



Quarterly Report
December **2021**

DIRECTOR'S REPORT

On behalf of the Board, we are pleased to present financial results for the first quarter ended December 31, 2021.

Operational Highlights	December 2021	December 2020
Crushing - M.Tons	248,891	298,046
Sucrose Recovery	10.33%	10.02%
Sugar Production-M.Tons	23,875	28,823
Molasses production-M.Tons	9,280	12,350

Financial Highlights	December 2021	December 2020
(Rupees in Thousand except EPS)		
Turnover	1,490,970	972,518
Sales tax	192,814	110,225
Gross Profit	234,730	95,936
Gross Profit margin	18.08%	11.13%
Profit before tax	114,432	108,329
Profit before tax margin	8.81%	12.56%
Net Profit after tax	83,461	83,461
Net Profit margin	6.28%	9.68%
Earnings per share	1.67	1.71

Sugarcane crushing for the first quarter was 16% lower than last year. Despite the Sindh government announcing a very lucrative cane price the farmers held back cane crop in expectation of higher cane prices.

The overall cane survey is 10-15 percent higher than last year thus the results of the quarter are not a true reflection of the ongoing crushing campaign since a major quantity of cane will be crushed in the next quarter.

Following factors were primarily responsible for these results:

- Selling prices of sugar, molasses and bagasse remained strong.
- Sucrose recovery was 10.33% compared to 10.02% of same period last year, which is an encouraging sign.
- Dividend income from equity investments is Rs. 30.65 million however the Company booked a capital loss from equity portfolio of Rs. 56.46 million to rebalance its portfolio considering the higher upcoming interest rate environment.
- Finance costs increased because of increase in KIBOR rate.
- Unicol Limited contributed Rs. 23.34 million during the quarter.

SEASON 2021-2022

The year started with a low carryover of sugar, which allowed good liquidity and sugar sales for the quarter.

The Minimum Support Price of Rs.250/- per 40 Kgs plus quality premium (QP) was declared after a number of mills had already started crushing. In comparison to other provinces, the price was Rs.25/- per 40 kgs higher in addition a QP was also notified which is only applicable in the province of Sindh.

Since this price disruption differs from a historical pattern, the Sindh sugar mills have filed a petition with the Sindh High Court. The SHC has ordered suspension of the notification. However, the market prices of sugarcane in Sindh have not fallen below Rs. 250/- 40 kgs.

According to our cane survey, the total area under cultivation in the country has increased by 10-15%. The higher sugar production means that sugar production and consumption will reach an equilibrium thereby ending shortage of commodity in the country.

Sugarcane supply remained low this quarter as farmers decided to delay harvesting in the hope of a higher price. This led to an escalation of cane prices; however, we expect this scenario to improve in the coming quarter as cane supplies increase. We forecast to crush 10-15% more than last year with improved recoveries that will help us absorb our fixed expenses better. Higher crushing with strong by-products pricing should help to make Mehran a competitive sugar producer.

UNICOL LIMITED

Unicol's profit before tax was Rs. 70.01 million which is considerably lower than Rs. 385.28 million during the same period last year. We are not concerned by this differential as it is largely due to a timing difference of sales and lifting of product. Our forecast is that with a better sugarcane crop and strong ethanol volumes, results at Unicol for the year should remain positive and could surpass the previous year.

UNI-FOOD INDUSTRIES LIMITED

The management is considering several possibilities for the future of the packaged cake plant in light of the recurring losses and erosion of equity. Until now, our equity investment in Uni-foods has totaled Rs. 400 million. The sponsors have pledged their full support until the Company's future is decided.

FUTURE OUTLOOK

Sugarcane output is likely to grow further across the country, according to the crop survey, since farmers' returns on their harvest have been highly profitable over the past two years. This condition assuming good water availability is projected to encourage more plantation, bringing balance to sugar production and consumption, as well as ensuring the availability of strategic stock to prevent extraordinary price fluctuations caused by speculation or supply interruption.

We do not expect sugar exports this year due to the predicted demand-supply balance. The non-realization of Rs. 8.00 billion in provincial subsidies, which has

been lingering for three years, is one of the major concern for Sindh's industry. Mehran has Rs.300.76 million outstanding Subsidy. The case is pending adjudication in Sindh High Court.

Mehran's production is expected to improve by 15%-20% in view of better sugarcane availability and higher recoveries from the previous year. Our sucrose recovery is expected to improve in view of higher contribution by early maturing varieties and procurement of sugarcane within close proximity of the mills thereby reducing cut to crush time.

Sugar, molasses, and bagasse selling prices should remain consistent. Our bagasse savings have increased significantly because of ongoing investments in steam efficiency measures, and this is helping the bottom line.

We expect sugarcane purchase prices to remain strong and similar to last years cost. However higher crushing and recovery will allow better overhead absorption. The eventual determinant of profitability will be consistent sugar prices throughout the year.

The increased sugarcane price and prompt sugarcane payments are projected to boost the plantation even more, and we predict an increase in area under cultivation, as well as an increase in sugarcane output, which bodes well for the future since it will improve farmer and miller cane viability once again.

Unicol Limited continues to make a good contribution. We anticipate Unicol to pay dividends throughout the year.

The increasing interest rate is concerning, especially because we make regular cane payments and, as a seasonal business we make 100 percent cane payments by end of crushing in March but have to spread our sugar sales throughout the year to ensure distribution in the market.

Our season will be better assessed in the coming quarters, but at the time of writing this report, our January crushing aim appears to be on track, and we are on track to meet our sugar production targets for the year. Consistent sugar prices, both domestically and globally, will aid farm economics, revitalizing the sugar business and assisting it in its recovery from these difficult times.

For and on behalf of the Board of Directors

Ahmed Ebrahim Hasham
Managing Director

Mohammed Ebrahim Hasham
Chief Executive officer

Karachi: January 27, 2022

چینی، مولاس اور بگاس کی قیمتوں میں استحکام رہنے کی توقع ہے، توانائی کی بچت کے لئے کی جانے والی سرمایہ کاری کی وجہ سے ہماری بگاس کی بچت میں نمایاں اضافہ ہوا ہے، جو کہ ہمارے منافع میں اضافہ کا سبب بنے گا۔

توقع ہے کہ گنے کی قیمت کم و بیش پچھلے سالوں کی قیمتوں کی طرح رہیں گی۔ تاہم زیادہ کرشنگ اور بہتر ریکوری سے فی کلو اخراجات کو کم کرنے میں مدد ملے گی۔ حتمی منافع کا انحصار چینی کی مستحکم قیمت پر ہے۔

گنے کی بڑھتی ہوئی قیمت اور فوری ادائیگیوں سے کاشتکاروں کے نزدیک گنا ایک منافع بخش فصل بن گئی ہے، جس کی وجہ سے ہمیں زیر کاشت رقبہ میں اضافے کی امید ہے، جو مستقبل کے لیے مثبت چیز ہے کیونکہ اس سے کاشتکاروں اور ملوں کو آسانی ہوگی۔

یونیکول سے اچھے منافع کی توقع ہے اور امید ہے کہ یونیکول اس سال بھی منافع منقسمہ (Dividend) ادا کرتی رہے گی۔

بڑھتی ہوئی شرح سود ہمارے لئے تشویش ناک ہے خاص طور پر جب ہم وقت پر نقد ادائیگیاں کر رہے ہیں اور سیزن کے اختتام تک یعنی مارچ کے آخر تک گنے کی رقم کی 100 فیصد ادائیگی کر دی جاتی ہے جبکہ چینی کی فروخت پورے سال جاری رہتی ہے۔

آنے والی سہ ماہی میں، سیزن کا بہتر اندازہ لگایا جاسکے گا، تاہم اس رپورٹ کو لکھنے کے وقت، ہمارا جنوری کرشنگ ہدف ٹریک پر ہے، اور ہم چینی کی پیداوار کے اہداف کو پورا کرنے کی راہ پر گامزن ہیں۔ چینی کی مقامی اور بین الاقوامی قیمتوں میں استحکام ملک کی زرعی اقتصادیات کی بحالی اور چینی کے کاروبار کی بہتری میں بھی مددگار ثابت ہوگی۔

از طرف:

بورڈ آف ڈائریکٹرز

احمد ابراہیم ہاشم

مینجنگ ڈائریکٹر

محمد ابراہیم ہاشم

چیف ایگزیکٹو آفیسر

کراچی - 27 جنوری 2022

بگاس (بھوک) اور مولیسس (شیرا) کی بہتر قیمتوں کی وجہ سے ہم پرامید ہیں کہ مسابقتی لحاظ سے ہم باقی ملوں سے، بہتر حالات میں ہونگے۔

یونی کول

یونیکول کا قبل از ٹیکس منافع 70.01 ملین روپے رہا جب کہ گزشتہ سال کی اسی مدت کے دوران 385.28 ملین روپے تھا۔ تاہم یہ فرق مصنوعات کی فروخت اور ان کی ترسیل کے وقت کے فرق کی وجہ سے ہے۔ ہمیں امید ہے کہ گنے کی بہتر فصل کی وجہ سے ہتھنوں کے حجم میں اضافے کے ساتھ، آنے والے سال کے لیے یونیکول کے نتائج بہتر رہیں گے اور ہم پچھلے سال کے مقابلے میں بہتر نتائج حاصل کر سکیں گے۔

یونی فوڈز انڈسٹری لمیٹڈ

مسلح ہونے والے نقصانات اور اس کے نتیجے میں اب تک کی گئی سرمایہ کاری کے بڑے حصے کے ڈوب جانے کے باعث انتظامیہ کمپنی کے مستقبل کے حوالے سے مختلف امکانات پر غور کر رہی ہے۔ ہم نے اب تک اس پراجیکٹ میں 400 ملین روپے کی سرمایہ کاری کی ہے۔ جب تک کہ کمپنی کے مستقبل کے حوالے سے کوئی فیصلہ نہیں ہو جاتا۔ ہم نے یونی فوڈز کی انتظامیہ کو اپنے مکمل تعاون کی یقین دہانی کرائی ہے۔

مستقبل کا منظر نامہ

ملک میں گنے کی پیداوار کے مزید بڑھنے کے امکانات روشن ہیں جس کی وجہ پچھلے دو سالوں کے دوران کسانوں کو گنے کی فصل کی بہتر قیمت اور امسال اضافی پانی دستیابی ہے، یہ چینی کی صنعت کے لئے بہتر ہے اس سے چینی کی پیداوار اور کھپت میں توازن آنے گا اور اس کے ساتھ گنے کے نرخ بھی اضافی پیداوار کی وجہ سے ایک مناسب حد میں رہیں گے۔

پیداوار اور کھپت میں توازن کی وجہ سے ہمیں اس سال چینی کی برآمدات کی توقع نہیں ہے۔ شوگر ملوں کی سندھ حکومت سے واجب الوصول سبسڈی 8 بلین روپے ہے جو کہ گزشتہ تین سالوں سے التوا کا شکار ہے یہ سندھ کی صنعت کے لئے بہت نقصان دہ ہے جب کہ اس میں مہران کے 300.76 ملین روپے بھی شامل ہیں، کیس سندھ ہائی کورٹ میں زیر التواء ہے۔

گنے کی بہتر دستیابی اور پچھلے سال سے بہتر سکر و زریکوری کے پیش نظر مہران کی پیداوار میں 15 سے 20 فیصد تک بہتری متوقع ہے۔ جلد تیار ہونے والی اقسام اور مل کے اطراف سے گنے کی خریداری کی وجہ سے کٹائی سے مل تک کم ٹائم لگتا ہے اس سے سکر و زریکوری بہتر ریکوری حاصل ہوتی ہے۔

سروے کے مطابق گنے کی فصل گزشتہ سال کے مقابلے میں 10 سے 15 فیصد زائد ہوگی۔ لہذا اس سہ ماہی میں کی گئی کرشنگ کے اعداد و شمار کی بنیاد پر گنے کی فصل کے بارے میں اندازہ لگانا مناسب نہیں ہے۔

بنیادی عوامل جو مندرجہ بالا نتائج کے حصول میں کارفرما رہے:

- چینی، مولا س اور بگاس کی قیمتوں میں استحکام رہا۔
- سکروز کی ریکوری پچھلے سال کی اسی مدت کے 10.02 فیصد کے مقابلے میں 10.33 فیصد رہی، جو ایک حوصلہ افزا بات ہے۔
- حصص سے حاصل ہونے والے منافع مستقمر (Dividend) 30.65 ملین روپے رہا۔ تاہم بڑھتے ہوئے شرح سود کو مد نظر رکھتے ہوئے حصص کی خرید و فروخت کی گئی جس کے نتیجے میں مجموعی طور پر 56.46 ملین روپے کا خسارہ بھی ریکارڈ کیا گیا۔
- شرح سود میں اضافے کی وجہ سے مالیاتی اخراجات میں اضافہ ہوا۔
- مذکورہ مدت میں بونیکول سے حاصل شدہ منافع 23.34 ملین روپے رہا۔

سیزن 2021-2022

سال کے آغاز میں چینی کے کم ذخائر کی وجہ سے چینی کی اچھی قیمت حاصل ہوئی۔ حکومت سندھ کی جانب سے گنے کی کم از کم امدادی قیمت 250 روپے فی 40 کلو گرام اور کوالٹی پر بیم (QP) کا اعلان اس وقت کیا گیا جبکہ متعدد ملین کرشنگ شروع کر چکی تھیں، جو کہ ملک کے دیگر صوبوں کے مقابلے میں 25 روپے فی 40 کلو گرام زیادہ ہے جبکہ اس پر کوالٹی پر بیم مستزاد ہے۔

تاریخی طور پر صوبوں کے مابین گنے کی قیمتوں میں کبھی بھی اتنا فرق نہیں رہا ہے، اس لیے سندھ کی شوگر ملوں نے اس فرق کے خلاف سندھ ہائی کورٹ میں درخواست دائر کی۔ اور سندھ ہائی کورٹ نے سندھ حکومت کا نوٹیفیکیشن معطل کرنے کا حکم دے دیا۔ تاہم سندھ میں گنے کی مارکیٹ قیمت 250 روپے فی 40 کلو گرام سے نیچے نہیں گئیں۔

ہمارے سروے کے مطابق ملک میں گنے کے زیر کاشت رقبہ میں 10-15 فیصد کا اضافہ ہوا ہے۔ چینی کی زائد پیداوار کے نتیجے میں پیداوار اور کھپت میں توازن پیدا ہو گا اور ملک میں چینی کی قلت کا مسئلہ ختم ہو جائے گا۔

اس سہ ماہی میں گنے کی کٹائی کم رہی کیونکہ کسانوں نے زیادہ قیمت کی امید میں کٹائی میں تاخیر کرنے کا فیصلہ کیا۔ اس سے گنے کی قیمتوں میں اضافہ ہوا۔ تاہم، ہم امید کرتے ہیں کہ آنے والی سہ ماہی میں اس منظر نامے میں بہتری آئے گی اور گنے کی کٹائی میں اضافہ ہوگا۔ ہمیں امید ہے کہ پچھلے سال کے مقابلے میں 10 سے 15 فیصد کرشنگ اور بہتر ریکوری حاصل کر لیں گے جس سے فی کلو گرام پیداواری اخراجات میں کمی ہوگی۔ زیادہ کرشنگ اور اس سے حاصل ہونے والی دوسری ضمنی مصنوعات یعنی

ڈائریکٹرز رپورٹ

ہم 31 دسمبر 2021 کو ختم ہونے والی پہلی سہ ماہی کے مالی نتائج کو آپ کی خدمت میں پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

آپریشنل معلومات	دسمبر 2021	دسمبر 2020
کرشنگ (میٹرک ٹن)	248,891	298,046
سکروز کی ریکوری	10.33%	10.02%
چینی کی پیداوار (میٹرک ٹن)	23,875	28,823
مولیسس کی پیداوار (میٹرک ٹن)	9,280	12,350

مالیاتی معلومات (فنانشل ہائی لائٹس)	دسمبر 2021	دسمبر 2020
مجموعی فروخت	روپے ہزاروں میں	1,490,970
سیلز ٹیکس	روپے ہزاروں میں	110,225
خالص منافع	روپے ہزاروں میں	234,730
خالص منافع کی شرح	(%)	18.08%
قبل از ٹیکس منافع	روپے ہزاروں میں	108,329
قبل از ٹیکس منافع کی شرح	(%)	8.81%
بعد از ٹیکس منافع	روپے ہزاروں میں	83,461
بعد از ٹیکس منافع کی شرح	(%)	6.28%
فی حصص آمدنی	روپے	1.67
		1.71

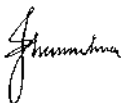
پہلی سہ ماہی میں گنے کی کرشنگ گزشتہ سال کے مقابلے میں 16 فیصد کم رہی۔ حالانکہ سندھ حکومت کی جانب سے گنے کی انتہائی منافع بخش قیمت کا اعلان بھی کیا گیا اور شوگر ملز کی جانب سے اس بہتر قیمت کی نقد ادائیگی کے باوجود کسانوں نے گنے کی مزید زیادہ قیمتوں کی امید میں گنے کی فصل کی کٹائی نہیں کی جس کی وجہ سے ملوں کو گنے کی مناسب سپلائی نہ ہو سکی۔

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

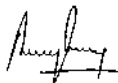
As at December 31, 2021

ASSETS	Note	Un-audited Dec 31, 2021 Rupees	Audited Sep 30, 2021 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	4	2,404,473,002	2,372,810,929
Right-of-use assets		63,498,259	51,579,492
Long-term receivable		204,660,877	204,660,877
Long-term investments	5	1,075,105,182	1,051,768,517
Long-term deposits		1,302,400	852,400
		3,749,039,720	3,681,672,215
CURRENT ASSETS			
Biological assets		25,984,129	23,767,355
Stores and spare parts		167,231,949	110,502,305
Stock-in-trade		1,570,520,893	561,564,239
Trade debts		202,284,815	69,668,130
Loans and advances		154,780,664	54,975,038
Trade deposits and short-term prepayments		24,541,429	6,480,747
Other receivables		793,004	990,764
Short-term investments		1,194,484,806	1,317,093,191
Taxation - net		67,129,009	55,218,392
Cash and bank balances		22,151,628	10,848,736
		3,429,902,326	2,211,108,897
TOTAL ASSETS		<u>7,178,942,046</u>	<u>5,892,781,112</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
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		489,273,246	489,273,246
Reserves		2,084,218,328	2,006,553,883
		2,573,491,574	2,495,827,129
NON-CURRENT LIABILITIES			
Long-term financing		898,280,788	922,593,072
Lease Liabilities		38,425,414	30,602,944
Market committee fee payable		50,571,800	51,182,345
Deferred liabilities		4,301,305	4,301,305
Deferred income - government grant		132,855,843	70,762,929
Deferred taxation - net		87,856,696	79,579,039
Provision for quality premium		119,290,919	119,290,919
		1,331,582,765	1,278,312,553
CURRENT LIABILITIES			
Trade and other payables		759,364,061	471,459,188
Contract liabilities (advances from customers)		228,441,556	34,592,406
Unclaimed dividends		19,331,423	19,331,423
Accrued mark-up		34,793,975	50,683,240
Short-term borrowings		1,694,701,058	1,063,921,237
Provision for market committee fee		9,311,443	6,822,533
Current portion of non-current liabilities		441,147,665	394,933,910
Sales tax and federal excise duty payable		86,776,526	76,897,493
		3,273,867,707	2,118,641,430
CONTINGENCIES AND COMMITMENTS	6	-	-
TOTAL EQUITY AND LIABILITIES		<u>7,178,942,046</u>	<u>5,892,781,112</u>

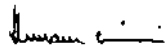
The annexed notes form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

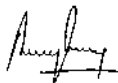
for the period ended December 31, 2021 (Un-Audited)

	Dec 31, 2021 Rupees	Dec 31, 2020 Rupees
Turnover - gross	1,490,970,125	972,518,126
Sales Tax	<u>(192,813,866)</u>	<u>(110,224,806)</u>
Turnover - net	1,298,156,259	862,293,320
Cost of Sales	<u>(1,063,426,357)</u>	<u>(766,357,521)</u>
Gross profit	234,729,902	95,935,799
Distribution costs	<u>(12,657,789)</u>	<u>(9,669,947)</u>
Administrative expenses	<u>(59,512,560)</u>	<u>(55,481,828)</u>
Other expenses	<u>(60,389,030)</u>	<u>(752,970)</u>
Other income	<u>38,171,880</u>	<u>36,886,531</u>
	<u>(94,387,499)</u>	<u>(29,018,214)</u>
Operating profit	140,342,403	66,917,585
Share of profits from associates - net	23,336,665	78,408,992
Finance costs	<u>(49,246,988)</u>	<u>(36,997,826)</u>
Profit before taxation	114,432,080	108,328,751
Taxation	<u>(32,942,396)</u>	<u>(24,868,050)</u>
Net profit for the period	81,489,684	83,460,701
		Restated
Earnings per share - basic and diluted	<u>1.67</u>	<u>1.71</u>

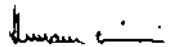
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CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

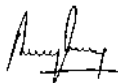
for the period ended December 31, 2021 (Un-Audited)

	Dec 31, 2021 Rupees	Dec 31, 2020 Rupees
Net profit for the period	81,489,684	83,460,701
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)	(31,889)
Unrealised (loss) / gain on remeasurement of equity instruments designated at fair value through other comprehensive income (net of deferred tax)	(951,836)	(895,937)
	(3,825,240)	(927,826)
Total comprehensive income for the period	77,664,445	82,532,875

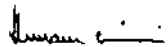
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CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

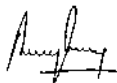
for the period ended December 31, 2021

	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			
Rupees								
Balance as at October 01, 2020 (Audited)	465,974,520	63,281,250	85,000,000	1,980,249,741	9,978,051	3,023,268	2,141,532,310	2,607,506,830
Profit for the Period	-	-	-	83,460,701	-	-	83,460,701	83,460,701
Other comprehensive income for the period	-	-	-	-	(927,826)	-	(927,826)	(927,826)
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	-	(6,430,724)	6,430,724	-	-	-
Total comprehensive income for the Period	-	-	-	77,029,977	5,502,898	-	82,532,875	82,532,875
Balance as at December 31, 2020 (Un-audited)	465,974,520	63,281,250	85,000,000	2,057,279,718	15,480,949	3,023,268	2,224,065,185	2,690,039,705
Balance as at October 01, 2021 (Audited)	489,273,246	63,281,250	85,000,000	1,864,001,210	(8,596,106)	2,867,529	2,006,553,883	2,495,827,129
Profit for the period	-	-	-	81,489,684	-	-	81,489,684	81,489,684
Other comprehensive loss for the period	-	-	-	-	(3,825,240)	-	(3,825,240)	(3,825,240)
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	-	(5,763,525)	5,763,525	-	-	-
Total comprehensive income for the Period	-	-	-	75,726,159	1,938,285	-	77,664,444	77,664,444
Balance as at December 31, 2021 (Un-audited)	489,273,246	63,281,250	85,000,000	1,939,727,369	(6,657,821)	2,867,529	2,084,218,227	2,573,491,574

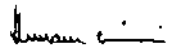
The annexed notes form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

CONDENSED INTERIM STATEMENT OF CASH FLOWS

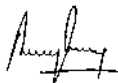
for the period ended December 31, 2021 (Un-Audited)

	Note	Dec 31, 2021 Rupees	Dec 31, 2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		114,432,080	108,328,751
Adjustments for non-cash charges and other items:			
Depreciation			
- Operating fixed assets		36,707,995	42,135,548
- Right of use assets		8,440,732	1,463,525
Amortization of deferred income - government grant		(5,392,403)	-
Share of profit from associates - net		(23,336,665)	(78,408,992)
Gain on disposal of operating fixed assets		(53,459)	(2,320,483)
Finance costs		49,246,988	36,997,826
Provision for market committee fee		2,488,910	2,980,465
Loss on disposal of equity instruments at fair value through profit or loss		41,738,802	(22,488,558)
Unrealised loss on remeasurement of equity instruments at fair value through profit or loss		15,077,740	-
Working Capital Changes	7	(826,555,249)	(1,082,370,923)
		(701,636,609)	(1,102,011,592)
Gratuity paid		-	-
Income taxes paid		(36,028,895)	(3,651,493)
Finance costs paid		(57,670,588)	(27,427,427)
Market committee fee paid		(1,577,652)	(1,577,652)
Long term deposits - net		(450,000)	-
Cash generated from operating activities		(682,931,664)	(1,026,339,413)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(68,428,359)	(16,082,300)
Proceeds from disposal of operating fixed assets		111,750	4,052,267
Investments made		(890,231,691)	(1,195,185,841)
Proceeds from disposal of short-term investments		949,226,343	910,286,641
Cash used in investing activities		(9,321,957)	(296,929,233)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment) / receipt of long-term financing (net)		84,004,037	-
(Repayment) / receipt of short term loans (net)		630,779,821	1,330,237,391
Lease rentals paid		(10,867,345)	(7,467,274)
Cash generated from / (used in) financing activities		703,916,513	1,322,770,117
Net (decrease) / increase in cash and cash equivalents		11,662,892	(498,529)
Cash and cash equivalent at the beginning of the period		10,848,736	10,140,845
Cash and cash equivalents at the end of the period		22,511,628	9,642,316

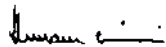
The annexed notes form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the period ended December 31, 2021

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

	Un-audited Dec 31, 2021	Audited Sep 30, 2021
Opening written down value	1,969,321,508	2,098,419,192
Additions during the period	52,864,494	28,593,739
	2,022,186,002	2,127,012,931
Written down value of disposal during the period	(58,291)	(2,175,290)
	2,022,127,711	2,124,837,641
Depreciation charged during the period	36,707,995	155,516,133
	<u>1,985,419,716</u>	<u>1,969,321,508</u>

CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the period ended December 31, 2021

	Un-audited Dec 31, 2021	Audited Sep 30, 2021
4.2 CAPITAL WORK-IN-PROGRESS		
Buildings – Civil Works	41,907,823	44,225,039
Plant & Machinery	<u>377,145,463</u>	<u>359,264,382</u>
	<u>419,053,286</u>	<u>403,489,421</u>

	Note	Un-audited Dec 31, 2021	Audited Sep 30, 2021
5. LONG TERM INVESTMENT			
Subsidiary			
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>
		-	-
Associates			
Unicol Limited	5.2	1,054,928,270	1,031,591,605
UniEnergy Limited	5.3	20,176,912	20,176,912
Uni Foods Industries Limited	5.4	79,832,819	79,832,819
Provision for impairment		<u>(79,832,819)</u>	<u>(79,832,819)</u>
		-	-
		<u>1,075,105,182</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 35,734,561 (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.

	Un-audited Dec 31, 2021	Audited Sep 30, 2021
COMMITMENTS		
Capital commitments	109,188,335	67,791,092
Letter of guarantee	11,520,225	11,520,225

CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the period ended December 31, 2021

	Un-audited Dec 31, 2021	Un-audited Dec 31, 2020
7. WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets		
Biological assets	(2,216,774)	10,575,765
Stores and spare parts	(56,729,644)	(14,370,170)
Stock-in-trade	(1,008,956,654)	(1,537,812,556)
Trade debts	(132,616,685)	(26,635,853)
Loans and advances	(99,805,626)	(32,825,056)
Trade deposits and short-term prepayments	(18,060,682)	(20,015,712)
Other receivables	197,760	148,320
	<u>(1,318,188,305)</u>	<u>(1,620,935,262)</u>
(Increase) / decrease in current assets		
Trade and other payables	287,904,873	299,552,773
Contract liabilities	193,849,150	301,973,953
Sales tax payable	9,879,033	(62,962,387)
	<u>491,633,056</u>	<u>538,564,339</u>
	<u>(826,555,249)</u>	<u>(1,082,370,923)</u>

	Un-audited Dec 31, 2021	Un-audited Dec 31, 2020
8. TRANSACTIONS WITH RELATED PARTIES		
Associates		
Investment made during the period	-	10,800,000
Sales	180,540,244	224,816,388
Expenses shared	265,650	470,099
Donation	750,000	500,000
Retirement benefits Plan		
Provident fund contribution	1,555,135	1,548,924

9. GENERAL

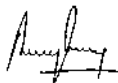
These financial statements were authorized for issue on January 27, 2022 by the Board of Directors of the Company.

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

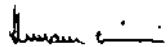
Figures have been rounded off to the nearest rupee.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR



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info@mehransugar.com