلی یا عہد و پیمان مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان وقوع پذیر نہیں ہوئے۔ کاروباری نوعیت میں کوئی تبدیلی نہیں مالی سال کے دوران کمپنی کے کاروباری نوعیت میں کوئی قابل ذکر تبدیلی واقع نہیں ہوئی۔

## حکومتی پالیسیوں کا کاروبار پر اثر

پاکستان حکومت کی کوششیں کہ چینی مارکیٹ کو درآمدات کے ذریعے مستحکم کیا جائے، کم ملکی پیداوار اور بلند قیتوں کی وجہ سے شعبے پر مسلسل دباو ڈال رہی ہیں۔ سال کے دوران، ٹریننگ کارپوریشن آف پاکستان نے مختلف ٹینڈرز کے تحت 306,737 ٹن موٹی اور عمدہ دانوں والی شوگر درآمد کی۔ اگرچہ آئی ایف کی شرائط پاکستان کو ٹکس فری یا ڈیوٹی فری چینی درآمد کرنے سے روکتی ہیں اور حکومت کے "فوڈ ایر جنسی" جواز کو مسترد کرتی ہیں، حکومت نے درآمد کے مرحلے پر ٹکس کی چھوٹ کی اجازت دینے کے لیے ایس آر اوز جاری کیے ہیں۔ پالیسی کی غیر یقینی صورتحال، ملک میں ساختی کمزوریوں کے ساتھ مل کر، تاریخی طور پر چینی شعبے میں رسداً اور طلب میں عدم توازن پیدا کرتی رہی ہے، جس کی وجہ سے اس بات کی اہمیت بڑھ جاتی ہے کہ اس صورتحال کا بہت قریب سے جائزہ لیا جائے۔

کمپنی حکومت سے درخواست کرتی ہے کہ ملکی چینی کی قیمتیں پیدا کرنے والوں کو دوی جانے والی قیتوں کی عکاسی کرتی رہیں۔ 2025 کے کریکٹ سیزن میں اضافی پیداوار متوقع ہے، اس لیے پاکستان سے برآمدات کو سہولت فراہم کرنا رسداً اور طلب کے توازن کی بنیاد پر قیتوں کو مستحکم کرنے میں مددگار نابات ہو سکتا ہے۔ گذشتہ برسوں میں چینی کی برآمدات حکومت کی جانب سے دی جانے والی برآمدی سبستڈی کی بنیاد پر کی گئی تھیں۔ تاہم، سندھ میں شوگر ملک کو ابھی تک TDAP کی ادائیگی نہیں کی گئی، اور ہم حکومت سے درخواست کرتے ہیں کہ TDAP کی جانب سے زیرالتواء سبستڈی، جو 40.04 79 ملین روپے ہے، فوری طور پر جاری کی جائے، کیونکہ یہ کمپنی کی لیکوئیدیٹی اور مالی اخراجات کے لیے نہایت اہم ہے۔

## مستقبل کے امکانات

کمپنی چینی اور پیپر دونوں شعبوں میں اپنے مارکیٹ شیئر کو برقار رکھنے اور بڑھانے پر مرکوز ہے، جس کے لیے ترقیاتی شعبوں میں حکمت عملی کے تحت سرمایہ کاری اور آپریشنز کو بہتر بنایا جا رہا ہے۔ پیداوار کی کارکردگی اور آپریشنل ری الائمنٹ میں مسلسل بہتری کمپنی کی مالی پوزیشن کو مضبوط کرنے کا مقصد رکھتی ہے۔ ایک مسابقاتی اور چیلنجگ ماحول میں، کمپنی مارکیٹ شیئر کے تحفظ اور ترقی کے موقع کے حصول کے لیے پر عزم ہے۔ قرضوں کو مختلف بینکوں میں تقسیم کرنا، اشکاں کی سطح کو کم کرنا، اور تجارتی وصولیوں کا انتظام کرنا جیسے اقدامات مخفی اثرات کو کم کرنے اور شیئر ہولڈرز کی قدر کو زیادہ سے زیادہ کرنے کے لیے نافذ کیے جا رہے ہیں۔ میں جنٹ پر اعتماد رکھتی ہے کہ یہ حکمت عملیاں مستقبل قریب میں کمپنی کی کارکردگی پر ثابت اثر ڈالیں گی۔

## اعتراف

ہم اپنے تمام صارفین اور مالیاتی اداروں کا ان کی مسلسل جماعت اور تعاون کے لیے شکریہ ادا کرتے ہیں اور ہم خاص طور پر ان مشکل و قتوں کے دوران اپنے عملکر لگن، وفاداری اور سخت محنت سے کام کرنے کے حوالے سے دل کی گہرائیوں سے معرف ہیں۔

من جانب بورڈ آف ڈائریکٹرز

م

اسلم فاروق

چف ایگزیکٹو

م

عارف فاروق

چیف ائیر مین

کراچی: 18 دسمبر 2025

## اندرونی مالیاتی کنٹرولز کی کفایت کے حوالے سے ڈائریکٹرز کی ذمہ داری

بورڈ آف ڈائریکٹرز نے ایک موثر اندرونی مالیاتی کنٹرولز کا فریم ورک قائم کیا ہے تاکہ آپریشنر کی ہموار اور مؤثر انعام دہی، کمپنی کے اثاثوں کا تحفظ، متعلقہ قوانین و ضوابط کی پابندی، اور قابل اعتماد مالی رپورٹ کو یقینی بنایا جاسکے۔ آزاد اندرونی آڈٹ فنکشن مسلسل ان مالی کنٹرولز کے نفاذ کا جائزہ لیتا اور گرانی کرتا ہے، جبکہ آڈٹ کمیٹی داخلی کنٹرول کے ڈھانچے اور مالیاتی گوشواروں کے موثر ہونے کا سہماہی بنیادوں پر جائزہ لیتی ہے۔

## بورڈ آف ڈائریکٹرز کا اخلاقیات اور تعییں کے حوالے سے عزم

کمپنی کے بورڈ آف ڈائریکٹرز اعلیٰ ترین اخلاقی اور تعیینی معیارات کو برقرار رکھنے کے لیے پر عزم ہیں۔ وہ دیانتداری اور جوابدہی کی ثقافت کو فروغ دیتے ہیں، ہمارا کوڈ آف کنڈکٹ برقرار رکھتے ہیں، اخلاقی فیصلہ سازی کی حمایت کرتے ہیں، ضابطوں کی بہتر تعییں کرنے والے پروگراموں کو یقینی بناتے ہیں، اور کسی بھی خلاف ورزی پر مناسب اور فوری رد عمل دیتے ہیں۔

## ڈائریکٹرز کی تربیت

کمپنی کے ڈائریکٹرز اپنے فرائض کی انجام دہی کے لیے مناسب تربیت یافتہ ہیں اور متعلقہ قوانین کے تحت، بشمول کمپنیز ایکٹ، 2017، اور پاکستان اسٹاک ایچیجن روکیکے ضوابط، اپنے اختیارات اور ذمہ داریوں سے آگاہ ہیں۔

## ڈائریکٹرز کے معاوضے

کمپنی کے آرٹیکلز کے مطابق، نان ایگزیکٹو اور خود مختار ڈائریکٹرز کے معاوضے بورڈ آف ڈائریکٹرز طے کرتا ہے۔ اس ضمن میں، بورڈ آف ڈائریکٹرز نے کمپنی کے نان ایگزیکٹو اور خود مختار ڈائریکٹرز کے لیے معاوضے کی پالیسی وضع کی ہے۔ ڈائریکٹرز کے معاوضوں کی تفصیل 30 ستمبر 2025 کو ختم ہونے والے سال کے مالیاتی گوشوارے کے نوٹ 37 میں ظاہر کی گئی ہے۔

## متعلقہ پارٹیز کے ساتھ ہلین دین

متعلقہ پارٹیز کے ساتھ تمام تر ہلین دین مناسب طور پر انجام دیے گئے ہیں اور کمپنی کے مالی گوشواروں میں مناسب طریقے سے ظاہر کیے گئے ہیں۔

## کوڈ آف کارپوریٹ گورننس کے ساتھ کمپلائنس کا اسٹیمنٹ

کمپنی لٹکمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی شرائط پر مکمل عمل درآمد کرتی ہے۔ کمپلائنس کا ایک اسٹیمنٹ رپورٹ کے متعلقہ سیکشن کے تحت فراہم کیا گیا ہے۔

## آڈیٹرز کی تقری

موجودہ بیرونی آڈیٹرز میسز کریشن حیدر بھیم جی اینڈ کو (Kreston Hyder Bhimji and Co.) چارٹرڈ اکاؤنٹنٹس نے مالی سال ختم ہونے پر 30 ستمبر 2025 تک کے لیے سالانہ آڈٹ مکمل کیا اور شفاف آڈٹ رپورٹ جاری کی۔ آڈیٹر کمپنی کے سالانہ اجلاس عام کے انتظام پر ریٹائر ہوں گے اور امال ہونے کے ناطے دوبارہ تقری کے لیے پیش ہوئے ہیں۔ آڈٹ کمیٹی کی تجویز کے مطابق، بورڈ ان کی تقری کی سفارش کرتا ہے تاکہ وہ مالی سال ختم ہونے پر 30 ستمبر 2026 تک کمپنی کے آڈیٹر کے طور پر خدمات انجام دیں۔

## شیر ہولڈنگ کا پیشہ

کمپنی کی شیر ہولڈنگ کا نمونہ مالی سال ختم ہونے پر 30 ستمبر 2025 تک اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

• سال کے دوران بورڈ کے پچھا جلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری درج ذیل ہے:

ڈائریکٹر کا نام	اجلاسوں میں حاضری
جناب عارف فاروق	6
جناب اسلم فاروق	6
جناب عامر فاروق	6
محمد فراز انڈ فاروق	3
جناب واصف خالد	6
جناب حسن رضا الرحیم	6
جناب عبدالشکور شیخ	6

• سال کے دوران آڈٹ کمیٹی کے 4 اجلاس ہوئے۔ ہر ڈائریکٹر کی حاضری درج ذیل ہے:

ڈائریکٹر کا نام	اجلاسوں میں حاضری
جناب حسن رضا الرحیم	4
جناب عارف فاروق	4
جناب عامر فاروق	2

• سال کے دوران ہیومن ریسورس اور ریموزیشن کمیٹی کا 1 اجلاس منعقد ہوا۔ ہر ڈائریکٹر کی حاضری درج ذیل ہے:

ڈائریکٹر کا نام	اجلاسوں میں حاضری
جناب عبدالشکور شیخ	1
جناب اسلم فاروق	1
محمد فراز انڈ فاروق	1

### سالانہ کارکردگی کا جائزہ

کمپنی، کارپوریٹ گورننس کے کوڈ کے تحت، بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کا سالانہ جائزہ لیتی ہے۔ اس جائزے میں ترجیحات میں شامل ہیں: تنوع کو فروغ دینا، دیانتداری اور فعال شرکت کو برقرار رکھنا، میخانہ کے اہداف کا باقاعدہ جائزہ لینا، اسٹریچ ہم کرنا، کارکردگی میں بہتری کے موقع کی نشاندہی کرنا، خطرات کا جائزہ لینا، جائشی کے منصوبوں کا جائزہ لینا، صحت اور حفاظت کے طریق کارکو بہتر بنانا، اور قانونی پیاسا کھے متعلق خطرات سے تحفظ فراہم کرنا۔ کمپنی سیکریٹری مکمل شدہ سوالاناموں کی وصولی کے بعد سخت رازداری کو یقینی بناتا ہے۔ عمل کی شفافیت کے لیے کمپنی نے میسر زگرانٹ تھوڑن انجم حاصل کیا ہے۔ (M/s. Grant Thornton Anjum Rahman) چارٹرڈ کاؤنٹینس کی خدمات حاصل کی ہیں تاکہ تنائی مرتبا کے جائیں اور بورڈ آف ڈائریکٹرز کے لیے ایک رپورٹ تیار کی جائے۔ رپورٹ کے مودا کا جائزہ لیا جاتا ہے اور ان شعبوں کی نشاندہی کی جاتی ہے جہاں بہتری کی ضرورت ہو۔

• مالیاتی گوشوارے پاکستان میں لا گو ائر نیشنل فناشل پورٹنگ اسٹینڈرڈ رڈز کے مطابق تیار کیے گئے ہیں اور کسی بھی قسم کے انحراف کو مناسب طریقے سے ظاہر اور واضح کیا گیا ہے۔

- چیف ایگزیکٹو، ڈاٹ ائر یکٹر اور چیف فائناں نیشنل آفیسر نے بورڈ کی منظوری سے قبل باقاعدہ طور پر اس کی تصدیق کی۔
- اندر وی فنڈرول کے نظام کا ڈیزائی مختکم ہے اور موثر طور پر نافذ اعمال اور نگرانی میں رہتا ہے۔
- کمپنی کے کاروبار کو جاری رکھنے کی صلاحیت پر کوئی نمایاں شبہ نہیں ہے۔
- کار پوریٹ گورننس کے بہترین معمولات سے کوئی مادی اعراض نہیں کیا گیا ہے۔
- گزشتہ چھ (6) سال کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا اختصار کے ساتھ مسلک ہے۔
- آپ کی کمپنی کے ذمے ٹیکس، ڈیوٹیز، لیویزا اور چار جز کی مد میں کوئی واجبات نہیں ہیں مساوئے ان کے جو عام کاروباری معمولات میں ادا کیے جاتے ہیں۔
- کمپنی اپنے اہل ملازمین کے لیے پر او یڈنٹ اور گریجویٹی فنڈ اکاؤنٹس برقرار کھے ہوئے ہے۔ ذیل میں متعلقہ فنڈز کی سرماہی کاری کی قدر بمرطاب 30 ستمبر 2025 کو درج ذیل ہے:

پروویڈر فنڈ	1,072.68 ملین روپے
گریجویٹی فنڈ	520.55 ملین روپے

## بورڈ آف ڈاٹ ائر یکٹر ز

بورڈ میں ڈاٹ ائر یکٹر ز کی کل تعداد 7 ہے اور تکمیل درج ذیل ہے:

مرد ڈاٹ ائر یکٹر ز:

6

خاتون ڈاٹ ائر یکٹر:

1

زمرہ	ڈاٹ ائر یکٹر ز کی تعداد	ڈاٹ ائر یکٹر ز کے نام
آزاد ڈاٹ ائر یکٹر ز*	2	جناب عبدالشکور شیخ، جناب حسن رضا الرحمن
غیر ایگزیکٹو ڈاٹ ائر یکٹر ز	3	جناب عارف فاروق، جناب عامر فاروق، محترمہ فرزانہ فاروق
ایگزیکٹو ڈاٹ ائر یکٹر ز	2	جناب اسلم فاروق، جناب واصف خالد
خاتون ڈاٹ ائر یکٹر	1	محترمہ فرزانہ فاروق

\* خود مختار ڈاٹ ائر یکٹر ز کی شرط 1/3 ہے جو 2.33 کے مساوی ہے، جس کی کسر 0.5 سے کم ہے اور اس لیے، قبل اطلاق خوااب کے مطابق اسے کمکل عدد کرنے کیلئے 2 کر لیا گیا ہے۔

## تنوع، مساوات اور شمولیت (DE&I)

کمپنی اپنی افرادی قوت میں تنوع، مساوات اور شمولیت (DE&I) کے اصولوں کی پاسداری کے لیے پُر عزم ہے۔ DE&I کو کمپنی کے پاسیدار اور اخلاقی کاروباری طریقوں کا ایک لازمی جزو تصور کیا جاتا ہے۔

نظام سطحوں پر صنفی اور دیگر اقسام کے تنوع کو ہتر بنانے کے لیے درج ذیل اقدامات کیے جا رہے ہیں:

- منصانہ اور شفاف بھرتی اور ترقی کے طریقہ کاروباری پانا;

- متنوع امیدواروں اور انٹر و یونٹر کی حوصلہ افزائی;

- تربیت اور کیریئر میں ترقی کے لیے مساوی موقع کی فراہمی۔

کمپنی ایسا کام کا ماحول برقرار رکھنے کی خواہاں ہے جو امتیاز سے پاک ہو اور تمام ملازمین کے لیے احترام، وقار اور شمولیت کو فروغ دے۔

## ڈیویڈنڈ

کمپنی ہمیشہ منافع کی مناسب تقسیم کی کوشش کرتی رہی ہے۔ ڈیویڈنڈ دینے کا فیصلہ کمپنی کی مالی کارکردگی اور طویل مدتی ترقی کے اہداف کو مد نظر رکھتے ہوئے کیا جاتا ہے۔ چونکہ رواں سال کمپنی کو مالی نقصان ہوا ہے، اس لیے اپنے وسائل کو محفوظ رکھنے، کاروباری سرگرمیوں کو مضبوط کرنے اور اسٹریچ چک منصوبوں کی معاونت کے لیے بورڈ آف ڈائریکٹرز نے اس سال کوئی ڈیویڈنڈ دینے کا فیصلہ نہیں کیا۔

## تحفظ، صحت اور ماحولیات (HSE)

کمپنی اپنے تمام آپریشنز میں صحت، حفاظت، اور ماحولیاتی تحفظ کے اعلیٰ ترین معیارات کو برقرار رکھنے کے لیے پوری طرح پر عزم ہے۔ اس کی پیداواری سہولیات منعکسہ ماحولیاتی اور حفاظتی قوانین کی کامل پابندی کرتی ہیں، جو مقام ملازمت پر حفاظت اور پاسیداری کی مضبوط شفافت کی عکاسی کرتی ہیں۔

اس عزم کی حمایت کے لیے، کمپنی نے HSE (ہیلتھ، سیفٹی اور انوائرنمنٹ) کے لیے ایک مخصوص شعبہ قائم کیا ہے جو صحت، حفاظت، اور ماحولیاتی اقدامات کی نگرانی کے ذمہ دار ہے۔ اہم اقدامات میں، ہترین HSE طریقہ کارکو لگا کرنا، ملازمین کے لیے باقاعدہ فائر ڈرلز اور حفاظتی تربیتی پروگرام منعقد کرنا، اور

تمام متعلقہ معیارات کی سختی سے پابندی شامل ہے۔

پاسیداری پروجہ کے پیش نظر، کمپنی نے ماضی میں سنسکریپٹیو انریجنی (Solar Energy) کے منصوبوں میں بھی سرمایہ کاری کی ہے، جو ماحولیاتی اثرات کو کم کرنے اور صاف تو نانی کو فروغ دینے کے لیے اس کی عزم کو ظاہر کرتا ہے۔ یہ کوششیں مجموعی طور پر ملازمین، کنٹریکٹرز اور دیگر اسٹریک ہولڈرز کے لیے محفوظ کام کا ماحول یقینی بناتی ہیں، اور کمپنی کے ماحولیاتی اثرات کو فعال طور پر کم کرتی ہیں۔

## قومی خزانے میں حصہ

مالی سال 2025 کے دوران، کمپنی نے تقریباً 99.4834 ملین روپے ٹیکسٹر، ڈیویڈنڈ، اور محصولات کی شکل میں قومی خزانے میں حصہ ڈالا۔

## اجتماعی اور مالیاتی رپورٹنگ فریم ورک

- انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشواروں میں کمپنی کے کاروباری معاملات، اس کے آپریشنز کے نتائج، نقد کا بہاؤ اور ایکوئیٹی میں تبدیلی کو شفاف طریقے سے ظاہر کیا گیا ہے۔

- کمپنی کے حسابات کی کتابوں کو مناسب طریقے سے برقرار رکھا گیا ہے۔

- مالیاتی گوشواروں کی تیاری میں اکاؤنٹنٹ کی درست پالیسیوں کا مستقل طور پر اطلاق کیا گیا ہے اور اکاؤنٹس کے تجیئے موزوں اور داشمند اندر انتظامی فیصلوں پر مبنی ہیں۔

## پائیداری (Sustainability) سے متعلق خطرات اور موضع

کمپنی تسلیم کرتی ہے کہ محولیاتی، سماجی اور گورننس (ESG) عوامل اس کی طویل مدتی کارکردگی کے لیے خطرات اور موضع دونوں فراہم کرتے ہیں۔ پائیداری سے متعلق پہلوؤں کو مجموعی رسک میجنت فریم ورک میں شامل کیا گیا ہے اور بورڈ اور اس کی کمیٹیوں کے ذریعے وقتاً فتاً ان کا جائزہ لیا جاتا ہے۔ پائیداری سے متعلق اہم خطرات میں شامل ہیں:

• محولیاتی: موسمیاتی تغیرات کے باعث گئے کی پیداوار اور معیار پر اثرات، اخراجات، فضلے اور محولیاتی آلوگ سے متعلق ضوابط میں مکملہ خخت اقدامات، اور تو انائی کی بڑھتی ہوئی لگت:

• سماجی: صحت اور حفاظت سے متعلق حادثات، ان علاقوں میں کمیونٹی کے خدشات جہاں کمپنی سرگرم ہے، اور مزدوروں کے معیار سے متعلق بدلتی ہوئی توقعات:

• گورننس: ریگولیٹری یا انکشافاتی تقاضوں کی عدم تعمیل، بیشمول ESG سے متعلق رپورٹنگ اور اس سے متعلق اندر وونی کنٹرولر۔

اسی کے ساتھ، کمپنی درج ذیل موضع سے فائدہ اٹھانے کے لیے کوشش ہے:

• تو انائی اور وسائل کے موثر استعمال، بیشمول قابل تجدید/ تبادل تو انائی اور پیداواری عمل میں بہتری؛

• درآمدی خام مال پر انحصار کرنے کے لیے زرعی بیانوں اور ری سائکل شدہ مواد کے استعمال میں اضافہ؛

• کمیونٹی شمولیت، ذمہ دارانہ روزگار کے طریقوں اور شفافیت کے ذریعے اسیک ہولڈرز کے ساتھ تعلقات کو مضبوط بنانا۔

انتظامیہ شاخت شدہ خطرات کو کم کرنے اور متعلقہ موضع سے فائدہ اٹھانے پر توجہ مرکوز رکھے ہوئے ہے، جس کے لیے جدید اور موثر یکینا لوچیز میں سرمایہ کاری، صحت و حفاظت کے طریقہ کاری میں بہتری، اور پائیدار آپریشنز کو سپورٹ کرنے والی پالیسیوں اور طریقہ کار میں مسلسل بہتری لائی جا رہی ہے۔

قرضہ جات/ مالی ذمہ داریوں کی ادائیگی

کمپنی موثر کیش فلو میجنت کی حکمت عملی پر عمل پیرا ہے، جس کے تحت نقد آمدن و اخراجات کی باقاعدہ نگرانی، پیش گوئی اور کنٹرول کیا جاتا ہے۔ یہ طریقہ کا رتام مالی ذمہ داریوں کی بروقت اور موثر ادا یگی کو لین بناتا ہے اور کمپنی کو کسی بھی آپریشن یا مالیاتی چیلنج سے موثر طور پر نہیں کے قابل بناتا ہے۔

اس حکمت عملی کے تحت، انتظامیہ قرضہ جاتی اخراجات کو، بہتر بنانے کے لیے فنڈنگ کے متوازن ذرائع اور موثر فناںگ انتظامات برقرار رکھنے کی مسلسل کوشش کرتی ہے۔ کمپنی کی روایت ہے کہ وہ اپنی تمام قرضہ جاتی ذمہ داریاں بروقت پوری کرتی ہے، اور زیر جائزہ سال کے دوران تمام قرضہ جات بلا تاخیر ادا کیے گئے۔

## ESG سے متعلق اسٹریٹجیک مقاصد

بورڈ ایک پائیدار اور اخلاقی کاروباری ماذل کے فروع کے لیے پُر عزم ہے۔ ہماری اسٹریٹجیک ترجیحات میں محولیاتی تحفظ، سماجی ذمہ داری اور مضبوط گورننس کے اصول شامل ہیں۔

اہم ESG مقاصد میں شامل ہیں:

• کمپنی کے کاربن ڈسٹ پرنسٹ میں کمی اور تو انائی کی بچت کو فروغ دینا؛

• قدرتی وسائل کا تحفظ اور پائیدار زرعی طریقوں کو سپورٹ کرنا؛

• آپریشنل علاقوں کے اندر اور اطراف میں حیاتیاتی تنوع کا تحفظ کرنا؛

• تنوع اور شمولیت کو فروغ دینا؛

• ملاز میں کی صحت، حفاظت اور فلاح و بہبود کو ترجیح دینا؛

• مقامی کمیونٹیز کے ساتھ ثابت اور تعمیری روابط قائم رکھنا۔

بورڈ ان تمام اقدامات کی مکمل تائید کرتا ہے اور اس عزم پر قائم ہے کہ تمام اسیک ہولڈرز کیلئے طویل مدت تک فائدہ مند ثابت ہو۔

## اسٹریٹجک سرمایہ کاری کی صورتحال

### 1- یونی کول لمبینڈ

یونی کول کی ڈھندری اور شوگر پلانت نے پورے سال / سیزن کے دوران موثر انداز میں کام کیا۔ سیزن 25-2024 کے لیے امتحنول کی پیداوار 41,251 میٹر کٹ ٹن جبکہ چینی کی پیداوار 54,374 میٹر کٹ ٹن رہی۔ کمپنی نے آپریشنل سطح پر منافع بخش کارکردگی کا سلسلہ جاری رکھا، تاہم اس کی مجموعی کارکردگی زیادہ قرضہ جاتی لگت، امتحنول کی قیتوں میں کمی اور خام مال کی بڑھتی ہوئی لگت کے باعث نمایاں طور پر متاثر ہوئی۔

مزید براہ، برآمد کنندگان کے لیے ایکسپورٹ ری فناں اسکیم کے تحت کم شرح پر مالی سہولت حاصل کرنے کے فوائد بھی آئیں ایف کے دباؤ کے تحت مرحلہ وار ختم کر دیے گئے، کیونکہ برآمد کنندگان کو دی جانے والی سمسٹڈ یز کے خاتمے پر زور دیا گیا۔ اس کے باوجود، انتظامیہ کو یقین ہے کہ یونی کول طویل عرصہ تک کمپنی اور اس کے شیئر ہولڈر رز کے لیے مالیاتی فوائد فراہم کرتا رہے گا۔

### 2- یونی انرجی لمبینڈ

یونی انرجی، جو ایک مشترکہ منصوبے کے تحت ونڈ پاور پر اجیکٹ ہے، مطلوبہ سنگ میل حاصل کرنے میں ناکام رہی ہے۔ منصوبے کی معاشی افادیت کا جائزہ لینے کے بعد، بورڈ آف ڈائریکٹرز نے انتظامیہ کو ہدایت کی کہ تمام ضروری ریگولیٹری تقاضے پورے کرنے کے بعد اس منصوبے کو ختم (وائیڈ اپ) کرنے کا عمل شروع کیا جائے، کیونکہ یہ منصوبہ اب مالیاتی طور پر قابل عمل نہیں رہا۔

کمپنی نے اس منصوبے میں 7.69 ملین روپے بطور ایکویٹری سرمایہ کاری کی تھی۔ سرمایہ کاری میں کمی (Impairment) سے متعلق قابل اطلاق اکاؤنٹنگ معیارات کے مطابق، کمپنی نے 4.29 ملین روپے کے نقصان دہ الاؤنس (Loss) کی فراہمی ریکارڈ کی ہے۔

اہم خطرات اور غیر یقینی صورتحال

### خطرات کی جانچ

میر پور خاص شوگر ملز لمبینڈ (MSM) کے بورڈ آف ڈائریکٹرز کمپنی کے رسک میجنمنٹ فریم ورک کی نگرانی کی جتنی ذمہ داری رکھتے ہیں، جبکہ سینٹر میجنمنٹ کنٹرولر کے موثر نفاذ اور ابھرتے ہوئے خطرات کا بروقت اور فعل انداز میں جواب دینے کی ذمہ دار ہے۔

شوگر اور پیپر کے شعبوں میں کام کرنے کے باعث، میر پور خاص شوگر ملز لمبینڈ کو مختلف صنعتوں سے متعلق مخصوص خطرات کا سامنا ہے۔ ان میں چینی اور کاغذی مصنوعات کی طلب اور قیتوں میں اتار چڑھاؤ، حکومتی پالیسیوں اور ضوابط میں تبدیلیاں۔ ہشمول اینٹی ڈمینگ اقدامات۔ کریڈٹ، لیکوئید یعنی اور زر مبادلہ کے خطرات، نیز موسمیاتی عوامل جیسے خراب موسم اور سیالاب شامل ہیں، جو خام مال کی دستیابی، قیتوں اور پیداواری صلاحیت کو متاثر کر سکتے ہیں۔

انتظامیہ ان خطرات پر مسلسل نظر رکھتی ہے اور ان کے اثرات کو مکمل نہیں کرنے کے لیے حکمیت عملیات نافذ کرتی ہے، جس کا مقصد کمپنی کی مارکیٹ پوزیشن اور آپریشنل استحکام کو برقرار رکھنا ہے۔

### رسک میجنمنٹ

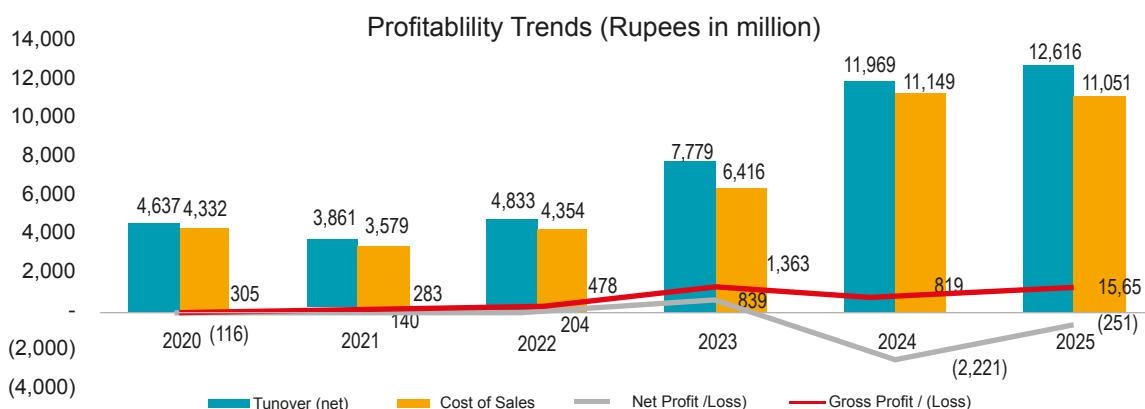
بورڈ آف ڈائریکٹرز معاشری و سماجی ماحول کے ساتھ ساتھ اندر ورنی اور بیرونی عوامل کی بھی فعال نگرانی کرتا ہے جو کمپنی کی سرگرمیوں اور کارکردگی پر اثر انداز ہو سکتے ہیں۔ سال بھر ڈائریکٹرز ملکہ خطرات کی نشاندہی، ان کے مکانہ اثرات کا جائزہ لینے، اور کاروبار کو درپیش قابل پیش گوئی خدشات کو معقول حد تک کم کرنے کے لیے حکمیت عملی وضع کرنے میں متحرک رہتے ہیں۔ آڈٹ کمیٹی ان رسک میجنمنٹ اقدامات کے نفاذ اور نگرانی میں مرکزی کردار ادا کرتی ہے، اور باقاعدگی سے رسک رجسٹر، اندر ورنی آڈٹ رپورٹس، اور انتظامیہ کی اصلاحی کارروائیوں کا جائزہ لیتی رہتی ہے۔

بورڈ سائیکوپرٹی کی بڑھتی ہوئی اہمیت کو بھی تسلیم کرتا ہے۔ کمپنی کا اندر ورنی آڈٹ پارمنٹ معلوماتی تحفظ کے کنٹرولر کے نفاذ اور نگرانی، اہم سسٹم اور ڈیٹا کے تحفظ، اور کاروباری سرگرمیوں کے بلا قابل تسلیم کو یقینی بنانے کا ذمہ دار ہے۔

- گنے کی قیمت اس سال فی من 475 روپے سے کم ہو کر 456 روپے ہو گئی۔ گنے کی کم از کم امدادی قیمت کے حوالے سے کوئی باضابطہ نوٹیفیکیشن جاری نہیں کیا گیا۔ یہ صورتحال آئی ایف کی اصلاحات کے تحت شوگر سیکٹر میں جاری ڈی ریگولیشن کی عکاس ہے، جس سے کمپنی کی پیداواری لاغت میں کمی آئی۔
- زیر جائزہ سال کے دوران کمپنی نے 58,678 میٹر کٹن چینی فروخت کی، جس میں 5,003 میٹر کٹن برآمدات شامل ہیں، جبکہ گزشتہ سال یہ مقدار 70,037 میٹر کٹن تھی۔ کم فروخت کے جم کے باوجود، فروخت کی بہتر قیمتوں اور ایف ایم سی جی سیکٹر کی مضبوط طلب کے باعث کمپنی نے اپنی منافع بخش صلاحیت میں اضافہ کیا۔ قوی سٹھ پر پیداوار میں کمی کے سبب سال کے اختتام پر چینی کی قیمتوں میں مزید بہتری آئی۔
- پیپر ڈویٹن میں فروخت 42,970 میٹر کٹن رہی، جبکہ گزشتہ سال یہ 31,707 میٹر کٹن تھی۔ تاہم، کاغذی شعبے میں قیمتیں کمزور مارکیٹ طلب، سخت مسابقت اور مارکیٹ کے بڑی حد تک غیر منظم ہونے کے باعث دباؤ کا شکار ہیں۔
- بنیادی طور پر چینی کی بہتر قیمتوں کے باعث، کمپنی نے 12.41 فیصد کا مجموعی منافع مارجن حاصل کیا، جبکہ گزشتہ سال یہ 8.85 فیصد تھا۔
- مالیاتی اخراجات میں 685 ملین روپے (37 فیصد) کی کمی واقع ہوئی اور یہ 1.86 ارب روپے سے کم ہو کر 1.17 ارب روپے رہ گئے، جو کم فرضہ جات اور بہتر مالیاتی لاغتوں کی عکاسی کرتا ہے۔ ان اخراجات میں طویل مدت اور قلیل مدت دونوں قرضہ شامل ہیں۔
- دیگر آمدنی 56 ملین روپے رہی (47 ملین روپے)، جس میں بنیادی طور پر ڈیویڈن، اسکریپ کی فروخت اور پی ایل ایٹس اکاؤنٹس پر حاصل ہونے والا منافع شامل ہے۔
- کمپنی نے یونیکول لمبیڈ سے اپنے ایک تہائی حصے کے منافع کے طور پر 124 ملین روپے تسلیم کیے، جبکہ گزشتہ سال 652.47 ملین روپے کے نقصان کا شیرتسلیم کیا گیا تھا، اور اسی کے مطابق ایسوی ایٹ میں اپنی سرمایہ کاری کو ایڈ جسٹ کیا گیا۔
- مجموعی طور پر، سال کے لیے فی شیئر نقصان 3.77 روپے رہا، جو گزشتہ سال رپورٹ کیے گئے فی شیئر نقصان 17.39 روپے کے مقابلے میں نمایاں بہتری کو ظاہر کرتا ہے۔ ذیل میں موجودہ اور گزشتہ سال کے لیے کمپنی کے اہم مالی نتائج کا خلاصہ قابلی جائزے کی خاطر پیش کیا جا رہا ہے:

تفصیل	2024-25 (ملین روپے)	2023-24 (ملین روپے)
خاص فروخت	12,616	11,970
فروخت کی لاغت	(11,051)	(11,150)
مجموعی منافع	1,565	820
دیگر آمدنی	56	47
ایسوی ایٹس میں (نقصان)/ منافع کا حصہ - خاص	124	(652)
دیگر اخراجات و نیکس	(1,996)	(2,436)
خاص (نقصان)	(251)	(2,221)

ذیل میں دیا گیا گراف گزشتہ چھ برسوں کے دوران کمپنی کی مالی کارکردگی کو ظاہر کرتا ہے، جس میں فروخت، فروخت کی لاغت، مجموعی منافع اور خاص منافع کے رجحانیت نہماں کیے گئے ہیں، تاکہ آپریشنل اور مالی ترقی کا طویل مدت جائزہ پیش کیا جاسکے۔



• ملکی اور بین الاقوامی منڈیوں میں گڑ اور ایچنول کی قیمتوں میں اتار چڑھا وہ مخفی مصنوعات کی فروخت سے حاصل ہونے والے منافع کو متاثر کرتا ہے۔

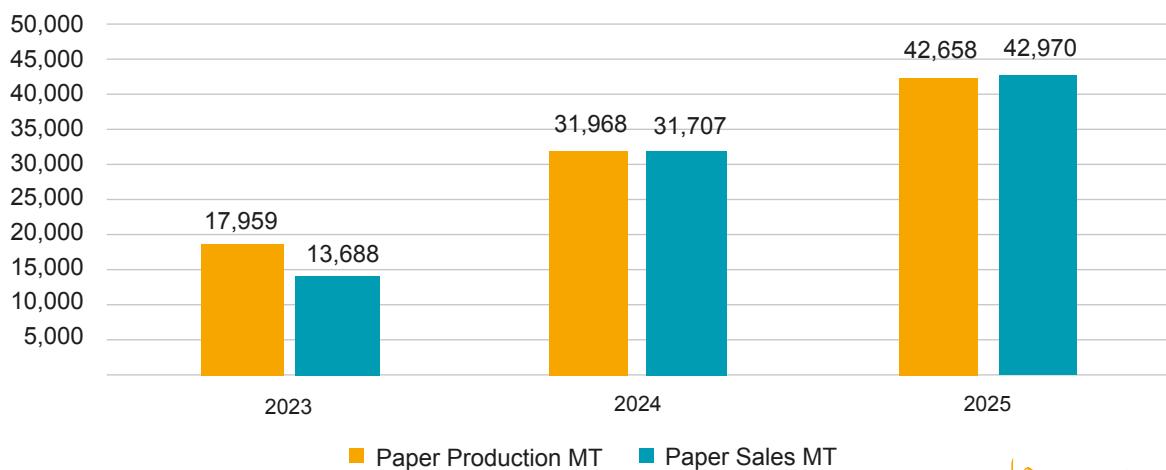
### پیپر ڈویژن

سال کے دوران پیپر ڈویژن کی پیداوار میں نمایاں اضافہ ریکارڈ کیا گیا، جو گزشتہ سال کے مقابلے میں 10,713 میٹر کٹ (33.5%) زیادہ رہی۔ اس اضافے کی بنیادی وجہ 46 اضافی آپریشن دن تھے۔ پلانت نے موڑ انداز میں کام کیا اور تمام اہم آپریشن معاشرات پورے کرنے میں کامیاب رہا۔

منافع پراش انداز ہونے والے عوامل میں پرانے کارگیڈ کارٹن (OCC) کی بڑھتی ہوئی قیمتیں، واجب الادار قوم کی تاخیر سے وصولی، اور زیادہ مالیاتی اخراجات شامل ہیں۔ ایگر و پلینگ پلانت کی جاری تنصیب آئندہ چھ ماہ کے اندر مکمل ہونے کی توقع ہے، جس سے درآمدی خام مال پر انحصار کم ہو جائے گا اور کرنٹی میں اتار چڑھا وہ اورڈر پر مبینی قیمتوں سے وابستہ خطرات میں کمی آئے گی۔ تقابلی پیداواری اور فروخت کے اعداد و شمار ذیل کی جدول میں پیش کیے گئے ہیں، جس کے بعد گرفیکل نمائندگی شامل ہے:

		تفصیل	
		2023-24	2024-25
کام کرنے کے دن		175	221
یومیہ پلانت استعداد (میٹر کٹ)		250	250
آپریشن دنوں میں پیداواری استعداد (میٹر کٹ)		43,750	55,250
اصل کاغذی پیداوار (میٹر کٹ)		31,968	42,658
آپریشن دنوں میں استعداد کا استعمال (%)		73.10	77.20

### Sales & Production of Paper



### اٹھ سڑی کو درپیش چینجبر

• خام مال اشیائے فروخت کی لگت کا 60 فیصد سے زائد حصہ بنتا ہے۔ اس کی قیمتیں بین الاقوامی طلب و رسید کے حالات کے لیے نہایت حساس ہیں، جن میں عالمی کساد بازاری کے اثرات بھی شامل ہیں، جس کے نتیجے میں پیداواری لگت اور منافع کے مارجن میں اتار چڑھا آتا ہے۔

• صنعت کا انحصار بڑی حد تک قلیل مدت تقریباً پر ہوتا ہے تاکہ اسٹاک اور تجارتی وصولیوں کی مالی معاونت کی جاسکے، جس کے باعث آپریشن لکیو یہی اور مالیاتی اخراجات کے حوالے سے حساس رہتے ہیں۔

• پلینگ اور ڈرائیگ جیسے تو انائی کے زیادہ استعمال والے مراحل، نیز صنعتی بکلی کے وہ نرخ جو مسابقتی ممالک کے مقابلے میں زیادہ ہیں، پیداواری لگت میں اضافہ کرتے اور مسابقتی صلاحیت کو کم کرتے ہیں۔

• درآمد شدہ کاغذ اور پیپر یورڈ مصنوعات، جو اکثر کم لگت یا ڈیپنگ کے ذریعے فروخت کی جاتی ہیں۔ بالخصوص ان ممالک سے جہاں پیداواری لگت کم ہے۔ مقامی پیداوار کی بقا کے لیے گین خطرہ ہیں، جس سے مارکیٹ شیئر میں کمی اور قیمتوں پر دباؤ پڑتا ہے۔

### مالیاتی اور آپریشنل کارکردگی

30 ستمبر 2025 کو اختتام پذیر سال کے دوران کمپنی کی مالی اور آپریشنل کارکردگی کے نمایاں نکات درج ذیل ہیں:

## ڈاہریکٹری رپورٹ برائے ممبران

برائے سال مختتمہ 30 ستمبر 2025

بودھ آف ڈاہریکٹری زانپی رپورٹ مع آپ کی کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشوارے برائے سال مختتمہ 30 ستمبر 2025 پیش کرتے ہوئے سرت محسوس کرتا ہے۔

### عمومی جائزہ

میرپور خاص شوگر مول میڈیٹ چینی اور کاغذی مصنوعات کی تیاری اور فروخت کے کاروبار سے وابستہ ہے۔ کمپنی اہم چینی مصنوعات بھی تیار کرتی ہے جن میں بیگاں شامل ہے، جو اندر وین خانہ بھلی پیدا کرنے اور بھاپ کی تیاری کے لیے استعمال ہوتا ہے، اور مولاس، جو امتحنول کی تیاری کے لیے فروخت کیا جاتا ہے۔ ذیل کے حصوں میں دونوں شعبہ جات کے لیے پیداوار، فروخت اور صنعت کو درپیش چیلنجز کا خلاصہ پیش کیا گیا ہے:

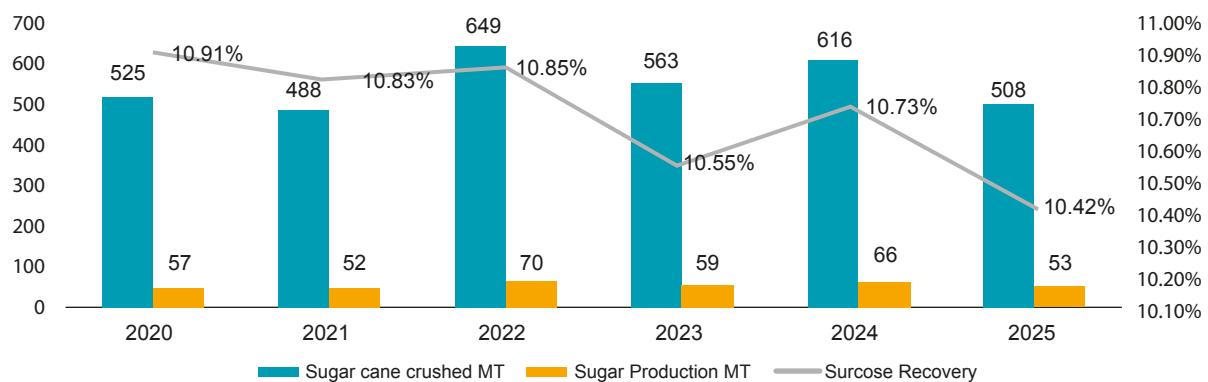
### شوگر ڈویژن

2024-25 کے کرشنگ سیزن کے دوران سندھ میں مجموعی چینی کی پیداوار کم ہو کر 1.618 میٹر کٹن رہ گئی، جبکہ گزشتہ سال یہ 2.022 میٹر کٹن تھی، جو تقریباً 20 فیصد کی کوٹاہ کرتی ہے۔ قومی سطح پر اس سیزن میں چینی کی پیداوار 4.86 میٹر کٹن رہی (24-23: 6.76 میٹر کٹن)۔ شوگر انڈسٹری نے اس سال کے دوران 765,727 میٹر کٹن چینی برآمد کی۔

کرشنگ سیزن کا آغاز 21 نومبر 2024 کو ہوا اور پلانٹ نے 97 دن تک کام کیا، جو گزشتہ سال کے برابر ہے اور پورے سیزن کے دوران موثر انداز میں کام کرتا رہا۔ موجودہ اور گزشتہ سال کے اہم تقابلی پیداواری اعداد و شمار ذیل کی جدول میں پیش کیے گئے ہیں، جس کے بعد چینی کی پیداوار اور فروخت کے رجحانات کی گرفی کل نمائندگی شامل ہے:

2023-24		2024-25		تفصیل
97		97		کام کرنے کے دن
616,103		508,214		کرشنگ کیا گیا (میٹر کٹن)
66,100		52,977		چینی کی پیداوار (میٹر کٹن)
30,110		26,086		گوکی پیداوار (میٹر کٹن)
10.73		10.42		سکروزر کیوری (%)

Crushing, Production ('000 m. Tons) & Recovery (%)



### انڈسٹری کو درپیش چیلنجز

- غیر متوقع موئی حالات، پانی کی کلت اور کاشنکاری میں رکاوٹیں گئے کی دستیابی کو کم کر دیتی ہیں، جس کے نتیجے میں خام مال کی فراہمی کے خدشات میں اضافہ ہو جاتا ہے۔
- چینی کی برآمدات سے متعلق حکومتی ضوابط ملبوں کی عالمی طلب کے مطابق روکی کی صلاحیت کو محدود کرتے ہیں، جبکہ پالیسیوں میں بار بار تبدیلیاں قیتوں کے لئے اور آپریشنل منصوبہ بندی میں غیریقینی صورت حال پیدا کرتی ہیں۔
- ایندھن، کھادوں اور دیگر زرعی اشیاء کی قیتوں میں اضافہ پیداواری لگات کو بڑھادیتا ہے۔ اگرچہ بیگاں کو اندر وین خانہ بھلی کی پیداوار کے لیے استعمال کیا جاتا ہے، تاہم کرشنگ اور مانگ جیسے توانائی کے زیادہ استعمال والے مرافق لگات میں اضافہ چڑھاؤ سے متاثر رہتے ہیں۔



# Proxy Form

61st Annual General Meeting

Mirpurkhas Sugar  
Mills Limited  
A Ghulam Faruque Group Company



I/We \_\_\_\_\_

of \_\_\_\_\_

being a member of MIRPURKHAS SUGAR MILLS LIMITED, hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_ another member the Company as my / our proxy to attend, speak & vote for me / us and on my / our behalf at the 61st Annual General Meeting of the Company to be held on Wednesday, January 21, 2026 at 11:00 a.m. at the Registered Office of the Company at Factory premises, Jamrao, Umerkot Road, Mirpurkhas, Sindh and at any adjournment thereof.

## WITNESSES

1. Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

CNIC or \_\_\_\_\_

Passport No. \_\_\_\_\_

Signature of  
Shareholder

Revenue  
Stamp

2. Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

CNIC or \_\_\_\_\_

Passport No. \_\_\_\_\_

(Signature should agree with the specimen signature registered with the Company)

## IMPORTANT

1. Instruments of Proxy will not be considered as valid unless deposited or received at the Company's Head Office at Modern Motors House, Beaumont Road, Karachi 75530 not later than 48 hours before the time of holding the meeting and must be duly stamped, signed and witnessed.
2. CDC Shareholders, entitled to attend, speak and vote at this meeting, must bring with them their Computerized National Identity Card (CNIC) / Passports in original to prove his/her identity, and in case of Proxy, must enclose an attested copy of his/her CNIC or Passport.
3. In case of corporate entity, the Board of Directors' resolution /power of attorney with specimen signature of the nominee should be attached with the proxy form.

Share Held: \_\_\_\_\_

Folio No.	CDC Account No.	
	Participant I.D.	Account No.

CNIC No.     -     -

میں مسکی / مسماۃ  
صلع سکنہ  
بجیتیت ممبر میرپور خاص شوگر ملز لمیٹڈ، مسکی / مسماۃ  
کوبطور مختار (پرائیسی) مقرر کرتا / کرتی ہوں تاکہ وہ میری جگہ اور  
میری طرف سے کمپنی کے 61 ویں سالانہ اجلاس عام (یا جو بھی صورت حال ہو)، جو مورخہ 21 جنوری 2026 بروز بده صبح  
11:00 بجے بمقام فیکٹری جراوا، عمر کوٹ روڈ، میرپور خاص، سندھ میں منعقد ہوگا، اس میں اور اس کے کسی ملتوی شدہ اجلاس میں شرکت  
کرے، بولے اور ووٹ ڈالے۔

گواہان

1 دستخط

نام

پتہ

CNIC / پاسپورٹ نمبر

2 دستخط

نام

پتہ

CNIC / پاسپورٹ نمبر

اہم نوٹ

۱۔ پرائیسی فارم اس وقت تک قابل قبول نہ ہو گا جب تک کہ یہ سالانہ اجلاس عام کے وقت سے 48 گھنٹے پہلے کمپنی کے ہیڈ آفس میں موصول نہ ہو جائے اور پرائیسی فارم لازمی طور پر ممبر شدہ، دستخط شدہ ہو اور اس پر گواہان کے دستخط و کوائٹ موجود ہوں۔

۲۔ سی ڈی ہی حصہ داران اجلاس نہ ایں شرکت کرنے، بولے اور ووٹ دینے کیلئے اہل ہیں اور اپنی شناخت ثابت کرنے کے لیے اپنے اصلی کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ ساتھ لائیں اور پرائیسی کی صورت میں اپنے کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ کی تصدیق شدہ کاپی ساتھ لگائیں۔

۳۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹریز کی قرارداد / پاور آف اٹارنی بعد نمائندہ کے دستخط پرائیسی فارم کے ساتھ منسلک کرنے ہوں گے۔

مجموعی شیرز

سی ڈی ہی اکاؤنٹ نمبر	رجسٹرڈ فلیو نمبر
اکاؤنٹ نمبر	شراکتی نمبر

CNIC No. [ ] - [ ] - [ ]

# E-Dividend Mandate Form



To:

Date: \_\_\_\_\_

I hereby communicate to receive my future dividends directly in my bank account as detailed below:

Shareholder's Detail	
Name of Company	Mirpurkhas Sugar Mills Limited
Name of shareholder	
Folio No./CDC Participants ID A/c No.	
CNIC No	
Passport No. (in case of foreign shareholder)	
Cell Number & Land Line Number	
Email Address (Mandatory)	

Shareholder's Bank Detail																							
Title of Bank Account (Mandatory)																							
International Bank Account Number (IBAN) - Mandatory (24 Digits)																							
P	K																						
Bank's Name																							
Branch Name and Address																							

It is stated that the above mentioned information is correct and in case of any change therein, I will immediately intimate Participant / Share Registrar accordingly.

Yours sincerely,

\_\_\_\_\_  
Signature of Shareholder  
(Please affix company stamp in case of corporate entity)

Notes:

COMPANY WITHHOLD THE PAYMENT OF DIVIDEND OF A MEMBER WHERE THE MEMBER HAS NOT PROVIDED THE COMPLETE INFORMATION OR DOCUMENTS AS SPECIFIED.

The shareholders who hold shares in Central Depository Company are requested to submit the above- mentioned Dividend Mandate Form, duly filled-in, to the relevant Broker/Participants/Investor Account Services of the Central Depository Company of Pakistan Limited where Member's CDC account is being dealt. The shareholders who hold shares in physical form are requested to submit the above mentioned Dividend Mandate Form, duly filled-in, to the share Registrar of the Company, as mentioned below:

**CDC Share Registrar Services Limited**  
**CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi-74400, Pakistan**  
**Tel: 0800-23275, 111-111-500, Fax: 021-34326053**



GHULAM FARUQUE  
GROUP



**Mirpurkhas Sugar Mills Limited**

**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/](http://www.gfg.com.pk/msm/)

