

Half Yearly Accounts
(Unaudited) March 31,

2026

LIFE BEYOND LIMITS



Mirpurkhas Sugar Mills Limited

A Ghulam Faruque Group Company

Contents

02	Company Information
03	Directors' Review
06	Auditor's Report to the members on Review of Condensed Interim Financial Statement
07	Condensed Interim Statement of Financial Position
08	Condensed Interim Statement of Profit or Loss (Unaudited)
09	Condensed Interim Statement of Comprehensive Income (Unaudited)
10	Condensed Interim Statement of Cash Flows (Unaudited)
11	Condensed Interim Statement of Changes In Equity
12	Notes to the Condensed Interim Financial Statements (Unaudited)

Company Information

Board of Directors

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

Audit Committee

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

Human Resource and Remuneration Committee

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

Director & Chief Operating Officer

Mr. Wasif khalid

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

Bankers (Islamic)

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

Credit Rating

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

Bankers (Conventional)

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

Registered Office / Factory

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

Head Office

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

External Auditors

Kreston Hyder Bhimji & Co.
Chartered Accountants

Cost Auditors

UHY Hassan Naeem & Co.
Chartered Accountants

Legal Advisor

K.M.S. Law Associates

Directors' Review

The Board of Directors presents the un-audited financial results of Mirpurkhas Sugar Mills Limited ("Company") for the Half year ended March 31, 2026.

Overview

During the period, Pakistan's economy largely maintained a gradual stabilization trajectory, supported by fiscal discipline and easing monetary conditions. National CPI inflation averaged approximately 6–7 percent during FY 2026, reflecting the cumulative impact of prudent fiscal management and a relatively stable exchange rate. On the external front, the current account recorded a surplus of USD 1.07 billion in March 2026 driven by remittances and reduced imports, bringing the cumulative position for July–March FY 2026 to a current account surplus of USD 174 million.

However, the onset of the US–Israel–Iran conflict in late February 2026 introduced a significant new source of macroeconomic risk that continues to date. Global oil prices rose sharply through mid-March 2026, exerting upward pressure on domestic energy and fuel costs, as well as the aggregate import bill. Supply chain disruptions arising from the conflict affected international freight and logistics, impacting the availability and cost of imported raw materials across various industries. In response, the government implemented precautionary measures to try and mitigate the impact of these external shocks on the domestic economy.

These pressures prompted a subsequent upward revision in the policy rate to 11.5 percent in April 2026. Given this situation, companies are critically reassessing their cost structures and pricing strategies to sustain operations and preserve margins in this volatile economic environment.

FINANCIAL PERFORMANCE

A comparison of the key financial results of the Company for the six months ended March 31, 2026, is as follows:

	March 2026	March 2025
	(Rupees in million)	
Net Sales Sales	5,286.95	5,630.39
Cost of Sales	(4504.28)	(4,857.03)
Gross Profit	782.67	773.36
Other Income	31.13	35.26
Share of profit in associate	200.32	15.61
Other expenses & taxes	(1,015.65)	(1,078.60)
Net (Loss)	(1.53)	(254.37)

A segment-wise review of the Sugar and Paper & Board divisions is provided below:

Sugar Division

The 2025/26 crushing season commenced on December 5, 2025, with the mill operating for 102 days. The slightly delayed commencement of the season positively contributed to sucrose content and recovery levels. During the period, the Company crushed 556,065 metric tons of sugarcane, compared to 508,214 metric tons in the corresponding period last year, representing a growth of approximately 9.4 percent.

This resulted in sugar production of 63,739.9 metric tons, compared to 52,977 metric tons in the prior period, reflecting a significant improvement of approximately 20.32 percent. Sucrose recovery increased from 10.42 percent in the prior year to 11.46 percent, the highest in the Company's history as well as in Pakistan, reflecting both improved cane quality and the operational benefit of the later commencement of the season. Molasses production during the period stood at 27,710 metric tons, compared to 26,086 metric tons in the prior period.

While average sugarcane prices increased by 5.9 percent during the period, the average selling price of sugar only rose by 4.3 percent. Total sugar dispatches for the six months period were 22,928 metric tons, compared to 24,442 metric tons in the same period last year. The decline in dispatch volumes is primarily attributable to prevailing price dynamics in the domestic market, where selling prices have remained under pressure. In light of these factors, the Sugar Division generated a gross profit of Rs. 558.3 million for the six-month period ended March 31, 2026, compared to Rs. 597.2 million in the prior period, reflecting the impact of prevailing cost and pricing pressures.

The Pakistan Sugar Mills Association has formally requested the government to permit sugar exports, a measure which, if approved, would provide meaningful relief by channeling surplus production to export markets and ease downward pressure on domestic selling prices. Management continues to closely monitor policy developments and remains positioned to respond effectively should exports be permitted. However, the timing and actual export volumes will ultimately depend on the availability of domestic supply, export market pricing and manageable logistics.

Finance costs during the period decreased by 25.06 percent compared to the corresponding period last year, primarily due to the reduction in the policy rate. While the lower interest rate environment resulted in a notable decline in borrowing costs, thereby positively impacting the Company's financial performance, interest rates rose again in April 2026 as mentioned earlier.

Paper and Board Division

During the period, the Paper and Board Division produced 19,826 metric tons of paper, compared to 21,828 metric tons in the corresponding period last year. Sales volumes amounted to 19,758 metric tons, compared to 22,563 metric tons in the same period last year. Despite the decline in volumes, the average selling price registered a marginal increase of 1.4 percent.

The Division continues to face cost-related pressures, most notably in the procurement of imported and local raw materials. Domestically sourced OCC prices continued to rise due to poor collection and higher diesel prices, while imported OCC was subject to supply disruptions and delays arising from geopolitical tensions associated with the US–Israel–Iran conflict. Disruptions to international shipping routes, port congestion, and the sharp rise in global freight rates driven by elevated oil prices collectively extended lead times, thereby exerting additional pressure on production economics.

In addition to input cost challenges, the Division operates in a highly competitive domestic market characterized by the presence of a significant number of unorganized players, which constrains pricing flexibility. Furthermore, recent capacity expansions and new market entrants have intensified competition, while overall demand has largely remained stagnant. Notwithstanding these challenges, the Division reported a gross profit of Rs. 224.4 million, compared to Rs. 176.1 million in the prior period; however, due to overall high debt burden (long term and short term), the Division continues to incur significant financial losses in the current financial year. Although finance costs declined by 6.09 percent during the period due to the reduction in the policy rate, debt servicing requirements continue to exert pressure on cash flows and routine operations.

Furthermore, the agro-pulping plant is currently undergoing trial runs and is expected to become fully operational by the end of May 2026.

The Company continues to monitor its operations in light of prevailing market conditions and business considerations, while maintaining focus on operational stability and efficient resource utilization.

Other Income and Expense

The share of profit from the associate was Rs. 200.32 million, representing the Company's proportionate share in Unicol Limited, which reflects improved performance in its sugar operations, partially offset by subdued international ethanol prices, which continued to weigh on earnings from the ethanol segment. During the period, the Company recorded Rs. 21.09 million in respect of super tax obligations pertaining to previous financial years.

FUTURE OUTLOOK

Following the conclusion of the 2025–26 crushing season, domestic sugar prices have declined below production cost levels, primarily due to an estimated surplus of approximately 1.0 million metric tons, including quantities imported by the Government. The accumulation of unsold inventory continues to result in additional financing costs, storage-related losses and quality risks. In the absence of sufficient export avenues, the domestic market is unlikely to absorb this surplus at sustainable price levels.

In this context, a consistent and well-managed export framework that supports the gradual reduction of excess stocks and contributes to improved price stability in the domestic market is required. However, export activity in the near term may also remain constrained due to logistical limitations, including elevated container traffic at seaports owing to prevailing war situation and capacity constraints affecting bulk sugar shipments.

Under the US\$7 billion International Monetary Fund Extended Fund Facility, Pakistan has committed to deregulate the sugar sector by June 2026. The proposed reforms include the removal of price controls, zoning restrictions, mill licensing limitations, and export constraints. While these measures are expected to enhance market efficiency over the longer term, they may also expose industry participants to increased price volatility and competitive pressures. However, actual progress on deregulation remains minimal, as the required provincial legislative measures are yet to be finalized.

In the paper and board segment, the near-term trajectory will be shaped by the cost and availability of OCC and increased fuel prices, both domestically and through imports, alongside the pace of normalization in global freight and supply chain conditions. While it is hoped the US–Israel–Iran conflict will end rather sooner than later, leading to an improvement of broader economic activity including the demand for packaging products, the Company's near-term approach remains guided by prevailing market dynamics and overall business considerations, including a focus on maintaining operational stability and prudent resource management while aligning its operations with its broader business priorities.

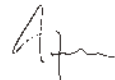
ACKNOWLEDGMENT

The Board extends its deepest gratitude to our shareholders and stakeholders for their unwavering trust and partnership.

On behalf of the Board of Director



Arif Faruque
Chairman



Aslam Faruque
Chief Executive

Karachi: May 22, 2026

Auditor’s Report to The Members on Review of Condensed Interim Financial Statements

Introduction:

We have reviewed the accompanying condensed interim statement of financial position of **MIRPURKHAS SUGAR MILLS LIMITED** (“the Company”) as of March 31, 2026, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the “condensed interim financial statements”). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope Of Review:

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter:

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months ended March 31, 2026 have not been reviewed by us.

The engagement partner of the review resulting in this independent auditor’s report is Mohammad Hanif Razzak.



CHARTERED ACCOUNTANTS

Karachi: May 22, 2026

UDIN: RR2026102226BuPzg9FQ

Condensed Interim Statement of Financial Position

As at March 31, 2026

	Note	March 31, 2026 (Unaudited)	September 30, 2025 (Audited)
(Rupees '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	7,093,505	6,831,910
Long-term investments	5	1,438,058	1,512,846
Long-term deposits		25,162	25,425
Deferred tax asset-net		138,331	89,292
		8,695,056	8,459,473
CURRENT ASSETS			
Stores, spare parts and loose tools		1,220,368	720,385
Stock-in-trade		5,642,119	1,611,649
Trade debts		1,834,505	1,595,100
Loans and advances		212,597	132,703
Trade deposits and short-term prepayments		10,047	4,681
Other receivables		157,135	157,135
Short-term investments	6	878,744	1,053,462
Tax refunds due from the Government		155,065	231,312
Cash and bank balances		117,080	36,862
		10,227,660	5,543,289
TOTAL ASSETS		18,922,716	14,002,762
EQUITY AND LIABILITIES			
EQUITY			
Share capital	7	665,579	665,579
Reserves		1,073,399	1,477,740
Surplus on revaluation of property, plant & equipment		661,496	661,496
		2,400,474	2,804,815
NON-CURRENT LIABILITIES			
Long-term financing	8	4,200,497	3,998,239
Long-term lease liabilities		2,588	10,512
Deferred liabilities		688,500	675,483
Government grant		97,284	130,393
		4,988,869	4,814,627
CURRENT LIABILITIES			
Trade and other payables		2,161,143	922,144
Accrued mark-up		302,237	263,476
Short-term borrowings	9	8,579,179	4,692,655
Current portion of long-term financing	8	417,661	429,744
Current portion of long-term lease liabilities		15,058	13,161
Current portion of government grant		50,438	54,430
Unclaimed dividend		7,657	7,710
		11,533,373	6,383,320
CONTINGENCIES AND COMMITMENTS	10	-	-
TOTAL EQUITY AND LIABILITIES		18,922,716	14,002,762

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


Aslam Faruque
 Chief Executive


Abdul Shakoor Shaikh
 Director


Abdul Muqees
 Chief Financial Officer

Condensed Interim Statement of Profit or Loss (Unaudited)

For The Half Year Ended March 31, 2026

Note	Half year ended		Quarter ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
	(Rupees in '000)			
Turnover - net	5,286,954	5,630,389	3,015,690	2,436,969
Cost of sales	(4,504,285)	(4,857,032)	(2,435,580)	(2,109,991)
Gross profit	782,669	773,357	580,110	326,978
Distribution cost	(208,586)	(224,580)	(105,207)	(113,020)
Administrative expenses	(179,412)	(161,128)	(88,794)	(75,646)
Other operating expenses	(1,859)	(1,749)	(1,328)	(1,392)
	(389,857)	(387,457)	(195,329)	(190,058)
Other income	31,133	35,261	10,931	13,248
Operating profit	423,945	421,161	395,712	150,168
Finance cost	(530,552)	(609,297)	(293,283)	(319,017)
	(106,607)	(188,136)	102,429	(168,849)
Share of profit from associates - net	200,322	15,605	133,184	12,119
Profit / (loss) before levies & taxation	93,715	(172,531)	235,613	(156,730)
Levies	(76,424)	(81,844)	(45,021)	(37,921)
Profit / (loss) before taxation	17,291	(254,375)	190,592	(194,651)
Taxation	(18,817)	-	(18,817)	-
(Loss) / Profit after taxation	(1,526)	(254,375)	171,775	(194,651)
(Loss) / Earning per share-basic & diluted (Rupees) 12	(0.02)	(3.82)	2.58	(2.92)

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


Aslam Faruque
 Chief Executive


Abdul Shakoor Shaikh
 Director


Abdul Muqees
 Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Unaudited)

For The Half Year Ended March 31, 2026

	Half year ended		Quarter ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
	(Rupees in '000)			
(Loss) / Profit after taxation	(1,526)	(254,375)	171,775	(194,651)
Other Comprehensive (Loss) / Income				
Items that will not be subsequently reclassified to statement of profit or loss:				
Unrealised (loss) / gain on remeasurement of equity investment at fair value through other comprehensive income - net	(402,815)	203,521	(285,870)	(142,989)
Total Comprehensive Loss	<u>(404,341)</u>	<u>(50,854)</u>	<u>(114,095)</u>	<u>(337,640)</u>

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



Aslam Faruque
Chief Executive



Abdul Shakoor Shaikh
Director



Abdul Muqheet
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Unaudited)

For The Half Year Ended March 31, 2026

CASH FLOWS FROM OPERATING ACTIVITIES

Profit /(loss) before levies & taxation

Adjustments for :

Depreciation	171,193	181,480
Depreciation on right-of-use asset	5,606	6,206
Provision for market committee fee	2,831	5,082
Accrued profit term deposit	248	(2,806)
Dividend income from related parties	(21,873)	(26,079)
Share of profit in associates	(200,322)	(15,605)
Gain on disposal of property, plant and equipment	(2,133)	(1,562)
Provision of deferred liabilities-net	10,186	8,754
Finance cost on lease liabilities	1,775	2,775
Finance cost	528,777	606,522
	496,288	764,767
	590,003	592,236

March 31,
2026

March 31,
2025

(Rupees '000)

93,715 (172,531)

Working capital changes

Increase in current assets:

Stores, spare parts and loose tools	(499,982)	(9,073)
Stock-in-trade	(4,030,470)	(2,978,897)
Trade debts	(239,405)	(86,694)
Loans and advances	(79,894)	15,487
Trade deposits and Short-term prepayments	(5,366)	(15,942)
Other receivables	-	199,056
	(4,855,117)	(2,876,063)

Increase in current liabilities:

Trade and other payables

1,238,999 205,674

Net cash used in operations

(3,026,116) (2,078,153)

Long-term loans and deposits-net
Income tax paid

263 645
(21,269) (82,917)

(21,006) (82,272)

Net cash used in operating activities

(3,047,122) (2,160,425)

CASH FLOWS FROM INVESTING ACTIVITIES

Additions to property, plant and equipment	(438,835)	(294,947)
Sale proceeds of property, plant and equipment	2,574	2,328
Investment in Term deposit receipt	-	(10,000)
Profit realised on term deposits	-	2,456
Dividend received from related parties	21,873	26,079
	(414,388)	(274,084)

Net cash used in investing activities

(414,388) (274,084)

CASH FLOWS FROM FINANCING ACTIVITIES

Finance cost paid	(490,016)	(684,240)
Short-term borrowings-net	3,886,524	3,385,141
Long-term financing-net	153,074	(225,811)
Payment of lease liability-net	(7,802)	(8,856)
Payment of dividend	(53)	-
	3,541,727	2,466,234

Net cash generated from financing activities

3,541,727 2,466,234

Net increase in cash and cash equivalents

80,218 31,725

Cash and cash equivalents at the beginning of the period

36,862 55,069

Cash and cash equivalents at the end of the period

117,080 86,794

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


Aslam Faruque
Chief Executive


Abdul Shakoor Shaikh
Director

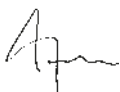

Abdul Muqees
Chief Financial Officer

Condensed Interim Statement of Changes In Equity

For The Half Year Ended March 31, 2026

Description	Issued, subscribed and paid-up capital	Reserves					Total 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			
(Rupees '000)									
Balance as at October 01, 2024 (Audited)	665,579	34,250	170,638	289,523	26,328	649,419	1,170,158	661,496	2,497,233
Loss after taxation	-	-	(254,375)	-	-	-	(254,375)	-	(254,375)
Other comprehensive income	-	-	-	-	-	203,521	203,521	-	203,521
Total comprehensive income	-	-	(254,375)	-	-	203,521	(50,854)	-	(50,854)
Balance as at March 31, 2025 (Un-audited)	<u>665,579</u>	<u>34,250</u>	<u>(83,737)</u>	<u>289,523</u>	<u>26,328</u>	<u>852,940</u>	<u>1,119,304</u>	<u>661,496</u>	<u>2,446,379</u>
Balance as at October 01, 2025 (Audited)	665,579	34,250	(65,651)	289,523	173,107	1,046,511	1,477,740	661,496	2,804,815
Loss after taxation	-	-	(1,526)	-	-	-	(1,526)	-	(1,526)
Other comprehensive loss	-	-	-	-	-	(402,815)	(402,815)	-	(402,815)
Total comprehensive loss	-	-	(1,526)	-	-	(402,815)	(404,341)	-	(404,341)
Balance as at March 31, 2025 (Un-audited)	<u>665,579</u>	<u>34,250</u>	<u>(67,177)</u>	<u>289,523</u>	<u>173,107</u>	<u>643,696</u>	<u>1,073,399</u>	<u>661,496</u>	<u>2,400,474</u>

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



Aslam Faruque
Chief Executive



Abdul Shakoor Shaikh
Director



Abdul Muqeez
Chief Financial Officer

Notes to the Condensed Interim Financial Statements (Unaudited)

For The Half Year Ended March 31, 2026

1. CORPORATE INFORMATION

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

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

Business Unit	Address
Head Office	Modern Motors House, Beaumont Road, Karachi.
Registered Office / Factory 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)
Land (Immovable assets)	Deh 245, Tapo Butto Kot. Taluqa Shujaabad, Deh 109, Gulberg Town, Mirpurkhas. (Land measuring 1.49 and 0.06 acres respectively).

2. BASIS OF PREPARATION

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

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

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

2.2 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 30th September 2025.

2.3 Accounting standards, interpretations and amendments to published approved accounting and reporting standards

2.3.1 New standards, amendments and interpretation to published approved accounting and reporting standards which are effective during the half year ended Mar 31, 2026

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period beginning on October 1, 2025; however, these do not have any significant impact on these condensed interim financial statements.

2.3.2 Standards, Interpretations and Amendments not yet effective

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period beginning on or after October 1, 2026 and are not likely to have an material impact on the condensed interim financial statements.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended September 30, 2025.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	March 31, 2026 (Unaudited)	September 30, 2025 (Audited)
(Rupees '000)			
Opening book value		6,389,279	6,526,839
Additions / transfers during the period / year	4.1	85,758	229,046
		6,475,037	6,755,885
Disposals during the period / year at book value	4.1	(441)	(3,752)
Depreciation charged during the period / year		(171,193)	(362,854)
		6,303,403	6,389,279
Opening: Capital work in progress		423,613	95,274
Addition to capital work in progress / advance made during the period / year		377,119	401,721
Transferred to property plant & equipment during the period / year		(24,042)	(73,382)
Closing: Capital work in progress	4.2	776,690	423,613
Right-of-use asset - net	4.3	13,412	19,018
		<u>7,093,505</u>	<u>6,831,910</u>

4.1 Additions & disposals in property, plant and equipment

	Additions at cost		Disposals at book value	
	March 31, 2026 (Unaudited)	September 30, 2025 (Audited)	March 31, 2026 (Unaudited)	September 30, 2025 (Audited)
	(Rupees '000)			
Free hold land	-	51,705	-	-
Building on free hold land - factory	5,881	-	-	-
Building on free hold land – Non factory	-	1,639	-	-
Plant and machinery	76,875	162,010	-	(2,712)
Vehicles	1,720	8,149	(436)	(1,040)
Office and other equipment	593	3,815	-	-
Computers & accessories	689	1,729	(5)	-
	<u>85,758</u>	<u>229,046</u>	<u>(441)</u>	<u>(3,752)</u>

4.2 Capital work in progress:

	Note	March 31, 2026 (Unaudited)	September 30, 2025 (Audited)
		(Rupees '000)	
Plant and machinery	4.2.1	648,827	313,348
Civil Works		127,863	110,265
		<u>776,690</u>	<u>423,613</u>

4.2.1 As of half year ended March 31, 2026, plant and machinery includes mark-up on financing utilized amounting to Rs 47.37 million (September 30, 2025: Rs 15.07 million).

4.3 Right-of-use asset

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

5. LONG TERM INVESTMENTS

	Note	March 31, 2026 (Unaudited)	September 30, 2025 (Audited)
		(Rupees '000)	
In Associate - Equity investment			
Unicol Limited		1,434,286	1,234,022
UniEnergy Limited		3,772	3,714
		<u>1,438,058</u>	<u>1,237,736</u>
In Related Parties			
At fair value through other comprehensive income			
Cherat Packaging Limited			
2,437,615 fully paid ordinary shares of Rs.10/- each (September, 2025)	5.1	-	275,110
		<u>1,438,058</u>	<u>1,512,846</u>

5.1 This investment has been reclassified to short term investments as disclosed in the notice to stock exchange and subsequent approval in the Annual General Meeting.

6. SHORT TERM INVESTMENT

In Term deposit one year

Conventional Bank
Shariah Compliant

March 31, 2026 (Unaudited)	September 30, 2025 (Audited)
(Rupees '000)	
50,515	50,449
8,511	8,824
<u>59,026</u>	<u>59,273</u>

In Related Parties

At fair value through other comprehensive
income

Cherat Cement Company Limited

2,697,277 (2025: 2,697,277) fully paid ordinary
shares of Rs.10/- each

Cherat Packaging Limited

2,437,615 fully paid ordinary shares of
Rs.10/- each

657,812	994,189
161,906	-
<u>819,718</u>	<u>994,189</u>
<u>878,744</u>	<u>1,053,462</u>

7. SHARE CAPITAL

7.1 Authorized capital

March 31, 2026 (Unaudited)	September 30, 2025 (Audited)
Number of shares	
<u>150,000,000</u>	<u>150,000,000</u>

Ordinary shares of Rs.10/- each

March 31, 2026 (Unaudited)	September 30, 2025 (Audited)
(Rupees '000)	
<u>1,500,000</u>	<u>1,500,000</u>

7.2 Issued subscribed and paid-up capital

March 31, 2026 (Unaudited)	September 30, 2025 (Audited)
Number of shares	

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 allotted
for consideration paid in cash

200,000

200,000

66,557,891

66,557,891

665,579

665,579

8. LONG TERM FINANCING - secured

Conventional banks
Islamic banks

534,286	627,394
4,083,872	3,800,589
<u>4,618,158</u>	<u>4,427,983</u>
<u>(417,661)</u>	<u>(429,744)</u>
<u>4,200,497</u>	<u>3,998,239</u>

Less: Current maturities

9. SHORT-TERM BORROWINGS	March 31, 2026 (Unaudited)	September 30, 2025 (Audited)
	(Rupees '000)	
Conventional Banks	2,137,672	1,988,205
Islamic Banks	6,441,507	2,704,450
	<u>8,579,179</u>	<u>4,692,655</u>

10. CONTINGENCIES AND COMMITMENTS

Commitments against LCs

Other Commitments	313,964	351,877
Letter of guarantee issued by commercial bank for Excise & Taxation office	<u>70,000</u>	<u>50,000</u>
Commitments for lease rentals under ijarah contracts	<u>17,122</u>	<u>20,050</u>

- 10.1** In August 2021, the Competition Commission of Pakistan (CCP) imposed a Rs. 236 million penalty on the Company for alleged collusive activities. The Company and PSMA appealed and obtained a stay from the Sindh High Court. On 21 May 2025, the Competition Appellate Tribunal (CAT) remanded the matter to the CCP, which was challenged before the Supreme Court of Pakistan. On 18 September 2025, the Supreme Court set aside the CAT order, and on 24 February 2026, dismissed CCP's review petition, thereby upholding its earlier judgment and nullifying the penalty.
- 10.2** The Company challenged the Infrastructure Cess before the Honorable High Court of Sindh, which upheld the levy as a valid provincial law. Appeals were subsequently filed before the Honorable Supreme Court of Pakistan, which granted interim relief on 01 September 2021. Further, through Civil Appeal No. 3159 of 2022, the Company obtained an interim order dated 28 September 2022 suspending the High Court's judgment pending final decision. Pursuant thereto, the Company furnished a bank guarantee of Rs. 70 million and recognized a provision of Rs. 67.76 million up to the reporting date.
- 10.2.1** During the period, a settlement mechanism has been finalized with the Government of Sindh, allowing settlement of outstanding liabilities through installments up to the year 2040 at reduced rates. This arrangement has been enacted through legislative amendments and is currently under consideration of the Honorable Federal Constitutional Court of Pakistan. The Company also opted to be part of the settlement; withdrawal application has been filed before the Honorable Federal Constitutional Court of Pakistan.
- 10.3** The Company received demand notices dated 22 May 2000 amounting to Rs. 3.833 million for market committee fee relating to 1998–99 and 1999–2000, followed by a further demand of Rs. 1.916 million for 2000–2001. The Company challenged the demands before the Honorable High Court of Sindh, and the matter was subsequently transferred to the Honorable District Court, Sanghar, Sindh. Following an out-of-court settlement with Market Committee Mirpurkhas and others, the Company filed withdrawal statements on 20 April 2026 in F.C. Suit No. 08/2026 and F.C. Suit No. 09/2026 before the Court of Senior Civil Judge-I, Sanghar, which were accepted and the suits were dismissed as withdrawn.

10.4 The Company filed Constitutional Petition No. 3475 of 2020 before the Honorable High Court of Sindh challenging the Show Cause Notice dated 01 June 2020 issued by the Sindh Revenue Board (SRB) in respect of alleged non-withholding of Sindh Sales Tax amounting to Rs. 12.64 million on services obtained from foreign consultants. Upon hearing on 17 January 2025, the Honorable High Court dismissed the petition, against which the Company has filed an appeal before the Honorable Supreme Court of Pakistan. Subsequently, the SRB passed an adverse order against the Company for recovery of principal amount of Rs. 12,645,100 along with penalty of Rs. 632,255 and default surcharge to be determined at the time of payment. Being aggrieved, the Company filed an appeal before the Commissioner (Appeals), SRB in March 2026.

11. SEASONAL PRODUCTION - SUGAR

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

12. (LOSS) / EARNING PER SHARE- Basic & Diluted

	Half year ended		Quarter ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Loss after taxation (Rupees in '000)	<u>(1,526)</u>	<u>(254,375)</u>	<u>171,775</u>	<u>(194,651)</u>
Weighted average no. of ordinary shares in issue during the year (Number of Shares)	<u>66,557,891</u>	<u>66,557,891</u>	<u>66,557,891</u>	<u>66,557,891</u>
(Loss) / Earning per share - basic (Rupees)	<u>(0.02)</u>	<u>(3.82)</u>	<u>2.58</u>	<u>(2.92)</u>

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

13. 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

13.1 Segment analysis and reconciliation:

	Sugar division		Paper division		Total	
	Half year ended March 31,		Half year ended March 31,		Half year ended March 31,	
	2026	2025	2026	2025	2026	2025
	Rs in '000					
Turnover- net	3,099,329	3,167,198	2,187,625	2,463,191	5,286,954	5,630,389
Cost of sales	(2,489,927)	(2,517,986)	(1,847,028)	(2,162,457)	(4,336,955)	(4,680,443)
Distribution cost	(42,151)	(81,258)	(165,625)	(142,911)	(207,776)	(224,169)
Depreciation	(60,150)	(62,517)	(116,649)	(125,169)	(176,799)	(187,686)
Profit / (loss) before tax and unallocated expenses	507,101	505,437	58,323	32,654	565,424	538,091

Unallocated income and expenses:

Administrative expenses		(170,753)	(150,442)
Other operating expenses		(1,859)	(1,749)
Other income		31,133	35,261
Finance cost		(530,552)	(609,297)
Share of profit in associates - net		200,322	15,605
Loss before taxation and levy		93,715	(172,531)
Levy		(76,424)	(81,844)
Loss before taxation		17,291	(254,375)
*Taxation		(18,817)	-
Loss after taxation		(1,526)	(254,375)

	Sugar division		Paper division		Total	
	Quarter ended March 31,		Quarter ended March 31,		Quarter ended March 31,	
	2026	2025	2026	2025	2026	2025
	Rs in '000					
Turnover- net	1,735,397	1,308,161	1,280,293	1,128,808	3,015,690	2,436,969
Cost of sales	(1,276,361)	(1,028,654)	(1,075,077)	(992,668)	(2,351,438)	(2,021,322)
Distribution cost	(18,217)	(68,299)	(86,584)	(44,458)	(104,801)	(112,757)
Depreciation	(30,494)	(31,673)	(58,375)	(62,589)	(88,869)	(94,262)
Profit / (loss) before tax and unallocated expenses	410,325	179,535	60,257	29,093	470,582	208,628

Unallocated income and expenses:

Administrative expenses		(84,473)	(70,316)
Other operating expenses		(1,328)	(1,392)
Other income		10,931	13,248
Finance cost		(293,283)	(319,017)
Share of profit in associates - net		133,184	12,119
Profit / (loss) before taxation and levy		235,613	(156,730)
Levy		(45,021)	(37,921)
Profit / (loss) before taxation		190,592	(194,651)
*Taxation		(18,817)	-
Profit / (loss) after taxation		171,775	(194,651)

* This amount pertains to Supertax tax year (2022 & 2024) and deferred tax.

13.2 Segment asset and liabilities:

	Sugar division		Paper division		Total	
	March 31, 2026	September 30, 2025	March, 31 2026	September 30, 2025	March 31, 2026	September 30, 2025
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	Rs in '000					
Segment assets- allocated	11,388,932	6,846,942	6,961,908	6,722,978	18,350,840	13,569,920
Segment assets- unallocated					571,877	432,840
Total assets					<u>18,922,717</u>	<u>14,002,760</u>
Segment liabilities- allocated	1,590,841	1,065,861	3,910,768	3,675,178	5,501,607	4,741,039
Segment liabilities- unallocated					11,020,635	6,456,908
Total liabilities					<u>16,522,242</u>	<u>11,197,947</u>

14. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2025. There have been no changes in any risk management policies since the year end.

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

15. TRANSACTIONS WITH RELATED PARTIES

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

Relationship	Nature of Transaction	March 31, 2026	March 31, 2025
		(Rupees in' 000)	
Group companies / (Common directorship)	Goods purchased	60,770	48,556
	Services received	17,073	19,156
	Dividend received	21,873	26,079
	Sales made	-	878
Associated Company	Sales made	700,513	735,500
Other related parties	Charge for staff provident fund	11,012	10,005
Key management personnel	Remuneration	92,290	79,864

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

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

Name	Basis of association	Aggregate % of
Shareholding		
Faruque (Pvt) Ltd.	Common directorship	-
Cherat Cement Company Ltd.	Common directorship / Share holding	1.38
Greaves Pakistan (Pvt) Ltd.	Common directorship	-
Cherat Packaging Ltd.	Common directorship / Share holding	4.97
Greaves Engineering Services (Pvt) Ltd.	Common directorship	-
Greaves Airconditioning (Pvt) Ltd.	Common directorship	-
Unicol Ltd.	Associated Company / Share holding	33.33
UniEnergy Ltd.	Associated Company / Share holding	7.69
Zensoft (Pvt) Ltd.	Group Company	-
Mirpurkhas Sugar Mills Limited- Employee Provident Fund	Retirement Benefit fund	-
Mirpurkhas Sugar Mills Limited Paper & Board division- Staff Provident Fund	Retirement Benefit fund	-
Mirpurkhas Sugar Mills Limited- Employee Gratuity Fund	Retirement Benefit fund	-

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

March 31, 2026 (Unaudited)	September 30, 2025 (Audited)
(Rupees '000)	

Associated Company

Loans advances	2,443	-
Trade and other payables	137,647	-

16. SHARIAH DISCLOSURE UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE COMPANIES ACT, 2017:

March 31, 2026 (Unaudited)	September 30, 2025 (Audited)
(Rupees '000)	

16.1 Disclosure Required in relations to the Statement of Financial Position-Liability Side:

Long term financing as per Islamic mode	4,083,872	3,800,589
Short term borrowings as per Islamic mode	6,441,507	2,704,450
Mark up accrued on conventional loan	101,190	119,417

16.2. Disclosure in relations to the Statement of Financial Position-Asset Side:

Long term investments - Shariah compliant	1,438,058	1,512,846
Short term investments - Shariah compliant	819,718	994,189
Shariah compliant bank balances & TDR	98,076	17,001

16.3. Disclosure in relations to the Statement of Comprehensive Income:

	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)
	(Rupees '000)	
Revenue earned from a Shariah-compliant business segment;	5,286,954	5,630,389
Breakup of late payments or liquidated damages;	N/A	N/A
Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates;	222,195	41,684
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs;	2,357	2,967
Exchange (loss) / gain earned from actual currency;	(92)	1,077
Exchange gain earned using conventional derivative financial instruments;	N/A	N/A
Profit paid on Islamic mode of financing;	298,240	275,596
Total Interest earned on any conventional loan or advance;	N/A	N/A

16.3.1 Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income in to Shariah-compliant and non compliant income;

	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)
	(Rupees '000)	
Shariah Compliant		
Scrap sales	3,719	1,799
Dividend from related parties	21,873	26,079
Exchange (loss) / gain	(92)	1,077
Gain on disposal of operating property, plant and Equipment	2,133	1,562
Non Shariah Compliant		
Amortization of government grant	37,101	61,799
Profit on PLS and deposit accounts	640	1,713

16.4. Disclosure in Relation with Shariah compliant institutions

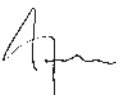
Name	Relationship
Askari Bank Ltd	SALAM
Bank Alfalah Ltd	Running Musharakah
Dubai Islamic Bank Ltd	Wakala
Meezan Bank Ltd	Istisna / Salam
MCB islamic Bank Ltd	Running Musharakah
Faysal Bank Ltd	Istisna / Diminishing Musharakah
UBL Bank Ltd	Ameen Musharakah Running finance/ Diminishing Musharakah
Bank Islami (Pakistan) Ltd	Istisna
EFU General Insurance Window Takaful Operations	Fire & Engineering Insurance

17. DATE OF AUTHORIZATION

These condensed interim financial statements have been authorized for issue on May 22, 2026 by the Board of Directors of the Company.

18. GENERAL

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



Aslam Faruque
Chief Executive



Abdul Shakoor Shaikh
Director



Abdul Muqet
Chief Financial Officer



GHULAM FARUQUE
GROUP



Mirpurkhas Sugar Mills Limited

Registered Office / Factory

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

Head Office

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

