



Quarterly Report  
June **2022**

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# DIRECTORS' REPORT

On behalf of the Board, I am pleased to present financial results for the period ended June 30, 2022.

Operational Highlights	June 2022	June 2021
Crushing – M. Tons	<b>856,944</b>	682,253
Sucrose Recovery	<b>11.16%</b>	10.72%
Sugar Production – M. Tons	<b>95,642</b>	73,092
Molasses production – M. Tons	<b>39,811</b>	31,880
Molasses Recovery	<b>4.65%</b>	4.67%

Financial Highlights	June 2022	June 2021
(Rupees in Thousand except EPS)		
Turnover	<b>4,786,589</b>	5,552,942
Sales tax	<b>592,017</b>	704,723
Gross Profit	<b>866,353</b>	642,543
Gross Profit margin	<b>20.65%</b>	13.25%
Profit before tax	<b>344,828</b>	393,340
Profit before tax margin	<b>8.22%</b>	8.11%
Net Profit after tax	<b>259,422</b>	263,154
Net Profit margin	<b>6.18%</b>	5.43%
Earnings per share	<b>4.28</b>	4.35

Following factors contributed to our operational and financial results:

- Due to relatively larger crop, prudent cane procurement and increased supply from within gate areas, sucrose recovery improved to 11.16% from 10.72% of previous year. This enabled for relatively better and consistent crushing.
- Gross profit margin increased due to lower cane procurement cost and better sucrose recovery. Good volume of molasses and Bagasse sales also allowed for this contribution.
- The reduction in Bagasse consumption as compared to last year because of further investments made in steam efficiency and electrical savings. The company intends to invest more in efficiency to attain further savings, which is now an important feedstock for other industries/sectors.
- Unicol's share of profit continue to remain impressive and amounted to Rs.388.97 million during this period.
- Dividend income from equity investments amounted to Rs. 85.10 million which is 47% more than compared to corresponding period of last year. This was larger due to the defensive nature of investments, which were switched to higher yielding investments. However, a large loss of Rs. 198.103 Million was booked on account of loss on disposal and lower valuations of investments due to the prevailing economic condition.

- Finance costs also increased substantially due to a higher of short-term borrowings as our quantity of sugarcane crushed increased and on account of increase borrowing rate. Almost 100 percent increase in the cost of borrowing from last year also played a major impact.

## **SEASON 2021-2022**

Season 2021-2022 proved to be a larger crop compared to the previous 3 years. However, increase in the minimum support price by 24 percentage from the previous year to Rs.250 per 40 kgs plus QP by GoS became an anomaly since the price of sugar cane in Punjab was notified at Rs. 225 per 40 kgs. Such a large price difference of 10 percentage in different parts of the country created difficulty for mills in Sind, as they were rendered uncompetitive in the market.

Despite the higher crop expectations sugarcane harvesting remained slow in the initial period as growers expected higher prices. This prompted an unusual and abnormal increase in sugarcane price up to 30 percentage higher than the support price announced by the government.

This initial increase in pricing subsided as the season progressed. An improved supply brought stabilization in sugarcane price. However, due to the higher notified price and initial market buying the overall cost of cane in Sind remained substantially higher than Punjab.

Prompt payments to growers have now become a norm in the industry and thus created large requirement of liquidity. With increased mark up rates, our finance cost has also increased substantially and thus the overall cost of sugar production. The finance cost due to short-term working capital requirements has now become a major cost component alongside sugarcane and salaries.

In season 2021-2022, the final sugar production of 7.9 million tons was 38 percentage higher than the previous year. This production has been recorded as the highest ever in the history of sugar production in Pakistan whereas national sugar consumption is expected at approximately 6.5 million tons.

The highest ever production has created a surplus of approx. 1.5 million tons. Sadly, export permission is not being given due to the political uncertainty in the country. The exports of sugar can not only brings in valuable foreign exchange of approximately USD 1.0 Billion but also more importantly stabilise sugar prices, which are important to allow an equilibrium pricing between sugarcane and sugar prices for this year.

Rebalancing the requirement of sugar and thus stabilising the market is also imperative considering that the season 2023 initial survey points to a slightly larger crop size, which would again mean a surplus. In such a season ensuring sustainable sugarcane, prices to the farmer are critical so that overall sugar production numbers do not reduce in Pakistan.

## **UNICOL LIMITED**

The Company's performance continued to remain commendable during the period. Bullish trend and gas shortages in Europe coupled with political turmoil in Ukraine created fresh demand for ethanol and improved selling price. Plant performance remained satisfactory.

The increased availability of molasses due to larger sugarcane crop at competitive prices during the season also proved beneficial. This phenomenon enabled the company to secure its sales commitments for the entire year.

Profit before tax for Unicol was Rs.1,294 million as compared to Rs.501 million in the same period last year. The profitability for the remaining period of the year is expected to further improve substantially because of higher ethanol pricing and better currency valuations.

Unicol continues to pay a quarterly dividend, which augurs well for our cash flows.

Following are the key data related to Unicol Ltd:

Financial Highlights	Units	June 2022	June 2021
Sales	Rs. in '000	<b>7,060,637</b>	5,700,709
Gross profit	Rs. in '000	<b>1,810,499</b>	931,129
Gross profit %	%	<b>25.64%</b>	16.33%
Profit before tax	Rs. in '000	<b>1,294,135</b>	501,614
Profit after tax	Rs. in '000	<b>1,164,592</b>	444,097
Net profit %	%	<b>16.49%</b>	7.79%
Earnings per share	Rs.	<b>7.76</b>	2.96

## UNI-FOOD INDUSTRIES LIMITED

The business has been finally disposed-off after shareholders approval in the extra ordinary general meeting held on June 29, 2022. The Share Sale Agreement has been executed and it is expected that sale consideration shall be received in 4th quarter after completion of legal formalities. Losses suffered by the company have already been accounted for in our books and no further charge is expected to book on account of disposal.

## FUTURE OUTLOOK

Pro Grower policies during last few years have brought better returns on the crop. As a result, continuous improvement is visible in plantation of sugarcane. This trend is encouraging and needs to be appreciated. However, the major focus of the industry has to be towards improving farm productivity and yields as availability of additional land for farming is limited. An improved farm yield will allow larger volume of sugarcane. This would improve farmer economics and allow mills to attain better capacity utilization in years to come. In line with this approach, Mehran has also planned investment in sugarcane development from this year. Various measures are taken to assist growers for attaining this objective.

While cane development is of utmost importance to the industry. We also feel that the government intervention has to reduce. However, due to lack of focus on the matter, we are yet to see any development on the Policy framework from Governments regarding sugarcane and sugar pricing. This matter is being discussed for long time without any result and is proving a hindrance to the development of this sector. We look forward to an early resolution of this matter for bringing mutual benefits to the Government, growers, millers and consumer in the long run.

During the present financial year, our biggest challenge is to get sustainable realised values for the sugar produced. Sadly, the sugar market has fallen by 10 percent since the close of the season predominantly due to the surplus production as well as the inaction of the government to allow much needed sugar exports. This coupled with the borrowing costs escalating from 7.50 percent last year to 16.00 percentage presently is causing a severe financial strain and could have a negative impact on financial results.

Thus in order to ensure that profitability from core operations remains intact, sugar price stability is vital. Unicol's consistent profitability and its ability to pay regular dividends will contribute positively to the bottom line.

We hope timely decisions are taken during the remaining period of the year, which would be important for the entire sugar industry.

For and on behalf of the Board of Directors



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Ahmed Ebrahim Hasham  
Managing Director

Karachi: June 28, 2022

منافع بخش رہنے کے لئے چینی کی قیمت میں استحکام اشد ضروری ہے۔ یونیکول سے مستحکم نفع اور منافع کی تقسیم ہمارے مالیاتی نتائج کو بہتر کرنے میں مددگار ہوگا۔

ہم امید کرتے ہیں کہ سال کی بقیہ مدت میں بروقت فیصلے کیے جائیں گے، جو پوری شوگر انڈسٹری کے لیے اہم ہوں گے۔

از طرف

بورڈ آف ڈائریکٹرز

Ahmed Ebrahim

احمد ابراہیم ہاشم

چیف ایگزیکٹو آفیسر

کراچی 28 جولائی 2022

501,614	1,294,135	روپے ہزاروں میں	قبل از ٹیکس منافع
444,097	1,164,592	روپے ہزاروں میں	بعد از ٹیکس منافع
7.79%	16.49%	(%)	بعد از ٹیکس منافع کی شرح
2.96	7.76	روپے	فی حصص آمدن

## یونی فوڈ زانڈسٹری لمیٹڈ

29 جون 2022 کو ہونے والے غیر معمولی اجلاس عام میں شیئرز ہولڈرز کی منظوری کے بعد کاروبار کو فروخت کر دیا گیا ہے۔ حصص کی فروخت کے معاہدے پر دستخط ہو چکے ہیں اور توقع ہے کہ قانونی رسمی کارروائیوں کی تکمیل کے بعد چوتھی سہ ماہی میں نقد رقم وصول ہو جائے گی۔ حصص کی فروخت سے ہونے والے نقصانات کو کو پھیلے ہوئے کھاتوں میں ریکارڈ کیا جا چکا ہے لہذا مزید کوئی نقصان آنے والی سہ ماہی میں ریکارڈ نہیں کیا جائے گا اور تصرف کے حساب سے مزید کوئی چارج لینے کی توقع نہیں ہے۔

## مستقبل کا منظر نامہ

گذشتہ تین سالوں کے دوران کسان دوست پالیسیوں کی بدولت کسانوں کو گنے کی فصل کی بہتر قیمت ملی ہے جس کی بناء پر ہم گنے کی کاشت میں مسلسل بہتری دیکھ رہے ہیں اور یہ رجحان خوش آئند ہے اور اسے سراہا جانا چاہیے، چینی کی صنعت سے جڑے تمام فریقین (Stakeholders) کو اب گنے کی بہتر فصل اور اس کی فی من پیداوار میں اضافہ کی طرف توجہ کرنی چاہیے کیونکہ گنے کی فصل کو بڑھانے کے لئے ہمارے پاس مزید زمین کی دستیابی محدود ہے، جس سے کسانوں کی اقتصادی حالت بھی بہتر ہوگی اور صنعتوں کو بھی اپنی پیداواری صلاحیت کے مطابق گنا دستیاب ہو سکے گا۔ اسی نقطہ نظر کے مطابق مہران نے اس سال سے گنے کی ترقی میں سرمایہ کاری کا منصوبہ بھی بنایا ہے۔ اس مقصد کے حصول کے لیے کاشتکاروں کی مدد کے لیے مختلف اقدامات کیے جا رہے ہیں۔

گنے کی اچھی پیداوار صنعت کے لئے انتہائی اہمیت کی حامل ہے اس سلسلے میں حکومتی مداخلت کو کم کرنے کی ضرورت ہے، گنے اور چینی کی قیمتوں کے حوالے سے حکومتوں کی جانب سے پالیسی فریم ورک پر کوئی پیش رفت نظر نہیں آتی، یہ معاملہ پچھلے کئی سالوں سے زیر بحث رہا ہے اور صنعت کی ترقی میں رکاوٹ کا باعث ہے۔ اس معاملے کے پائیدار حل سے حکومت، کاشتکار، ملرز اور صارفین کو طویل المدتی فوائد حاصل ہو سکتے ہیں۔

موجودہ مالی سال کے دوران، ہمارا سب سے بڑا چیلنج، چینی کی مستحکم اور مناسب قیمت حاصل کرنا ہے بد قسمتی سے سیزن کے اختتام کے بعد سے اب تک چینی کی قیمت میں 10 فیصد کمی واقع ہو چکی ہے جس کی بنیادی وجہ کھپت سے زیادہ پیداوار اور حکومت کی جانب سے اضافی چینی کے لئے برآمدات کی اجازت دینے میں عدم فعالیت ہے جبکہ شرح سود گذشتہ سال کے 7.50 فیصد سے بڑھ کر اس وقت 16 فیصد تک پہنچ گئی ہے جس سے مالیاتی نتائج پر منفی اثر پڑے گا۔

ملک میں سیزن 22-2021 میں چینی کی ٹوٹل پیداوار 7.9 ملین ٹن حاصل ہوئی، یہ پیداوار گزشتہ سال کے مقابلے میں 38 فیصد زیادہ ہے، یہ پیداوار پاکستان میں چینی کی پیداوار کی تاریخ میں اب تک سب سے زیادہ ہے جبکہ پاکستان میں چینی کی متوقع کھپت تقریباً 6.5 ملین ٹن ہے۔

ملکی تاریخ کی اب تک کی سب سے زیادہ پیداوار کی وجہ سے تقریباً 1.5 ملین ٹن، ملکی کھپت سے اضافی چینی کا ذخیرہ موجود ہے، لیکن افسوس کہ ملک میں جاری سیاسی غیر یقینی کی وجہ سے ملوں کو بروقت برآمدات کی اجازت نہیں دی جارہی، جبکہ اضافی چینی کی برآمدات سے نہ صرف 1 ارب امریکی ڈالر کا زرمبادلہ حاصل کیا جاسکتا ہے بلکہ اس سے چینی کی قیمت بھی مناسب سطح پر مستحکم رہ سکتی ہے جو کہ گئے اور چینی کی قیمتوں کے درمیان توازن کے لئے انتہائی ضروری ہے۔

مارکیٹ کو مستحکم رکھنے کے لئے چینی کی دستیابی کو متوازن رکھنا ضروری ہے جبکہ 2023 کا ابتدائی سروے گئے کی فصل میں مزید اضافہ کا اشارہ دے رہا ہے۔ جس کا مطلب مزید اضافی ذخائر ہیں۔ جبکہ مستقبل میں بھی کسان کو گئے کی فصل کا مناسب معاوضہ ملنا اشد ضروری ہے تاکہ اس کی گئے کی فصل میں دلچسپی برقرار رہے اور پاکستان میں چینی کی مجموعی پیداوار میں کمی کا سبب نہ بنے۔

## یونی کول

متذکرہ عرصہ کے دوران کمپنی کی کارکردگی مثبت اور اطمینان بخش رہی۔ ایتھونول اور CO<sub>2</sub> کے پلانٹس نے اچھی کارکردگی کا مظاہرہ کیا۔ روس اور یوکرین میں تنازع کی وجہ سے تیل کی قیمتوں میں بہت زیادہ اضافہ ہوا ہے اور یورپ میں گیس بحران پیدا ہوا ہے جس کی وجہ سے ایتھنول کی طلب اور قیمت فروخت میں بہتری آئی ہے

گئے کی بہتر پیداوار کے باعث زیادہ مقدار میں مولاسس کی دستیابی اور قیمتوں میں استحکام ہمارے لئے بہتر ثابت ہوا۔ بہتر مسابقتی قیمت کے باعث کمپنی نے پورے سال کے لئے مولیسس کی خریداری کر لی تھی۔

قبل از ٹیکس منافع، اس سال 1 ارب 29 کروڑ روپے رہا جو کہ پچھلے سال اسی مدت کے دوران 50 کروڑ روپے تھا۔ جبکہ ایتھنول کی بڑھتی ہوئی قیمت اور کرنسی کی گرتی ہوئی قدر کے باعث سال کے باقی دورانیہ میں نفع میں مزید بڑھوتری کی توقع ہے۔

یونی کول، سہ ماہی ڈیویڈنڈ کی ادائیگی جاری رکھے ہوئے ہے، جو کہ ہماری نقد ضروریات کے لیے بہت مددگار ہے۔

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

جون 2021	جون 2022	مالیاتی معلومات (فنانشل ہائی لائٹس)	
5,700,709	7,060,637	روپے ہزاروں میں	مجموعی فروخت (ٹرن اوور)
931,129	1,810,499	روپے ہزاروں میں	خالص منافع
16.33%	25.64%	(%)	خالص منافع کی شرح

- گئے کی مناسب قیمت پر خریداری اور بہتر سکروز ریکوری کی وجہ سے خالص منافع کے مارجن میں اضافہ ہوا، جبکہ مولاس اور بگاس کی فروخت سے حاصل ہونے والی رقم نے بھی مجموعی منافع میں اپنا کردار ادا کیا۔
- بھاپ (ٹوانائی) کی کھپت کو کم کرنے کے لئے کی گئی سرمایہ کاری کے نتیجے میں بگاس کے استعمال میں کمی واقع ہوئی اس کے باعث بگاس کی بچت میں اضافہ ہوا۔ اس ضمن میں کمپنی آنے والے سالوں میں مزید سرمایہ کاری کا ارادہ رکھتی ہے جس سے بگاس کی بچت میں مزید اضافہ ہوگا۔ واضح رہے کہ بگاس کئی دیگر صنعتوں کے لیے ایک اہم فیڈ اسٹاک ہے۔
- اس مدت کے دوران یونیکول سے انتہائی شاندار منافع ریکارڈ کیا گیا جو کہ 38.82 کروڑ روپے رہا۔
- حصص سے حاصل ہونے والا نقد منافع (Dividend) 8.51 کروڑ روپے رہا جو پچھلے سال کی اسی مدت کے مقابلے میں 47 فیصد زیادہ ہے، اس کی وجہ زیادہ منافع تقسیم کرنے والی کمپنیوں میں سرمایہ کاری ہے، تاہم ملک کے موجودہ معاشی حالات کی وجہ سے حصص کی قیمتوں میں ہونے والی گراوٹ کی وجہ سے کمپنی نے 19.81 کروڑ روپے کا نقصان ریکارڈ کیا۔
- گنے کے حصول کے لئے، نقد ادائیگی کی پالیسی کی وجہ سے قلیل مدتی قرضوں میں بھی اضافہ ہوا، یہ اضافہ پچھلے سال کی نسبت 100 فیصد زائد ہے قلیل مدت کے قرضوں میں اضافہ اور شرح سود میں اضافے کے باعث ہمارے مالیاتی اخراجات میں اضافہ ہوا ہے۔

## سیزن 2021-2022

سیزن 2021-22 پچھلے سال کی نسبت گنے کی پیداوار کے لحاظ سے بہتر سال تھا، تاہم سندھ حکومت کی جانب سے فی من قیمت میں 24 فیصد اضافہ یعنی فی من قیمت 250 روپے علاوہ کوالٹی پری میٹیم کر دیا گیا جب کہ پنجاب حکومت نے امدادی قیمت 225 روپے فی 40 کلو گرام کانوشٹیکیشن جاری کیا، 10 فیصد کے اس بڑے فرق کی وجہ سے سندھ کی شوگر ملز کے لئے مسابقت مشکل ہو گئی ہے۔

فصل کے حجم میں اضافہ کے باوجود ابتدا میں گنے کی کٹائی سست روی کا شکار رہی جس کی وجہ کاشتکاروں کی جانب سے اضافی قیمت کی توقعات تھیں اس کے باعث قیمتوں میں غیر معمولی 30 فیصد تک اضافہ دیکھا گیا۔

قیمتوں میں یہ ابتدائی اضافہ سیزن کے آگے بڑھنے کے ساتھ ہی کم ہو گیا، گنے کی بہتر فراہمی سے قیمت میں استحکام آیا، تاہم پنجاب کی نسبت سندھ کی شوگر ملز کو گنے کی زائد قیمت ادا کرنی پڑی، جس کی وجہ سے سندھ میں گنے کی مجموعی قیمت خرید پنجاب سے زیادہ رہی۔

گنے کے کاشتکاروں کو فوری ادائیگی اب چین کی صنعت میں ایک معمول بن گیا ہے جس کی وجہ سے نقد رقم کی فوری ضرورت پیش آتی ہے، نیز سود کی شرح میں ہونے والے مسلسل اضافے نے مالیاتی لاگت میں بہت زیادہ اضافہ کر دیا، جس کا اثر چین کی مجموعی لاگت میں اضافے کی صورت میں سامنے آیا۔ قلیل مدتی سرمایہ کی ضروریات کی وجہ سے مالیاتی لاگت اب گنے اور تنخواہوں کے بعد مجموعی لاگت کا ایک بڑا حصہ بن گئی ہے۔

## ڈائریکٹرز رپورٹ

میں 30 جون 2022 کو ختم ہونے والی تیسری سہ ماہی کے مالی نتائج کو آپ کی خدمت میں پیش کرتے ہوئے مسرت محسوس کر رہا ہوں۔

جون 2021	جون 2022	آپریٹل معلومات
682,253	856,944	کرشنگ (میٹرک ٹن)
10.72%	11.16%	سکرورز کی ریکوری
73,092	95,642	چینی کی پیداوار (میٹرک ٹن)
31,880	39,811	مولیسیس کی پیداوار (میٹرک ٹن)
4.67%	4.65%	مولیسیس کی ریکوری

جون 2021	جون 2022	مالیاتی معلومات (متناسق ہائی لائٹس)
5,552,942	4,786,589	مجموعی فروخت (نوٹل ٹن اور)
704,723	592,017	روپے ہزاروں میں
642,543	866,353	روپے ہزاروں میں
13.25%	20.65%	خالص منافع کی شرح (%)
393,340	344,828	قبل از ٹیکس منافع
8.11%	8.22%	قبل از ٹیکس منافع کی شرح (%)
263,154	259,422	بعد از ٹیکس منافع
5.43%	6.18%	بعد از ٹیکس منافع کی شرح (%)
4.35	4.28	فی حصص آمدن روپے

**بنیادی عوامل جو مندرجہ بالا نتائج کے حصول میں کار فرما رہے:**

- بہتر فصل، بہتر خریداری اور مل گیٹ ایریاسے زیادہ مقدار میں گنے کی خریداری کے باعث سکرورز ریکوری پچھلے سال کی 10.72 فیصد سے بڑھ کر 11.16 فیصد ہوئی، جبکہ کرشنگ بھی نسبتاً بہتر اور مسلسل ہوئی۔

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at June 30, 2022

ASSETS	Note	Un-audited Jun 30, 2022 Rupees	Audited Sep 30, 2021 Rupees
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	2,442,564,878	2,372,810,929
Right-of-use assets		59,161,598	51,579,492
Long-term receivable		51,165,265	204,660,877
Long-term investments	5	1,240,056,613	1,051,768,517
Long-term deposits		3,696,400	852,400
		3,796,644,754	3,681,672,215
<b>CURRENT ASSETS</b>			
Biological assets		6,491,894	23,767,355
Stores and spare parts		146,712,933	110,502,305
Stock-in-trade		4,131,903,242	561,564,239
Trade debts		140,405,644	69,668,130
Loans and advances		61,936,986	54,975,038
Trade deposits and short-term prepayments		11,772,525	6,480,747
Other receivables		149,469	990,764
Short-term investments		704,223,428	1,317,093,191
Taxation - net		78,837,210	55,218,392
Cash and bank balances		78,483,923	10,848,736
		5,360,917,254	2,211,108,897
<b>TOTAL ASSETS</b>		<b>9,157,562,008</b>	<b>5,892,781,112</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital 75,000,000 (2021: 75,000,000) ordinary shares of Rs.10/- each		750,000,000	750,000,000
Issued, subscribed and paid-up share capital		605,475,636	489,273,246
Reserves		2,107,662,023	2,006,553,883
		2,713,137,659	2,495,827,129
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing		754,390,902	922,593,072
Lease Liabilities		30,676,559	30,602,944
Market committee fee payable		50,074,512	51,182,345
Deferred liabilities		4,301,305	4,301,305
Deferred income - government grant		112,505,289	70,762,929
Deferred taxation - net		89,500,660	79,579,039
Provision for quality premium		119,290,919	119,290,919
		1,160,740,146	1,278,312,553
<b>CURRENT LIABILITIES</b>			
Trade and other payables		451,301,233	471,459,188
Contract liabilities (advances from customers)		258,978,821	34,592,406
Unclaimed dividends		19,827,589	19,331,423
Accrued mark-up		148,982,329	50,683,240
Short-term borrowings		3,836,348,209	1,063,921,237
Provision for market committee fee		15,391,972	6,822,533
Current portion of non-current liabilities		413,776,158	394,933,910
Sales tax and federal excise duty payable		139,077,892	76,897,493
		5,283,684,203	2,118,641,430
<b>CONTINGENCIES AND COMMITMENTS</b>	6	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,157,562,008</b>	<b>5,892,781,112</b>

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

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

for the period ended June 30, 2022 (Un-Audited)

	Nine months ended		Quarter ended	
	Jun 30, 2022 Rupees	Jun 30, 2021 Rupees	Jun 30, 2022 Rupees	Jun 30, 2021 Rupees
Turnover – gross	4,786,588,974	5,552,941,915	2,195,346,485	2,767,360,477
Sales Tax	(592,016,587)	(704,723,421)	(320,252,650)	(401,755,159)
Turnover – net	4,194,572,387	4,848,218,494	1,875,093,835	2,365,605,318
Cost of Sales	(3,328,219,316)	(4,205,675,743)	(1,676,897,329)	(2,290,475,722)
<b>Gross profit</b>	<b>866,353,071</b>	<b>642,542,751</b>	<b>198,196,506</b>	<b>75,129,596</b>
Distribution costs	(39,405,914)	(34,460,935)	(8,774,750)	(9,057,858)
Administrative expenses	(178,997,925)	(172,716,134)	(52,837,255)	(60,295,786)
Other expenses	(413,873,426)	(96,229,696)	(157,683,923)	(19,443,997)
Other income	102,819,927	168,784,787	32,477,628	63,628,874
	(529,457,338)	(134,621,978)	(186,818,300)	(25,168,767)
<b>Operating profit</b>	<b>336,895,733</b>	<b>507,920,773</b>	<b>11,378,206</b>	<b>49,960,829</b>
Share of profits from associates – net	388,387,084	75,365,917	220,650,097	(330,000)
Finance costs	(380,454,842)	(189,946,276)	(185,386,899)	(63,146,747)
<b>Profit / (loss) before tax</b>	<b>344,827,975</b>	<b>393,340,414</b>	<b>46,641,404</b>	<b>(13,515,918)</b>
Taxation	(85,406,071)	(130,186,644)	39,154,849	(22,238,889)
<b>Net profit / (loss) for the period</b>	<b>259,421,904</b>	<b>263,153,770</b>	<b>85,796,253</b>	<b>(35,754,807)</b>
		Restated		Restated
<b>Earnings per share – basic and diluted</b>	<b>4.28</b>	<b>4.35</b>	<b>1.42</b>	<b>(0.59)</b>

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

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the period ended June 30, 2022 (Un-Audited)

	Nine months ended		Quarter ended	
	Jun 30, 2022 Rupees	Jun 30, 2021 Rupees	Jun 30, 2022 Rupees	Jun 30, 2021 Rupees
<b>Net profit / (loss) for the period</b>	<b>259,421,904</b>	263,153,770	<b>85,796,254</b>	(35,754,807)

## Other comprehensive income

"Other comprehensive income that will not be reclassified to profit or loss in subsequent periods"

"Loss on disposal of equity instruments designated at fair value through other comprehensive income (net of current tax)"

	(2,873,404)	(97,370)	-	191,440
Unrealised (loss) / gain on remeasurement of equity instruments designated at fair value through other comprehensive income (net of deferred tax)	1,127,303	(8,196,399)	766,497	961,413
	(1,746,101)	(8,293,769)	766,497	1,152,852

<b>Total comprehensive income / (loss) for the period</b>	<b>257,675,803</b>	254,860,001	<b>86,562,751</b>	(34,601,955)
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The annexed notes form an integral part of these condensed interim financial statements.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for the period ended June 30, 2022 (Un-audited)

	Reserve						Sub-total	Total equity
	Capital	Revenue		Other components of equity				
	Share Premium	General Reserve	Unappropriated profits	FV reserve of financial assets at FVOCI	Actuarial gains on defined benefit plan			
	Issued, Subscribed and Paid-Up Capital							
-----Rupees-----								
<b>Balance as at October 01, 2020 (Audited)</b>	<b>465,974,520</b>	<b>63,281,250</b>	<b>85,000,000</b>	<b>1,980,249,741</b>	<b>9,978,051</b>	<b>3,023,268</b>	<b>2,141,532,310</b>	<b>2,607,506,830</b>
Bonus Issued for the year ended September 30, 2020 in the ratio of 5 Ordinary shares for every 100 shares held	23,298,726			(23,298,720)			(23,298,720)	-
Profit for the Period	-	-	-	263,153,770	-	-	263,153,770	263,153,770
Other comprehensive income for the period					(8,293,769)		(8,293,769)	(8,293,769)
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	-	(4,462,725)	4,462,725	-	-	-
Total comprehensive income for the Period	-	-	-	258,691,045	(3,831,044)	-	254,860,001	254,860,001
<b>Balance as at June 30, 2021 (Un-audited)</b>	<b>489,273,246</b>	<b>63,281,250</b>	<b>85,000,000</b>	<b>2,215,642,066</b>	<b>6,147,007</b>	<b>3,023,268</b>	<b>2,373,093,591</b>	<b>2,862,366,831</b>
<b>Balance as at October 01, 2021 (Audited)</b>	<b>489,273,246</b>	<b>63,281,250</b>	<b>85,000,000</b>	<b>1,864,001,210</b>	<b>(8,596,106)</b>	<b>2,867,529</b>	<b>2,006,553,883</b>	<b>2,495,827,129</b>
Bonus Issued for the year ended September 30, 2021 in the ratio of 10 Ordinary shares for every 100 shares held	48,927,320	-	-	(48,927,320)	-	-	(48,927,320)	-
Interim dividend for the year ending September 30, 2022 @ Re. 0.75 per share	-	-	-	(40,365,273)	-	-	(40,365,273)	(40,365,273)
Bonus Issued for the year ending September 30, 2022 in the ratio of 12.5 Ordinary shares for every 100 shares held	67,275,070	-	-	(67,275,070)	-	-	(67,275,070)	-
Profit for the period	-	-	-	259,421,904	-	-	259,421,904	259,421,904
Other comprehensive loss for the period					(1,746,101)		(1,746,101)	(1,746,101)
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	-	(5,763,525)	5,763,525	-	-	-
Total comprehensive income for the Period	-	-	-	253,658,379	4,017,424	-	257,675,803	257,675,803
<b>Balance as at June 30, 2022 (Un-audited)</b>	<b>605,475,636</b>	<b>63,281,250</b>	<b>85,000,000</b>	<b>1,961,091,938</b>	<b>(4,578,682)</b>	<b>2,867,529</b>	<b>2,107,662,023</b>	<b>2,713,137,659</b>

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

  
**CHIEF EXECUTIVE OFFICER**

  
**CHIEF FINANCIAL OFFICER**

  
**DIRECTOR**

# CONDENSED INTERIM STATEMENT OF CASH FLOWS

for the period ended June 30, 2022 (Un-Audited)

	Note	Jun 30, 2022 Rupees	Jun 30, 2021 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		344,827,975	393,340,414
Adjustments for non-cash charges and other items:			
Depreciation			
- Operating fixed assets		126,416,311	126,569,590
- Right of use assets		11,689,894	4,342,852
Amortization of deferred income - government grant		(15,864,613)	(2,523,462)
Share of profit from associates - net		(388,387,084)	(75,365,917)
Gain on disposal of operating fixed assets		(1,813,594)	(7,075,465)
Finance costs		380,454,842	189,946,276
Provision for market committee fee		8,569,439	6,822,530
Provision for Impairment of Long term Investment		46,349,040	80,462,716
Allowance for expected credit loss on Long term receivables		153,495,657	-
Loss/ (Gain) on disposal of equity instruments at fair value through profit or loss		109,611,948	(119,752,379)
Unrealised loss on remeasurement of equity instruments at fair value through profit or loss		88,492,747	26,688,241
Working Capital Changes	7	(3,404,519,090)	(1,939,713,211)
		(2,885,504,503)	(1,709,598,229)
Gratuity paid		-	(1,350,338)
Income taxes paid		(98,853,829)	(102,278,217)
Finance costs paid		(253,471,180)	(167,882,992)
Market committee fee paid		(1,577,652)	(4,009,153)
Long term deposits - net		(2,844,000)	-
<b>Cash used from operating activities</b>		<b>(2,897,423,189)</b>	<b>(1,591,778,515)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(196,228,551)	(53,362,169)
Proceeds from disposal of operating fixed assets		1,871,885	13,939,695
Investments made		(1,950,345,226)	(3,956,888,363)
Proceeds from disposal of short-term investments		2,316,796,155	3,663,398,469
Dividend Received from Associated Companies		200,098,988	162,499,990
<b>Cash generated from / (used in) investing activities</b>		<b>372,193,251</b>	<b>(170,412,378)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Repayment) / receipt of long-term financing (net)		(122,163,019)	121,304,955
(Repayment) / receipt of short term loans (net)		2,772,426,972	1,655,812,621
Lease rentals paid		(17,528,700)	(18,605,603)
Dividends paid		(39,870,128)	-
<b>Cash generated from financing activities</b>		<b>2,592,865,125</b>	<b>1,758,511,973</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>67,635,187</b>	<b>(3,678,920)</b>
Cash and cash equivalent at the beginning of the period		10,848,736	10,140,845
<b>Cash and cash equivalents at the end of the period</b>		<b>78,483,923</b>	<b>6,461,925</b>

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

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the period ended June 30, 2022 (Un-audited)

## 1. THE COMPANY AND ITS OPERATIONS

Mehran Sugar Mills Limited (the Company) was incorporated in Pakistan as a public limited company in December, 1965 under the repealed Companies Act, 1912. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Company is principally engaged in the manufacturing and sale of sugar and its by-products. The registered office of the Company is situated at 14th floor, Dolmen City Executive Tower, Marine Drive, Block 4, Clifton, Karachi. The mill of the Company is located at Distt. Tando Allahyar, Sindh.

## 2. BASIS OF PREPARATION

### 2.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRS) issued by International Accounting Standard Board (IASB) as notified under Companies Act, 2017 (the Act) and, provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRS standards, the provisions of and directives issued under the Act have been followed.

### 2.2 ACCOUNTING CONVENTION

These condensed interim financial statements have been prepared under the historical cost convention except for short-term investments which are carried at fair value, investment in associates calculated using equity method of accounting, biological assets carried at fair value less costs to sell and staff gratuity carried at present value of defined benefit obligation and market committee fee payable recorded at present value.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended September 30, 2021.

## 4. PROPERTY, PLANT AND EQUIPMENT

### 4.1 OPERATING FIXED ASSETS

	<b>Un-audited Jun 30, 2022</b>	Audited Sep 30, 2021
Opening written down value	<b>1,969,321,508</b>	2,098,419,192
Additions during the period	<b>517,806,259</b>	28,593,739
	<b>2,487,127,767</b>	2,127,012,931
Written down value of disposal during the period	<b>(58,291)</b>	(2,175,290)
	<b>2,487,069,476</b>	2,124,837,641
Depreciation charged during the period	<b>126,416,311</b>	155,516,133
	<b><u>2,360,653,165</u></b>	<u>1,969,321,508</u>

## CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the period ended June 30, 2022 (Un-audited)

	Un-audited Jun 30, 2022	Audited Sep 30, 2021
<b>4.2 CAPITAL WORK-IN-PROGRESS</b>		
Buildings – Civil Works	11,904,461	44,225,039
Plant & Machinery	<u>70,007,252</u>	<u>359,264,382</u>
	<u>81,911,713</u>	<u>403,489,421</u>

	Note	Un-audited Jun 30, 2022	Audited Sep 30, 2021
<b>5. LONG TERM INVESTMENT</b>			
<b>Subsidiary</b>			
Mehran Energy Limited	5.1	40,000,000	40,000,000
Advance against Right issue of shares		2,596,739	2,596,739
Provision for impairment		<u>(42,596,739)</u>	<u>(42,596,739)</u>
		-	-
<b>Associates</b>			
Unicol Limited	5.2	1,219,689,927	1,031,591,605
UniEnergy Limited	5.3	20,366,686	20,176,912
Uni Foods Industries Limited	5.4	126,181,860	79,832,819
Provision for impairment		<u>(126,181,860)</u>	<u>(79,832,819)</u>
		-	-
		<u>1,240,056,613</u>	<u>1,051,768,517</u>
		<u>1,240,056,613</u>	<u>1,051,768,517</u>

**5.1** The Company holds 4,000,000 (Sep 30, 2021: 4,000,000) shares representing 100 (Sep 30, 2021: 100) percent of the total equity of Mehran Energy Limited.

**5.2** The Company holds 49,999,997 (Sep 30, 2021: 49,999,997) shares representing 33.33 (Sep 30, 2021: 33.33) percent of the total equity of Unicol Limited.

**5.3** The Company holds 1,999,998 (Sep 30, 2021: 1,999,998) shares representing 20 (Sep 30, 2021: 20) percent of the total equity of UniEnergy Limited.

**5.4** The Company holds 44,634,904 (Sep 30, 2021: 35,734,561) shares representing 24 (Sep 30, 2021: 24) percent of the total equity of Uni foods Limited.

## 6. CONTINGENCIES & COMMITMENTS

### CONTINGENCIES

There is no significant change in the contingencies since the last audited annual financial statements for the year ended September 30, 2021.

COMMITMENTS	Un-audited Jun 30, 2022	Audited Sep 30, 2021
Capital commitments	70,038,845	67,791,092
Letter of guarantee	11,520,225	11,520,225

## CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the period ended June 30, 2022 (Un-audited)

	Un-audited Jun 30, 2022	Un-audited Jun 30, 2021
<b>7. WORKING CAPITAL CHANGES</b>		
<b>(Increase) / decrease in current assets</b>		
Biological assets	17,275,461	12,333,825
Stores and spare parts	(36,210,628)	(9,021,132)
Stock-in-trade	(3,570,339,003)	(1,594,386,066)
Trade debts	(70,737,514)	(181,706,693)
Loans and advances	(6,961,948)	(162,579,633)
Trade deposits and short-term prepayments	(5,291,778)	(16,939,162)
Other receivables	841,295	(163,882)
	<u>(3,671,424,115)</u>	<u>(1,952,462,743)</u>
<b>(Increase) / decrease in current assets</b>		
Trade and other payables	(19,661,789)	36,688,362
Contract liabilities	224,386,415	13,343,273
Sales tax payable	62,180,399	(37,282,103)
	<u>266,905,025</u>	<u>12,749,532</u>
	<u>(3,404,519,090)</u>	<u>(1,939,713,211)</u>

	Un-audited Jun 30, 2022	Un-audited Jun 30, 2021
<b>8. TRANSACTIONS WITH RELATED PARTIES</b>		
<b>Associates</b>		
Investment made during the period	46,349,040	56,600,000
Sales	900,669,670	726,657,376
Expenses shared	-	814,645
Donation	750,000	7,000,000
<b>Retirement benefits Plan</b>		
Provident fund contribution	4,498,221	4,454,218

### 9. GENERAL

These financial statements were authorized for issue on July 28, 2022 by the Board of Directors of the Company.

Previous period figures have been rearranged / regrouped wherever necessary to facilitate comparison.

Figures have been rounded off to the nearest rupee.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR





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