

Annual Report  
**2025**



**DEREGULATION**  
Unlocking Growth

A photograph of a sugarcane field at night. In the foreground, tall sugarcane stalks are silhouetted against a dark sky. In the background, a large industrial sugar mill is illuminated by warm lights. Several trucks loaded with sugarcane are parked in a dirt yard in front of the mill. The scene is lit with a warm, orange glow from the mill's lights.

# DEREGULATION

## Unlocking Growth

Removing state-set quotas and export bans let mills sell directly to deficit regions such as China, the Middle-East and land-locked East Africa. Freed from single-desk selling, containerised white sugar can move through neighbouring ports at world-parity prices, widening the customer base by roughly one-third within the first two full seasons and lifting average mill gate realisations 4-6 %.

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# DEREGULATION

## Access to Global Markets

A deregulated sugar industry would be able to develop international markets especially its naturally competitive land locked markets and the Chinese market.



# VISION

We remain focused on being one of Pakistan's leading and largest sugar producers. A modern sugar mill must utilise its raw materials efficiently to produce sugar, ethanol and power at the most competitive pricing. Our vision remains to be the most economical and energy efficient producer of sugar and to ensure that we utilise all our by-products as effectively as possible.

# MISSION

Our Mission remains to ensure we can provide sustainable results and consistent growth to our shareholder. Our objective is to achieve this by utilising sugar and its by products to add value and grow our business.

Basic Purpose: The basic purpose of our Enterprise is to perpetuate as a Public Limited Company engaged in manufacturing and marketing white refined cane sugar and brown sugar while utilising its sugar by products such as molasses and Baggasse to produce ethanol and power respectively. To ensure sustainability we also look to make long term investments in industries which we feel add value to our shareholder and to the country.

# Key Figures

	2025	2024	
Sugarcane Crushing (Tons)	710,803	902,931	▼
Sugar Production (Tons)	72,643	97,384	▼
Sucrose Recovery (%)	10.22	10.79	▼
Revenue from Sugar (Rs. in million)	15,135	11,085	▲
Molasses Production (Tons)	33,247	40,809	▼
Revenue from molasses (Rs. in million)	1,099	1,389	▼
Revenue from bagasse (Rs. in million)	332	365	▼
Profit before Tax (Rs. in million)	2,755	(675)	▲
Taxes to exchequer (Rs. in million)	3,426	2,067	▲
Profit after tax (Rs. in million)	2,174	(799)	▲
Market Capitalization (Rs. in million)	5,275	3,153	▲



# Company Information

## Board of Directors

Mr. Mohammed Kasim Hasham	Chairman
Mr. Mohammed Hussain Hasham	
Mr. Iftikhar Soomro	Independent Director
Mr. Hasan Aziz Bilgrami	Independent Director
Mr. Khurram Kasim	
Mr. Ahmed Ebrahim Hasham	Chief Executive Officer
Mrs. Anushey A. Hasham	

## Management Team

Mr. Ahmed Ebrahim Hasham	Chief Executive Officer
Mr. Muhammad Hanif Aziz	Chief Financial Officer
Mr. Ubaid-ur-Rehman	Technical Director
Mr. Najam-ul-Aqib	Company Secretary

## Board Committees

### Audit Committee

Mr. Hasan Aziz Bilgrami	Chairman
Mr. Khurram Kasim	Member
Mrs. Anushey A. Hasham	Member

### Human Resource & Remuneration Committee

Mr. Iftikhar Soomro	Chairman
Mr. Ahmed Ebrahim Hasham	Member
Mr. Khurram Kasim	Member

### Executive Committee

Mr. Ahmed Ebrahim Hasham	Chairman
Mr. Muhammad Hanif Aziz	
Mr. Ubaid-ur-Rehman	

### Auditors

Grant Thornton Anjum Rahman  
Chartered Accountants

## Legal Advisor

Hafeez Pirzada Law Associates  
KMS Law Associates

## Share Registrar

CDC Share Registrar Services Limited  
CDC House, 99-B, Block B S.M.C.H.S,  
Main Shahrah-e-Faisal, Karachi  
Tel: (92-21) 111-111-500

## Bankers

Bank Al Habib Limited  
Meezan Bank Limited  
MCB Bank Limited  
Bank Islami Pakistan Limited  
Bank Alfalah Limited  
Habib Metropolitan Bank Ltd  
Bank of Punjab Limited  
Askari Bank Limited  
Faysal Bank Limited

## Registered Office

Executive Tower, Dolmen City,  
14th Floor, Block-4, Marine Drive, Clifton,  
Karachi-75600  
Tel: (92 21) 35297814-17  
Fax: (92 21) 35297818, 35297827  
msm@mehransugar.com  
www.mehransugar.com

## Mills

Tando Adam Road, Distt. Tando Allahyar.  
Tel: (022) 3414501, 3414502, 3414503  
Fax: (022) 3414504



# Swot Analysis

## Strengths



- Over 95 percent of cane in Mehran's cane zone is early maturing and high yielding which allows the Company to achieve sucrose recoveries, which are approximately 10% higher than the national average. This gives the Company a comparative advantage as compared to most other sugar mills in Pakistan.
- Mehran's Investment in Unicol has diversified its income base and allowed it to add value to its byproduct molasses. Unicol has doubled its ethanol capacity to 200,000 LPD and has set up a 72 Tons per day CO2 plant. Acquisition of a sugar mill by Unicol will augment its molasses supply and ultimately stabilizes its ethanol production. The investment continues to pay regular dividends to Mehran.
- Mehran has diversified investments of approx. Rs. 1.00 Billion in the capital markets which also continue to contribute to the balance sheet in the form of dividends and capital gains.
- Mehran's investment in energy efficiency has meant that Bagasse savings continues to increase. This in the future shall become a source of energy for future growth into other industries.
- Mehran's strength lies in its policy to grow in a conservative yet sustainable manner. This has allowed it to establish a strong balance sheet, which is not heavily leveraged, hence allowing the Company to explore other business avenues to maximize Shareholder return

## Weakness



- Change in the size of the sugarcane crop can have an effect on the financial results of the Company. Sugarcane crop sizes vary depending on the weather, water availability and pricing of competitive crops. Sugarcane disease can have a detrimental effect on both farmer and factory yields, which could also affect profitability.
- Since sugar is a commodity, the Company does not have much pricing power or any relative advantage as compared to its competitors. The only advantage the Company has is in timing its sales keeping in mind market movements.
- Sugar prices have continued to remain extremely volatile, which do not allow one to forecast future revenue streams. While sugar production is a seasonal operation, sales continue throughout the year, thus holding inventory is a risk, especially in a high interest rate environment like Pakistan.
- Sugar cane prices are set by the government on the basis of cost of sugarcane production. Low farmer yields have meant that this price is set higher than the global average. The high sugar cane price makes sugar production at times unviable for sale in the global market.
- With changing global environment, innovation is the need of hour to remain competitive, profitable and sustainable. Sugarcane required continuous research for development of new varieties, which are disease resistant and have high farm and factory yields. Sadly public or private institutions have not been able to establish any quality research institutes in the country, which could eventually make sugarcane farming and sugar milling globally in competitive.
- Countries law and order situation has at times created hindrances to attract foreign quality manpower in areas of innovation for farm and factory.
- Farm yields have not increased as much in Sind as Punjab. This means while recoveries are high the quantum of cane available to crush in our region needs to increase. The lower cane quantum increases cane prices which makes our cost uncompetitive.

# Swot Analysis

## Opportunities



- A modern sugar complex is a sugar, ethanol and power producer. While we at Mehran have tapped sugar production and ethanol production, the opportunity to produce power remains a huge one.
- Pakistan remains a power deficit nation and the opportunity to produce power remains huge. The sugar industry has the potential to produce power whereby individual mills can set up plants.
- The need of the time is to bring new varieties with high sucrose recovery to improve our overall sugar production. Therefore, research and development needs to be given preferred attention for continuous improvement. While Pakistan's national recovery remains between 9.50-10.50% there are varieties being developed which could fetch recoveries of 12.00% and higher. Such varieties would make Pakistan globally competitive thus enhancing both farmer and miller revenue. Mehran at its own has initiated a variety development project to study and suggest ways and means to increase farm yield.
- There also lies potential in increasing farm yields, which would reduce the cost of the farmer thus making sugar cane cheaper as a raw material.
- Pakistan has a large indigenous population of close to 250 Million. This population continues to grow at a healthy rate. The population growth along with income prosperity means that demand for sugar is expected to grow continually for the foreseeable future allowing for future growth in the industry. We foresee sugar demand growing at 4-5 percent annually while many developed countries are seeing stagnant growth. A modern and energy efficient sugar mill should aim to save a minimum 10 percent of cane crushed in the form of Baggasse. We are presently at 8 percent and see this as a revenue opportunity.
- We are shifting our focus onto cane development where we feel the potential of cane yields increasing at farm level is tremendous. Once we work with our farmer, it will allow their sugarcane plantations revenue to compete with other crops. The larger cane crop will provide more feedstock for mills to crush.



## Threats



- Mehran has one of the most densely populated cane zones in Pakistan. The quantity of cane in the area allows the company to pay minimal transport costs for cane arrivals which gives it a comparative advantage, though frequent intervention by other sugar mills has somewhat diluted this advantage.
- Sugar mills are typically located in rural areas, which are more susceptible to Law and Order situation. The movement of our cane team as well as farming team in specific areas can also be difficult and restricted.
- Inflation affects the business due to cost increases. It also reduces the consumer buying power. Pakistan has been suffering from inflation since last few years. In order to curb inflation, State Bank of Pakistan regularly intervenes and revises interest rates, which affect the cost of doing business. A sudden surge in borrowing rates could adversely affect the Company's financials. With increasing inflation, Sugar Mills have to produce specific quantity, which allows them to get benefit of economies of scale. It requires huge investment for expanding the capacity as well as robust maintenance activity, which may not be possible for every mill due to variety of factors. Hence, their competitiveness is affected.
- Proper maintenance during the off-season enables the plant to run smoothly during the season. Since the season is for a limited duration, a major breakdown could affect financial results for the entire year.
- In the last two decades, the industry has consistently increased its sugarcane crushing capacities without objectively ensuring an increase in the size of crop. A major challenge going ahead is to ensure increased sugarcane cultivation to match crushing capacity. This requires not only availability of sufficient water but also motivation to growers towards sugarcane crop.
- Sugar cane requires abundant quantity of water for cultivation. Pakistan with its growing population can in the future face such water constraints which could mitigate the growth of sugarcane and the industry.

# Code of Conduct & Ethical Values

The Company's reputation and its actions as a legal entity depend on the conduct of its employees. Each employee must commit to act according to the highest ethical standards and to know and abide by applicable laws. We each must assure that our personal conduct is beyond doubt and complies with the highest standards of conduct and business ethics.

## **These principles highlight our responsibility to:**

- promote ethical business practices
- respect the environment and communities in which we operate
- assure equal employment opportunities
- value diversity in the workplace
- provide healthy and safe working environment
- respect human rights and trade ethically





## Confidentiality

Confidential business information must not be shared with others outside the company or used for the personal gain of oneself or others. Employees, their family and close acquaintances should not buy or sell company shares if they have material information that has not been made public and could affect our share price.

We expect employees to keep all information confidential. This might include plans to buy or sell business, product formulation, manufacturing processes, advertising, marketing plans, concepts, research and development, suppliers, customers, financial information, personnel and employment matters, and other information which is not generally known to the public. We will make sure that they are aware of their obligations and also expect them to take steps to prevent unintentional disclosure. These obligations apply to all Employees, including those who leave the company.



## Confidentiality

We recognize the importance of health and safety within our business. We seek to provide a healthy, safe and clean working environment in line with local laws, regulations and industrial practice. We measure, appraise and report performance, as part of our commitment to the health and safety of our employees, contractors and everyone who works on or visits our sites.



## The Environment

We recognize our environmental responsibilities and our contribution to sustainable development. Our environment policy and its management processes deal not only with the environmental issues connected to our manufacturing processes and facilities, but also with Protecting the ecosystems from which we derive our raw materials, management of our supply chain, and distributing, selling and consumption of our products.



## Work Atmosphere

MSML respects and highly values its diverse employee population. Accordingly, the company has an unwavering ethical commitment toward promoting a workplace that is respectful of personal differences and free of discrimination and harassment. This principle applies in our hiring and interviewing process as well as all aspects of our work environment.

# Business Strategy and Goals

A forward-thinking and diverse sugar mill, Mehran Sugar Mills Limited seeks to expand without sacrificing the quality of its output through economies of scale, cost reduction, and maximum capacity utilization. To reach maximum productivity, we systematically invest in our plant. Maximizing the shareholders return is our ultimate goal.



# Management Committees

Various committees have been formed to look after the operational and financial matters of the Company. A brief description of the composition and their related tasks are as follows:



## EXECUTIVE COMMITTEE

The Committee meets to discuss and coordinate various operational activities of the Company. The Chief Executive Officer of the Company is the Chairman of the Committee while Chief Financial Officer, Resident Director, GM Cane / Development are the members of the Committee.



## HUMAN RESOURCE & REMUNERATION COMMITTEE

The Human Resource Development Committee is responsible for necessary training and capacity building of staff at mill site as well as at Head office. It is also responsible for staff as well as executive Directors' annual appraisal and compensation. The Committee comprises of a Chairman, an independent Director, Chief Executive Officer and a non-executive Director.



## AUDIT COMMITTEE

It is a statutory Committee formed as per requirements of Code of Corporate Governance; it is responsible to ensure that all functions of the Company operations are regularly audited and their reports are reviewed regularly for ensuring the work as per Company policy. It consists of a Chairman, an independent Director and three other nonexecutive Directors.



# DEREGULATION

## Innovate

Companies would invest in new technology in their factories and on cane fields thus increasing yields and productivity.



# Board of Directors



## **Muhammad Kasim Hasham**

Chairman

Bachelor's Degree

Karachi University



## **Muhammad Hussain Hasham**

Director (Executive)

B.A (Business)

Chapman University,  
California, USA.



## **Iftikhar Soomro**

Director (Independent)

Bachelor of Arts (Economics)

Karachi University



## **Hasan Aziz Bilgrami**

Director (Independent)

FCMA (Pak), CPA (Aus),

FCSI (Canada)



**Khurram Kasim**

Director (Non-Executive)

Bachelor of Science (Marketing)

Babson College, Massachusetts, USA.



**Ahmed Ebrahim Hasham**

Chief Executive Officer

Bachelor of Arts (Economics and IR)

Tufts University, Medford MA, USA.



**Anushey A. Hasham**

(Female / Non-Executive Director)

B.A (Management and Marketing)

New York University (NYU) New York, USA

# Investor Relations

Share Registrar

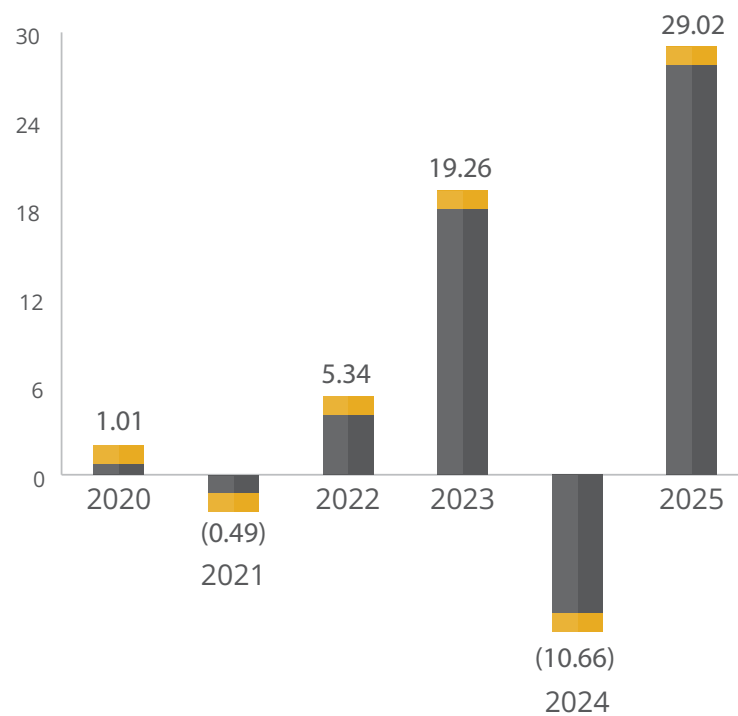
CDC Share Registrar Services Limited  
CDC House, 99-B, Block B, S.M.C.H.S.  
Main Shahra-e-Faisal, Karachi – 74400  
Ph: (92-21) 111-111-500

Date of Annual General meeting

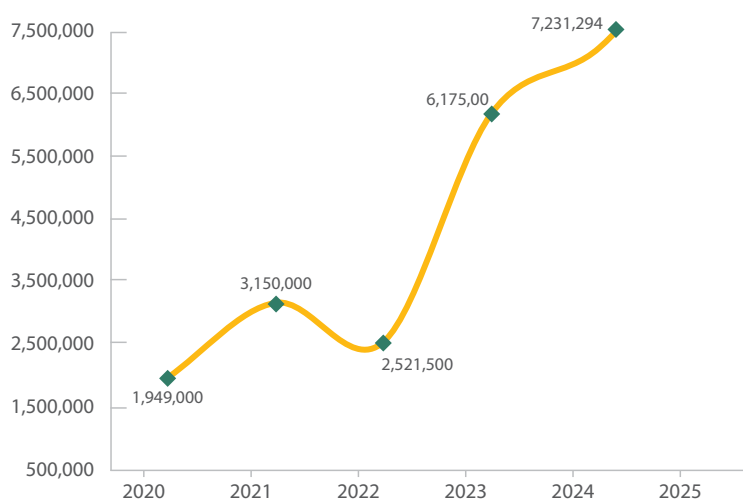
28/01/2026

	2025	2024	2023	2022	2021	2020
Number of Shares (Issued / Paid-up)	<b>74,927,609</b>	74,927,609	74,927,609	60,547,564	48,927,325	46,597,452
(Loss) / Earning per share	<b>29.02</b>	(10.66)	19.26	5.34	0.49	1.01
Break-up value per share	<b>63.63</b>	37.11	51.78	45.41	51.01	55.96
Market Capitalization (Rs. in million)	<b>5,275</b>	3,153	3,229	2,177	2,251	3,455
Market value of share on 30th September	<b>70.40</b>	42.08	43.10	35.95	46.00	74.15
P/E Ratio	<b>2.43</b>	(3.95)	2.24	6.73	93.88	73.42
Cash Dividend %	<b>55.00</b>	10.00	75.00	7.50	15.00	12.50
Cash Dividend (Rs. in million)	<b>412.10</b>	74.93	551.74	40.37	73.39	58.25
Bonus Shares %	<b>0.00</b>	0.00	10.00	25.00	10.00	5.00
Number of shares Traded	<b>9,222,221</b>	7,231,294	6,175,000	2,521,500	3,150,000	1,949,000
Highest price during the year	<b>79.40</b>	76.00	50.44	50.80	73.00	91.44
Lowest price during the year	<b>39.00</b>	41.00	28.31	33.10	45.24	48.00

## Earnings per share



## Mehran's Shares Turnover



# Management Team



## **Mr. Ahmed Ebrahim Hasham**

Chief executive officer

Joined Mehran in 2000

Bachelor of Arts (Economics and IR) Tufts University, Medford MA, USA

Work Experience:

25 years of practical experience in various sectors



## **Mr. Muhammad Hanif Aziz**

CFO

Joined Mehran in 2004

FCMA - Institute of Cost & Management Accountants of Pakistan

FCIS - Institute of Corporate Secretaries of Pakistan

Work Experience:

41 years of practical experience with multinational and national companies.



## **Mr. Ubaid-Ur-Rehman**

Technical Director

Joined Mehran in 2012

B-Tech (Hons) in Mechanical Engineering from Mehran University of Engineering - Jamshoro

Work Experience:

43 years of practical experience in the sugar industry.







# DEREGULATION

## Scale

Efficient companies would be in a position to gain from economies of scale and thus compete globally.

# Horizontal & Vertical Analysis

## STATEMENT OF PROFIT OR LOSS

### HORIZONTAL ANALYSIS

	2025		2024	
			Rs.	%
Turnover	13,573.29	23.52	10,988.87	0.05
Cost of sales	(11,563.13)	14.56	(10,093.84)	17.10
<b>Gross Profit</b>	<b>2,010.15</b>	<b>124.59</b>	895.03	(62.14)
Distribution costs	(207.41)	55.64	(133.27)	58.22
Administrative expenses	(409.49)	15.49	(354.56)	14.47
Other expenses	(144.83)	1,315.51	(10.23)	(89.56)
Other income	1,832.95	120.01	833.12	185.09
Share of Profit from associates	115.95	(117.78)	(652.28)	(171.54)
Provision for impairment on long-term investment	-	-	-	-
Allowance for expected credit loss on long-term receivables	-	-	-	(100.00)
Finance costs	(442.73)	(64.67)	(1,253.09)	97.24
<b>(Loss) / Profit before taxation</b>	<b>2,754.59</b>	<b>(507.92)</b>	(675.28)	(129.61)
Taxation	(580.52)	369.11	(123.75)	(85.23)
<b>Net (Loss) / Profit for the year</b>	<b>2,174.07</b>	<b>(372.09)</b>	(799.03)	(155.37)

### VERTICAL ANALYSIS

	2025		2024	
			Rs.	%
Turnover	13,573.29	100.00	10,988.87	100.00
Cost of sales	(11,563.13)	(85.19)	(10,093.84)	(91.86)
<b>Gross Profit</b>	<b>2,010.15</b>	<b>14.81</b>	895.03	8.14
Distribution costs	(207.41)	(1.53)	(133.27)	(1.21)
Administrative expenses	(409.49)	(3.02)	(354.56)	(3.23)
Other expenses	(144.83)	(1.07)	(10.23)	(0.09)
Other income	1,832.95	13.50	833.12	7.58
Share of Profit from associates	115.95	0.85	(652.28)	(5.94)
Provision for impairment on long-term investment	-	-	-	-
Allowance for expected credit loss on long-term receivables	-	-	-	-
Finance costs	(442.73)	(3.26)	(1,253.09)	(11.40)
<b>(Loss) / Profit before taxation</b>	<b>2,754.59</b>	<b>20.29</b>	(675.28)	(6.15)
Taxation	(580.52)	(4.28)	(123.75)	(1.13)
<b>Net (Loss) / Profit for the year</b>	<b>2,174.07</b>	<b>16.02</b>	(799.03)	(7.27)

2023		2022		2021		2020	
Rs.	%	Rs.	%	Rs.	%	Rs.	%
10,983.53	59.23	6,898.03	13.76	6,063.54	(5.62)	6,424.68	20.95
(8,619.57)	41.52	(6,090.62)	12.23	(5,426.68)	(8.94)	(5,959.54)	32.69
2,363.96	192.78	807.41	26.78	636.86	36.92	465.14	(43.30)
(84.23)	16.08	(72.56)	60.51	(45.21)	(3.97)	(47.08)	(20.96)
(309.74)	21.27	(255.40)	(2.55)	(262.08)	19.71	(218.92)	(14.16)
(98.01)	(12.41)	(111.89)	(24.02)	(147.26)	2,311.60	(6.11)	(51.96)
292.23	86.31	156.85	(32.93)	233.87	(10.59)	261.56	231.00
911.79	107.16	440.14	614.53	61.60	(19.92)	76.92	(76.32)
-	-	-	(100.00)	(122.43)	100.00	-	-
(160.17)	260.04	(44.49)	(38.99)	(72.92)	174.73	(26.54)	100.00
(635.30)	20.71	(526.32)	98.95	(264.55)	(22.72)	(342.32)	(11.03)
2,280.53	479.20	393.74	2,101.22	17.89	(89.00)	162.65	(68.24)
(837.59)	702.46	(104.38)	150.28	(41.70)	(63.93)	(115.62)	6.75
1,442.95	398.67	289.36	1,314.99	(23.82)	(150.64)	47.03	(88.36)

2023		2022		2021		2020	
Rs.	%	Rs.	%	Rs.	%	Rs.	%
10,983.53	100.00	6,898.03	100.00	6,063.54	100.00	6,424.68	100.00
(8,619.57)	(78.48)	(6,090.62)	(88.30)	(5,426.68)	(89.50)	(5,959.54)	(92.76)
2,363.96	21.52	807.41	11.70	636.86	10.50	465.14	7.24
(84.23)	(0.77)	(72.56)	(1.05)	(45.21)	(0.75)	(47.08)	(0.73)
(309.74)	(2.82)	(255.40)	(3.70)	(262.08)	(4.32)	(218.92)	(3.41)
(98.01)	(0.89)	(111.89)	(1.62)	(147.26)	(2.43)	(6.11)	(0.10)
292.23	2.66	156.85	2.27	233.87	3.86	261.56	4.07
911.79	8.30	440.14	6.38	61.60	1.02	76.92	1.20
-	-	-	-	(122.43)	(2.02)	-	-
(160.17)	(1.46)	(44.49)	(0.64)	(72.92)	(1.20)	(26.54)	(0.41)
(635.30)	(5.78)	(526.32)	(7.63)	(264.55)	(4.36)	(342.32)	(5.33)
2,280.53	20.76	393.74	5.71	17.89	0.30	162.65	2.53
(837.59)	(7.63)	(104.38)	(1.51)	(41.70)	(0.69)	(115.62)	(1.80)
1,442.95	13.14	289.36	4.19	(23.82)	(0.39)	47.03	0.73

# Horizontal Analysis

## STATEMENT OF FINANCIAL POSITION

Rupees in million

	2025		2024	
	Rs.	%	Rs.	%
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	2,386.16	1.26	2,356.45	(1.73)
Right-of-Use-Assets	63.29	(51.14)	129.54	97.11
Long-term receivable	-	-	-	-
Long-term investment	1,232.71	9.44	1,126.42	(37.55)
Long-term deposits	3.52	2.47	3.44	-
	<b>3,685.68</b>	<b>1.93</b>	<b>3,615.83</b>	<b>(15.34)</b>
<b>CURRENT ASSETS</b>				
Biological assets	7.86	(54.88)	17.41	35.53
Stores and spare parts	246.55	37.73	179.01	18.09
Stock-in-trade	367.94	(85.84)	2,599.02	338.57
Trade debts	309.22	(35.50)	479.40	66.12
Loans and advances	304.13	126.44	134.31	3.89
Trade deposits and short-term prepayments	20.07	(68.04)	62.80	(19.44)
Other receivables	-	-	-	(100.00)
Short-term investments	2,431.25	287.63	627.22	(31.38)
Taxation - net	-	(100.00)	0.84	(98.49)
Cash and bank balances	35.60	(59.73)	88.41	88.92
	<b>3,722.63</b>	<b>(11.12)</b>	<b>4,188.43</b>	<b>79.55</b>
<b>TOTAL ASSETS</b>	<b>7,408.31</b>	<b>(5.07)</b>	<b>7,804.26</b>	<b>18.18</b>
<b>EQUITY AND LIABILITIES</b>				
<b>SHARE CAPITAL AND RESERVES</b>				
Share capital	749.28	-	749.28	-
Reserves	4,018.39	97.81	2,031.46	(35.10)
	<b>4,767.66</b>	<b>71.45</b>	<b>2,780.74</b>	<b>(28.32)</b>
<b>NON-CURRENT LIABILITIES</b>				
Long-term financing	240.80	(16.90)	289.78	(25.98)
Lease liabilities	33.04	(56.79)	76.47	57.34
Market committee fee payable	49.01	(14.02)	57.00	21.70
Deferred liabilities	2.24	(36.49)	3.52	7.33
Deferred income - government grant	55.62	(26.53)	75.70	(23.32)
Deferred taxation - net	643.29	18.54	542.69	(20.05)
Provision for quality premium	-	-	-	-
	<b>1,023.99</b>	<b>(2.03)</b>	<b>1,045.16</b>	<b>(17.56)</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	711.42	39.97	508.27	(8.77)
Contract liabilities (advances from customers)	1.67	(96.74)	51.20	(87.47)
Unclaimed dividend	28.79	7.36	26.82	14.71
Accrued mark-up	25.08	(90.58)	266.14	867.07
Short-term borrowings	476.17	(82.23)	2,680.12	18,756.81
Taxation - net	56.09	100.00	-	-
Provision for market committee fee	-	-	-	(100.00)
Sales tax and federal excise duty payable	210.80	(18.01)	257.10	(0.82)
Current portion of non-current liabilities	106.64	(43.49)	188.71	32.23
	<b>1,616.65</b>	<b>(59.36)</b>	<b>3,978.36</b>	<b>173.18</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,408.31</b>	<b>(5.07)</b>	<b>7,804.26</b>	<b>18.18</b>

2023		2022		2021		2020	
Rs.	%	Rs.	%	Rs.	%	Rs.	%
2,397.95	(2.03)	2,447.68	3.16	2,372.81	8.29	2,191.14	0.02
65.72	31.59	49.94	(3.17)	51.58	(35.94)	80.52	100.00
-	(100.00)	160.17	(21.74)	204.66	(26.27)	277.58	100.00
1,803.70	54.57	1,166.91	10.95	1,051.77	(14.88)	1,235.65	(9.30)
3.44	-	3.44	303.14	0.85	-	0.85	(1.16)
4,270.80	11.56	3,828.13	3.98	3,681.67	(2.75)	3,785.74	6.52
12.85	(47.68)	24.56	3.32	23.77	42.99	16.62	9.03
151.58	5.04	144.31	30.59	110.50	0.14	110.34	7.73
592.61	(61.85)	1,553.31	176.60	561.56	823.91	60.78	(94.27)
288.60	187.39	100.42	44.14	69.67	282.67	18.21	(76.99)
129.28	104.35	63.26	15.08	54.98	18.80	46.27	(60.34)
77.96	587.42	11.34	75.00	6.48	48.70	4.36	(52.93)
63.50	36.70	46.45	4588.08	0.99	21.45	0.82	(99.74)
913.98	24.79	732.42	(44.39)	1,317.09	18.86	1,108.08	11.32
55.53	(4.95)	58.42	5.80	55.22	40.29	39.36	(2.21)
46.80	40.67	33.27	206.63	10.85	6.98	10.14	(98.49)
2,332.69	(15.72)	2,767.76	25.8	2,211.11	56.26	1,414.98	(58.50)
6,603.49	0.12	6,595.89	11.93	5,892.78	13.31	5,200.72	(25.31)
749.28	23.75	605.48	23.75	489.27	5.00	465.97	15.00
3,130.17	45.99	2,144.18	6.86	2,006.55	(6.30)	2,141.53	6.56
3,879.45	41.09	2,749.65	10.17	2,495.83	(4.28)	2,607.51	7.98
391.50	(39.02)	642.02	(30.41)	922.59	(18.05)	1,125.82	53.00
48.60	44.86	33.55	9.63	30.60	4.60	29.26	42.08
46.84	(5.29)	49.45	(3.38)	51.18	78.48	28.68	22.64
3.28	(17.40)	3.97	(7.67)	4.30	(3.24)	4.45	(6.66)
98.72	(4.49)	103.37	46.08	70.76	1,857.80	3.61	100.00
678.77	1,341.50	47.09	(40.83)	79.58	(53.45)	170.97	(14.34)
-	-	-	(100.00)	119.29	-	119.29	-
1,267.72	44.15	879.45	(31.20)	1,278.31	(13.75)	1,482.07	34.31
557.15	21.95	456.87	(3.09)	471.46	3.77	454.31	(32.89)
408.68	(19.22)	505.94	1,362.58	34.59	(5.20)	36.49	(91.22)
23.38	18.63	19.71	1.94	19.33	3.66	18.65	5.41
27.52	(71.49)	96.52	90.43	50.68	149.20	20.34	(83.79)
14.21	(98.87)	1,258.05	18.25	1,063.92	257.04	297.98	(82.98)
-	-	-	-	-	-	-	-
23.44	52.29	15.39	125.61	6.82	(84.48)	43.97	17.48
259.23	25.77	206.11	168.03	76.90	(28.41)	107.41	16.90
142.71	(65.04)	408.20	3.36	394.93	199.21	131.99	(59.93)
1,456.32	(50.91)	2,966.79	40.03	2,118.64	90.67	1,111.14	(67.75)
6,603.49	0.12	6,595.89	11.93	5,892.78	13.31	5,200.72	(25.31)

# Vertical Analysis

## STATEMENT OF FINANCIAL POSITION

Rupees in million

	2025 Rs.	%	2024 Rs.	%
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	2,386.16	32.21	2,356.45	30.19
Right-of-Use-Assets	63.29	0.85	129.54	1.66
Long-term receivable	-	-	-	-
Long term investment	1,232.71	16.64	1,126.42	14.43
Long term deposits	3.52	0.05	3.44	0.04
	<b>3,685.68</b>	<b>49.75</b>	<b>3,615.83</b>	<b>46.33</b>
<b>CURRENT ASSETS</b>				
Biological assets	7.86	0.11	17.41	0.22
Stores and spare parts	246.55	3.33	179.01	2.29
Stock-in-trade	367.94	4.97	2,599.02	33.30
Trade debts	309.22	4.17	479.40	6.14
Loans and advances	304.13	4.11	134.31	1.72
Trade deposits and short-term prepayments	20.07	0.27	62.80	0.80
Other receivables	-	-	-	-
Short-term investments	2,431.25	32.82	627.22	8.04
Taxation – net	-	-	0.84	0.01
Cash and bank balances	35.60	0.48	88.41	1.13
	<b>3,722.63</b>	<b>50.25</b>	<b>4,188.43</b>	<b>53.67</b>
<b>TOTAL ASSETS</b>	<b>7,408.31</b>	<b>100.00</b>	<b>7,804.26</b>	<b>100.00</b>
<b>EQUITY AND LIABILITIES</b>				
<b>SHARE CAPITAL AND RESERVES</b>				
Share capital	749.28	10.11	749.28	9.60
Reserves	4,018.39	54.24	2,031.46	26.03
	<b>4,767.66</b>	<b>64.36</b>	<b>2,780.74</b>	<b>35.63</b>
<b>NON-CURRENT LIABILITIES</b>				
Long-term financing	240.80	3.25	289.78	3.71
Lease liabilities	33.04	0.45	76.47	0.98
Market committee fee payable	49.01	0.66	57.00	0.73
Deferred liabilities	2.24	0.03	3.52	0.05
Deferred income - government grant	55.62	0.75	75.70	0.97
Deferred taxation - net	643.29	8.68	542.69	6.95
Provision for quality premium	-	-	-	-
	<b>1,023.99</b>	<b>13.82</b>	<b>1,045.16</b>	<b>13.39</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	711.42	9.60	508.27	6.51
Contract liabilities (advances from customers)	1.67	0.02	51.20	0.66
Unclaimed dividend	28.79	0.39	26.82	0.34
Accrued mark-up	25.08	0.34	266.14	3.41
Short-term borrowings	476.17	6.43	2,680.12	34.34
Taxation - net	56.09	0.76	-	-
Provision for market committee fee	-	-	-	-
Sales tax and federal excise duty payable	210.80	2.85	257.10	3.29
Current portion of non-current liabilities	106.64	1.44	188.71	2.42
	<b>1,616.65</b>	<b>21.82</b>	<b>3,978.36</b>	<b>50.98</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,408.31</b>	<b>100.00</b>	<b>7,804.26</b>	<b>100.00</b>

2023 Rs.	%	2022 Rs.	%	2021 Rs.	%	2020 Rs.	%
2,397.95	36.31	2,447.68	37.11	2,372.81	40.27	2,191.14	42.13
65.72	1.00	49.94	0.76	51.58	0.88	80.52	1.55
-	-	160.17	2.43	204.66	3.47	277.58	5.34
1,803.70	27.31	1,166.91	17.69	1,051.77	17.85	1,235.65	23.76
3.44	0.05	3.44	0.05	0.85	0.01	0.85	0.02
4,270.80	64.68	3,828.13	58.04	3,681.67	62.48	3,785.74	72.79
12.85	0.19	24.56	0.37	23.77	0.40	16.62	0.32
151.58	2.30	144.31	2.19	110.50	1.88	110.34	2.12
592.61	8.97	1,553.31	23.55	561.56	9.53	60.78	1.17
288.60	4.37	100.42	1.52	69.67	1.18	18.21	0.35
129.28	1.96	63.26	0.96	54.98	0.93	46.27	0.89
77.96	1.18	11.34	0.17	6.48	0.11	4.36	0.08
63.50	0.96	46.45	0.70	0.99	0.02	0.82	0.02
913.98	13.84	732.42	11.10	1,317.09	22.35	1,108.08	21.31
55.53	0.84	58.42	0.89	55.22	0.94	39.36	0.76
46.80	0.71	33.27	0.50	10.85	0.18	10.14	0.20
2,332.69	35.33	2,767.76	41.96	2,211.11	37.52	1,414.98	27.21
6,603.49	100.00	6,595.89	100.00	5,892.78	100.00	5,200.72	100.00
749.28	11.35	605.48	9.18	489.27	8.30	465.97	8.96
3,130.17	47.40	2,144.18	32.51	2,006.55	34.05	2,141.53	41.18
3,879.45	58.75	2,749.65	41.69	2,495.83	42.35	2,607.51	50.14
391.50	5.93	642.02	9.73	922.59	15.66	1,125.82	21.65
48.60	0.74	33.55	0.51	30.60	0.52	29.26	0.56
46.84	0.71	49.45	0.75	51.18	0.87	28.68	0.55
3.28	0.05	3.97	0.06	4.30	0.07	4.45	0.09
98.72	1.50	103.37	1.57	70.76	1.20	3.61	0.07
678.77	10.28	47.09	0.71	79.58	1.35	170.97	3.29
-	-	-	-	119.29	2.02	119.29	2.29
1,267.72	19.20	879.45	13.33	1,278.31	21.69	1,482.07	28.50
557.15	8.44	456.87	6.93	471.46	8.00	454.31	8.74
408.68	6.19	505.94	7.67	34.59	0.59	36.49	0.70
23.38	0.35	19.71	0.30	19.33	0.33	18.65	0.36
27.52	0.42	96.52	1.46	50.68	0.86	20.34	0.39
14.21	0.22	1,258.05	19.07	1,063.92	18.05	297.98	5.73
-	-	-	-	-	-	-	-
23.44	0.36	15.39	0.23	6.82	0.12	43.97	0.85
259.23	3.93	206.11	3.12	76.90	1.30	107.41	2.07
142.71	2.16	408.20	6.19	394.93	6.70	131.99	2.54
1,456.32	22.05	2,966.79	44.98	2,118.64	35.95	1,111.14	21.37
6,603.49	100.00	6,595.89	100.00	5,892.78	100.00	5,200.72	100.00



# DEREGULATION

Market driven pricing  
with the option to  
hedge risk

An open market allows mills to price sugar as and when they would like and take advantage of market volatility.





# Factory Profile

**Date of Incorporation**

December 22, 1965

**Date of Commencement of Business**

March 19, 1966

**Start of Commercial Production**

January 1969

**Installed Capacity**

12,500 Tons Cane Crushing Per Day

**Total Land Area**

127 Acres

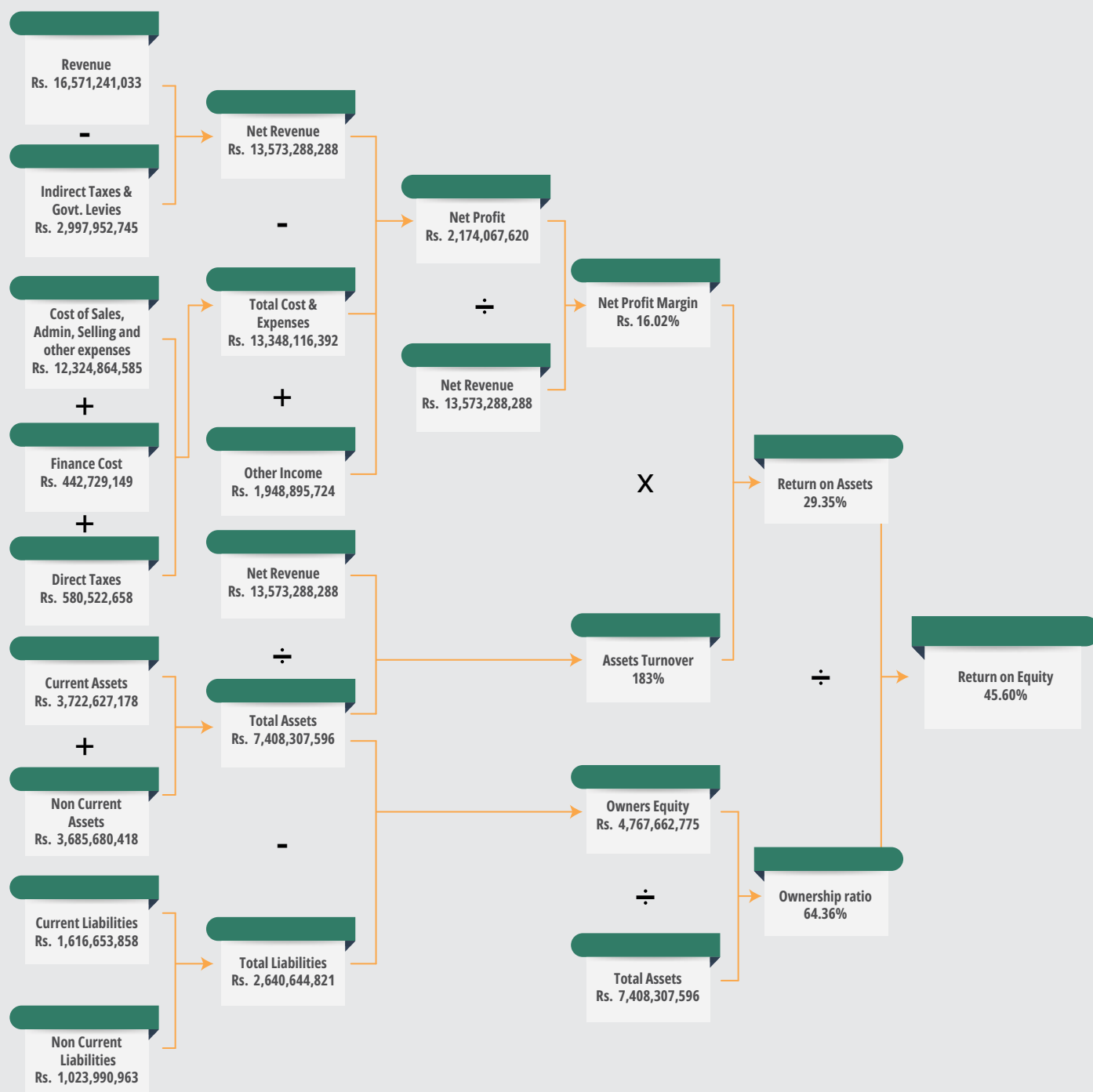
**Total Farming Area**

140 Acres

**Facilities at our Mills**

- Two Mosques - Factory & Colony.
- Recreation Centre at officers mess equipped with Indoor Games, TV, Videos and other facilities.
- Cricket Ground, Tennis Court, Park, School/ College Bus facility.
- Private Electric Generator for Uninterrupted Power Supply and Solar Power for Renewable Cheap Energy.
- Clean Water Supply with UV Filters.
- Transport Facility for City & Adjoining Areas.
- Accommodation for Officers and Company Guests with all facilities.
- Hostel of 36,000 sq.ft for accommodation for seasonal workers and staff of various contractors engaged during

# Dupont Analysis



# Six Years' Review at a Glance

	2025	2024	2023	2022	2021	2020
<b>Operational Trends</b>						
Sugarcane crushed - M.Tons	<b>710,803</b>	902,931	804,872	856,944	682,253	654,339
Sugar produced - M.Tons	<b>72,643</b>	97,384	85,796	95,642	73,092	72,821
Sucrose recovery - %	<b>10.22</b>	10.79	10.66	11.16	10.72	11.13

<b>Balance Sheet</b>						
			<b>Rupees in million</b>			
Share capital	<b>749.28</b>	749.28	749.28	605.48	489.27	465.97
Reserves	<b>4,018.39</b>	2,031.46	3,130.17	2,144.17	2,006.55	2,141.53
Shareholders' equity	<b>4,767.67</b>	2,780.74	3,879.45	2,749.65	2,495.82	2,607.50
Non current liabilities	<b>1,023.99</b>	1,045.16	1,267.72	879.45	1,278.32	1,482.08
Current liabilities	<b>1,616.65</b>	3,978.36	1,456.32	2,966.79	2,118.64	1,111.14
Total Equity & Liabilities	<b>7,408.31</b>	7,804.26	6,603.49	6,595.89	5,892.78	5,200.72
Fixed Assets	<b>2,449.45</b>	2,485.98	2,463.67	2,497.62	2,424.39	2,271.66
Non current assets	<b>1,236.23</b>	1,129.85	1,807.13	1,330.51	1,257.28	1,514.08
Current assets	<b>3,722.63</b>	4,188.43	2,332.69	2,767.76	2,211.11	1,414.98
Total assets	<b>7,408.31</b>	7,804.26	6,603.49	6,595.89	5,892.78	5,200.72

<b>Financial Trends</b>						
			<b>Rupees in million</b>			
Turnover	<b>13,573.29</b>	10,988.87	10,983.53	6,898.03	6,063.54	6,424.68
Gross profit	<b>2,010.15</b>	895.03	2,363.96	807.41	636.86	465.14
Operating profit	<b>3,081.37</b>	1,230.09	2,164.22	524.40	416.19	454.59
EBITDA	<b>3,413.26</b>	796.26	3,107.49	1,108.41	488.51	682.79
EBIT	<b>3,197.32</b>	577.81	2,915.83	920.06	282.44	504.97
Pre-tax profit	<b>2,754.59</b>	(675.28)	2,280.53	393.74	17.89	162.65
After-tax profit / (loss)	<b>2,174.07</b>	(799.03)	1,442.95	289.36	(23.82)	47.03
Capital Expenditure	<b>93.23</b>	164.04	165.69	410.00	28.54	267.65

<b>Cash Flows</b>						
			<b>Rupees in million</b>			
Operating activities	<b>3,087.29</b>	(3,028.85)	1,912.26	(310.81)	(341.22)	440.52
Investing activities	<b>(556.72)</b>	864.97	211.37	430.11	(447.70)	276.15
Financing activities	<b>(379.43)</b>	(460.42)	(866.25)	(291.02)	23.69	73.21
Cash and Cash equivalents	<b>(440.57)</b>	(2,591.71)	32.58	(1,224.79)	(1,053.07)	(287.84)

<b>Profitability Indicators</b>						
			<b>Percentage</b>			
Gross profit margin	<b>14.81</b>	8.14	21.52	11.70	10.50	7.24
Operating Profit margin	<b>22.70</b>	11.19	19.70	7.60	6.86	7.08
Net profit margin	<b>16.02</b>	(7.27)	13.14	4.19	(0.39)	0.73
Return on shareholders' equity	<b>45.60</b>	(28.73)	37.19	10.52	(0.95)	1.80
Return on capital employed	<b>55.21</b>	15.10	56.65	25.35	7.48	12.35
Return on total assets	<b>29.35</b>	(10.24)	21.85	4.39	(0.40)	0.90
EBITDA margin	<b>25.15</b>	7.25	28.09	16.07	8.06	10.63

	2025	2024	2023	2022	2021	2020
<b>Operating Performance</b>						
Inventory turnover ratio	<b>7.79</b>	6.33	8.03	5.76	17.44	10.63
Inventory turnover in days	<b>47</b>	58	45	63	21	34
Debtors turnover ratio	<b>23.31</b>	13.58	22.06	33.17	52.37	42.58
Debtors turnover in days	<b>16</b>	27	17	11	7	9
Creditors turnover ratio	<b>27.66</b>	92.50	60.33	46.47	34.73	18.37
Creditors turnover in days	<b>13</b>	4	6	8	11	20
Operating cycle in days	<b>50</b>	81	56	66	17	23
Total assets turnover ratio	<b>1.78</b>	1.53	1.66	1.10	1.09	2.47
Fixed assets turnover ratio	<b>5.50</b>	4.44	4.43	2.80	2.58	5.66
Capital employed turnover ratio	<b>2.82</b>	2.45	2.50	1.86	1.54	3.14
<b>Investment Valuation</b>						
Earnings per share	<b>29.02</b>	(10.66)	19.26	3.86	(0.49)	1.01
Break-up value per share	<b>63.63</b>	37.11	51.78	45.41	51.01	55.96
Price earning ratio	<b>2.43</b>	(3.95)	2.24	9.31	(93.88)	73.42
Dividend yield (%)	<b>7.81</b>	2.38	17.40	2.09	3.26	1.69
Dividend payout (%)	<b>18.96</b>	(9.38)	38.95	19.43	(306.12)	123.76
Market value per share on 30th September	<b>70.40</b>	42.08	43.10	35.95	46.00	74.15
Cash Dividend (%)	<b>55.00</b>	10.00	75.00	7.50	15.00	12.50
Bonus Shares (%)	<b>-</b>	-	-	25.00	10.00	5.00
<b>Financial gearing</b>						
Debt Ratio	<b>0.36</b>	0.64	0.41	0.58	0.58	0.50
Debt : Equity Ratio	<b>0.55</b>	1.81	0.70	1.40	1.36	0.99
Interest cover ratio	<b>7.22</b>	0.46	4.59	1.75	1.07	1.48
<b>Liquidity measurement</b>						
Current ratio	<b>2.30</b>	1.05	1.60	0.93	1.04	1.27
Quick ratio/Acid test ratio	<b>2.13</b>	0.99	1.40	0.85	0.95	1.12
<b>Value addition</b>						
			Rupees in million			
Government as taxes	<b>3,639.13</b>	1,985.88	2,551.04	1,201.69	960.30	1,111.65
Employees as remuneration	<b>636.12</b>	519.20	508.97	402.53	356.24	340.22
Financial charges to providers of finance	<b>442.73</b>	1,253.09	635.30	526.32	264.55	342.32
Shareholders as dividend and bonus shares	<b>412.10</b>	74.93	619.86	183.32	122.32	81.55
Retained within the business	<b>1,762.14</b>	(655.48)	1,028.55	299.22	45.46	387.65





# DEREGULATION

## Healthy Competition

Efficient mills grow faster; while inefficient mills are pushed to improve or consolidate.

# CEO's Message on ESG

At Mehran, our commitment to responsible, transparent, and ethical governance continues to shape the foundation of a resilient and future-ready organization. During the past year, we strengthened this resolve by formalizing comprehensive ESG frameworks and guidelines—further embedding accountability, transparency, and integrity across all business functions.

We remain dedicated to delivering robust Environmental, Social, and Governance (ESG) performance that aligns with our long-term vision of creating shared and sustainable value for all stakeholders. ESG principles are deeply integrated across our operational ecosystem, reflecting our belief that corporate success is inherently linked to the well-being of our people, our communities, and the environment.

Our strategic focus extends beyond compliance—toward climate stewardship, responsible resource management, and alignment with the United Nations Sustainable Development Goals (UN SDGs). We continue to enhance our processes to support the global movement toward Net Zero emissions and broader sustainable development objectives.

Over the years, Mehran Sugar Mills Limited (MSML) has significantly strengthened its sustainability agenda. We are committed to responsible environmental stewardship backed by modern systems, rigorous controls, and targeted investments that enable us to proactively identify and manage environmental and social risks and opportunities. Our approach is grounded in preventive action, technological advancement, and globally recognized best practices.

This commitment is reflected in several major initiatives, including the commissioning of a state-of-the-art Effluent Treatment Plant (ETP), extensive afforestation programs, the expansion of our renewable energy footprint, and strategic enhancements in energy efficiency and automation.

Our Senior Leadership Team plays an instrumental role in reviewing and guiding the Company's ESG direction, ensuring that our sustainability priorities remain aligned with long-term business resilience.

Each year, MSML publishes a detailed ESG Report containing key performance indicators, policies, and strategic initiatives that reflect our progress and evolving commitments. Our Corporate Social Responsibility (CSR) programs—integral to our mission—are also comprehensively reported in this Annual Report.

Despite a challenging financial environment, our dedication to responsible growth remains unwavering. We invite our stakeholders to review this year's Sustainability Report as we continue progressing on our journey toward building a cleaner, stronger, and more sustainable future.

We are grateful for your time, and we welcome your continued feedback and engagement.



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Ahmed Ebrahim Hasham

Chief Executive Officer

# Sustainability and CSR Initiatives

1. Health, Safety and Environment (HSE)
2. Environmental, Social and Governance (ESG)
3. Corporate Social Responsibility (CSR)
4. Value Addition to Shareholders

## 1. HEALTH, SAFETY AND ENVIRONMENT (HSE).

### Strengthening Safety Culture, Environmental Care & Operational Excellence

Aligned with our ESG commitments, MSML places the highest priority on workforce health and safety, environmental protection, and socially responsible conduct. Our dedication to operational excellence is underpinned by our Integrated Management System (IMS) certifications, including ISO 9001, ISO 14001 (EMS), and ISO 45001 (OHS).

Our compliance with the SEDEX Four-Pillar Audit and our Halal Certification further reinforce our commitment to global ethical practices, product integrity, and robust governance standards.

MSML's continued leadership in environmental responsibility has earned the Annual Environment Excellence Awards (AEEA) for 2023, 2024, and 2025, along with the Tree Plantation Awards 2024 and 2025, presented by the National Forum for Environment & Health (NFEH).

### HSE Initiatives

#### i. HSE Induction Programs

Comprehensive orientation sessions for employees and contractors to build a safe, responsible, and compliance-driven workplace culture.



#### ii. Awareness & Training Workshops

Targeted departmental programs designed to enhance safety awareness and reinforce adherence to established HSE protocols.



### iii. Fire Safety & Emergency Drills

Regular firefighting drills and emergency simulations to improve organizational readiness and emergency response capability.



### iv. HSE Walk-Downs & Inspections

Systematic inspections to proactively identify, control, and eliminate potential hazards—reducing the risk of re-occurrence.



### v. HSE Standard Implementation

Continuous review, updating, and deployment of HSE policies and procedures to maintain a safe, healthy, and compliant workplace.

### vi. First Aid Training

Hands-on training to equip employees with essential emergency-response skills.



### **vii. Emergency Evacuation Drills**

Enhanced awareness and readiness through structured evacuation exercises aligned with the Emergency Response Plan.



### **viii. Expansion of Firefighting Infrastructure**

Maintenance of 29 water hydrant points operating at 8-bar pressure to provide robust fire protection capacity.

### **ix. Bagasse Yard ETF Safety Program**

A dedicated Emergency Task Force (ETF) responsible for bagasse yard safety, routine system checks, and rapid response preparedness.

### **x. Medical Screening of Seasonal Employees**

Comprehensive pre-employment medical examinations for all seasonal staff to ensure health fitness and early identification of potential concerns.



## Environmental Stewardship & Resource Management

MSML continues to invest in sustainable infrastructure, including an 850 KW solar power system and a fully functional Effluent Treatment Plant (ETP).

Our SEPA-compliant wastewater treatment facility processes 2,000 cubic meters of water per day, enabling reuse for irrigation and horticulture. We utilize 100 percent of the clean water for our own internal usage thus not only being compliant but also water efficient. Annual third-party inspections ensure continued environmental compliance.

The Company also operates a Fly Ash Removal System (FARS) which was the first of its kind when installed at Mehran. Mehran also maintains a strong focus on enhancing biodiversity through extensive afforestation efforts in collaboration with the Sindh Forest Department. Urban forests have been developed within the mill area to strengthen ecosystem preservation.

To promote access to clean drinking water, MSML has installed three So-Safe Water Filtration Plants serving employees and nearby communities.



## Energy Conservation – Transitioning Toward Renewable Energy Leadership

MSML initiated its clean-energy journey in **2016** by first installing solar panels and has since installed five solar power systems, raising renewable capacity to **0.850 MW** with a target of **1.00 MW** by **2026**.

Over 90% of off-season electricity demand is met through solar power and excess power is net metered into the grid. Thus renewable source is complemented by bagasse-based power generation of **10.5–11 MW** during the crushing season.

A formal generation license from the Government's Electric Inspectorate marks MSML as a compliant and forward-looking energy producer.

Notably, the Company exported **456,520 units** of surplus electricity to the national grid through net metering during the review period.

For further energy efficiency measures Mehran has:

- \* **Installed VFDs totaling 10.5 MW capacity**
- \* **Planned expansion of an additional 2.5 MW of VFD's.**
- \* **Facility-wide transition from conventional lighting to LED systems**
- \* **Ongoing training initiatives promoting energy-conscious behavior**



## Water Conservation – A Model of Sustainable Water Management

- Since 2015–16, MSML has implemented sector-leading initiatives focused on water conservation, recycling, and optimization.

A landmark three-year plan initiated in 2013 successfully replaced the use of canal water with cane-derived water for all industrial processes—independently verified by IPRO Germany.

Furthermore, our USD 1.70 million investment in the effluent treatment initiative reflects MSML's long-term commitment to responsible and sustainable resource management. Key achievements include:

- Full utilization of ETP capacity at 2,000 m<sup>3</sup>/day
- Construction of a 35,000 cubic meter treated-water reservoir and an equivalent capacity raw water dam.
- 100% reuse of treated water for internal agriculture and operations

## Adherence to ESG Goals – Social Impact

MSML remains steadfast in its commitment to uplifting communities through education, healthcare, welfare initiatives, and economic empowerment.



## **Adherence to ESG Goals – Social Impact**

MSML remains steadfast in its commitment to uplifting communities through education, healthcare, welfare initiatives, and economic empowerment.

### **2. Corporate Social Responsibility (CSR) – Transforming Communities Through Education Dawood Memorial School (DMS)**

Located within the MSML colony, DMS has been supported since 1998–1999 and currently serves 380+ students with 19 qualified staff.

### **Partnership with The Citizens Foundation (TCF)**

MSML has funded three TCF schools, educating more than 965 students, while generating employment and empowering women in rural Sindh.

### **Vocational Training Center**

MSML Provides skill development in stitching, embroidery, and culinary arts, enhancing women's earning potential and social mobility. Vocational Training Center IS LOCATED AT MSML Site tando allahyar.

### **Healthcare Initiatives – Usman Memorial Hospital (UMH)**

MSML supports UMH, one of Karachi's leading secondary-care hospitals, through operational assistance and welfare contributions. The hospital has undergone extensive modernization and offers high-quality medical facilities to underprivileged communities.

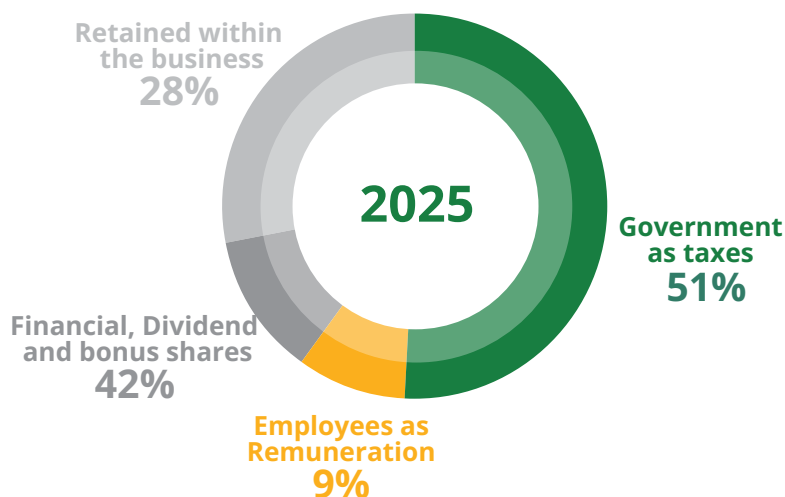
### **Commitment to Sustainable Development**

At Mehran, sustainability is a continual journey that integrates responsible growth, community well-being, and environmental care. We work closely with our growers to promote modern cultivation techniques, cost efficiency, and crop productivity through seminars and training workshops

# Economic Value Addition and Distribution

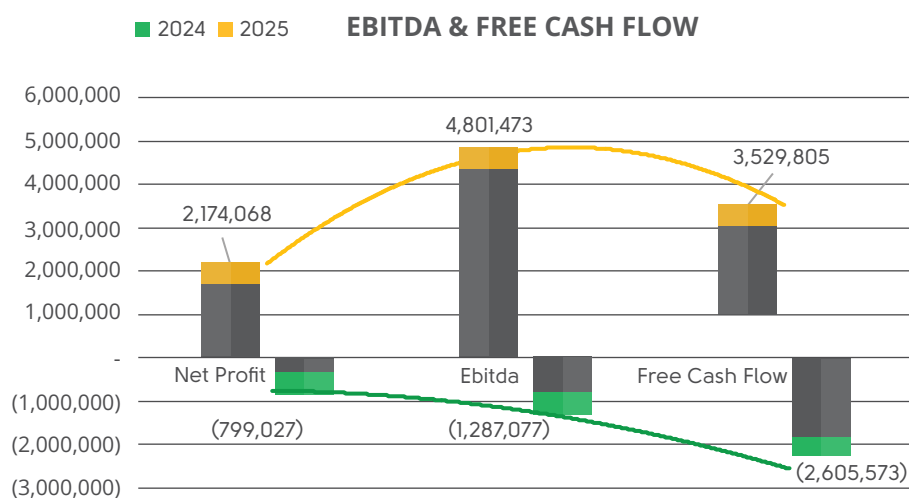
	2025 Rupees	%	2024 Rupees	%
<b>WEALTH GENERATED</b>				
Gross revenue	16,571,241,033		12,845,351,524	
Other Income	1,832,947,101		833,124,473	
Share of profit from associates	115,948,623		(652,281,208)	
	18,520,136,757		13,026,194,789	
Expenses	(11,412,938,504)		(9,848,585,654)	
Wealth generated	7,107,198,253	100	3,177,609,135	100
<b>WEALTH DISTRIBUTED</b>				
<b>To Government</b>				
Sales Tax, Income Tax, Road Cess, WWF	3,639,134,089	51	1,985,876,829	63
<b>To Employees</b>				
Salaries, WPPF, Benefits and Other related cost	636,120,327	9	519,200,882	16
<b>To Providers of capital</b>				
Mark-up on borrowed funds	442,729,149	6	1,253,086,905	40
Shareholders as Dividend/Bonus shares	412,101,850	6	74,927,609	2
	854,830,999	12	1,328,014,514	42
<b>Retained with the business</b>				
Depreciation	214,970,119	3	218,446,916	7
Retained profit	1,762,142,719	25	(873,930,006)	-28
	1,977,112,838	28	(655,483,090)	-21
	7,107,198,253	100	3,177,609,135	100

Value addition and distribution during the year 2024-25 Rs.7,107 billion



# Statement of Free Cash Flow

	Rupees in thousand	
	2025 Rupees	2024 Rupees
<b>Net (Loss) / profit</b>	<b>2,174,068</b>	(799,027)
Adjustment for non-cash items	(983,860)	480,737
Finance Cost	442,729	1,253,087
Taxation	580,523	123,750
Depreciation	214,970	218,447
Working capital	2,373,044	(2,564,071)
<b>Cash from operation</b>	<b>4,801,473</b>	(1,287,077)
<b>Less:</b>		
Income Tax paid	423,106	205,152
Finance cost paid	654,448	985,760
Capex	194,113	127,583
	<b>1,271,668</b>	1,318,495
<b>Free Cash Flow</b>	<b>3,529,805</b>	(2,605,572)



# Chairman's Message



Mehran Sugar Mills Limited's (MSML) performance for the fiscal year ended September 30, 2025 has significantly improved supported by the economic environment in the country as well as the stronger performance of the sugar sector.

Lower interest rates, timely support from the Government of Pakistan in allowing exports during a period of strong international sugar prices and a favorable domestic surplus, contributed to the improved financial performance of the company this year. Unicol Limited also witnessed a recovery as global supply chain disruptions eased and the ethanol market normalized. This contributed to an improved share of profit during the year compared to loss during last year.

I am optimistic that the company's emphasis on farmer collaboration, operational efficiency, technological innovation, and investment diversification will enable it to fight back strongly and continue to enrich its shareholders.

MSML's strategic location, strong farmer partnerships, and adoption of advanced technologies have enabled it to improve its operations and enhance productivity. The company's commitment to the environment and sustainability has been recognized through various industry awards.

The global economic outlook is cautiously optimistic, with stable growth and low commodity prices. Domestic economic conditions showed clear signs of improvement during the year, supported by stability in interest rates and increased currency stability, which collectively boosted business confidence and performance. The government's fiscal and monetary measures have continued to strengthen the overall economic environment, and we are encouraged by the positive results now becoming evident.

The global sugar industry is undergoing significant transformation, driven by factors such as changing consumption patterns, increased production, and evolving trade dynamics. The Pakistani sugar industry benefits from its competitive cost structure and favorable market conditions. However, challenges such as declining cultivation areas due to the pressures of competing crops and water scarcity continue to remain and need to be addressed on priority for long term solution.

MSML remains optimistic about its future prospects, driven by its strong operational foundation, strategic initiatives, and commitment to sustainable growth.

I extend my heartfelt appreciation to our operational teams, management and other stakeholders who have been striving to take the company forward. Their unwavering commitment has been instrumental in restoring growth and strengthening MSML's position within the industry.

---

**Muhammad Kasim Hasham**  
Chairman

# Directors' Report

## Dear Shareholders,

We are pleased to present the audited financial statements of Mehran Sugar Mills Limited ("the Company") for the year ended September 30, 2025, along with a discussion of the year gone by and our thinking about the future.

Let us begin with the obvious: FY 2025 was a turnaround year for Mehran.

After reporting a loss in the previous year, Mehran delivered a record profit in FY 2025. This reversal was meaningful—not just in absolute numbers, but in what it demonstrated about the underlying earnings power of the business when pricing, costs, and financing conditions align reasonably well.

At the same time, we would be incorrect not to state plainly that this sharp swing from loss to record profit also highlights a reality of our industry: the sugar business is inherently cyclical and quite inconsistent. Weather, crop yields, recoveries, government policy, pricing controls, and interest rates all play decisive roles. None of these are fully within management's control, and all can change quickly.

Our job, therefore, is not to celebrate a good year in isolation, but to reduce the distance between our worst years and our best years. That objective—smoothing volatility and strengthening the balance sheet—remains central to how we think about Mehran's future.

Mehran Sugar Mills Limited (MSML), incorporated in 1965 as a public limited company, is one of the country's oldest and most reputable sugar company. We cherish this reputation and guard it safely. Mehran with its integrated operations and strategic investments in the sugar and ethanol value chain continues to reinforce its position as a resilient and forward-looking participant in Pakistan's agribusiness sector.

MSML's core business remains the production of refined white sugar, supported by long-term procurement arrangements with growers, technology-enabled operations, and a governance framework aligned with best corporate practices.

Along with this our private investments in Uicol Ltd and our public markets investments in different listed concerns allows us to diversify our balance sheet and profitability.

## The Business We Own

Mehran, founded in 1965, is one of Pakistan's oldest sugar company. Over time, it has evolved from a single-product operation into an integrated agribusiness with exposure to sugar, ethanol, allied by-products and long-term investments. This integration does not entirely eliminate cyclicity, but it does give us more levers to manage it.

Our mill near Tando Allahyar benefits from proximity to cane-growing areas and long-standing relationships with farmers. These relationships matter more than machinery or buildings. In years when recoveries disappoint or weather turns unfavourable, trust and continuity with growers become competitive advantages that do not appear on the balance sheet—but should.

We continue to invest in efficiency, energy optimization, and environmental compliance, not because they are ethically important, but because over time they lower the cost per unit of our production and reduce downside risk. We believe that Incremental improvements, year after year, compound more reliably.

## A. Operational Highlights

Operational Highlights	2025	2024
Crushing - M. Tons	710,803	902,931
Sucrose Recovery	10.22%	10.79%
Sugar Production - M. Tons	72,643	97,384
Molasses Production - M. Tons	33,247	40,809
Molasses Recovery	4.68%	4.46%

Our operations for the year reflect a sizeable dip in production which corresponded with a similar dip in national production. Lower farm yields along with lower recovery took the national sugar production number to 5.83 Million Tons compared to national consumption which is estimated at around 6.4/6.5 Million Tons. A carryover from the previous year along with TCP imports of approximately 300,000 Tons allowed there to be enough sugar to suffice for the year.

## Financial Results in Context

Improved sugar sales receipts, better cost management, improved bagasse realizations, and a sharp reduction in finance costs were major variables which drove Mehran's strong performance in FY 2025. Finance costs fell materially from Rs. 1.25 Billion to Rs.442.7 Million as interest rates eased and working capital management improved. Our income from investments improved from Rs. 833 million to Rs. 1.83 Billion as the overall economic environment in the country improved.

While we are satisfied with this outcome, we are not blind to its fragility. A single good year does not define a business—its ability to withstand and continue to compound in good and difficult years does.

Strengthening Mehran's balance sheet through solid long-term investments, maintaining liquidity to deploy capital as required and investing heavily in our cane fields to increase yields remain our key priorities.

We also note that Mehran's contribution to the national exchequer increased significantly during the year through higher taxes and levies. Despite a lower production due to the smaller crop the higher tax rate on sugar and on our profits created this situation.

## B. Financial Highlights

Financial Highlights (Rupees in Thousands except EPS)	2025	2024
Turnover	16,571,241	12,845,352
Sales Tax	2,997,953	1,856,483
Gross Profit	2,010,155	895,029
Gross Profit Margin	15%	8%

Financial Highlights (Rupees in Thousands except EPS)	2025	2024
Finance Cost	442,729	1,253,087
(Loss) / Profit Before Tax	2,754,590	(675,277)
Profit Before Tax Margin	20%	(6%)
Net Profit After Tax	2,174,068	(799,027)
Net Profit Margin	16%	(7%)
Earnings Per Share (EPS)	29.02	(10.66)

### A Word on Diversification (Unicol)

Our investment in Unicol Limited remains an important part of Mehran's long-term plan. What began in 2004 as an ethanol venture has grown into one of Pakistan's leading exporters of ethanol and liquified CO<sub>2</sub>. This along with our Punjab sugar asset makes Unicol an interesting long term play with a more robust feedstock arrangement from 4 progressive sugar mills including 3 owned by the JV partners.

FY 2025 was a turnaround year for Unicol. The huge reduction in finance cost, Improved realisations, improved cost control, and operational and procurement discipline allowed it to return to profitability despite volatility in global sugar and ethanol prices. The growing local beverage market and its use of liquified CO<sub>2</sub> has made this divisions profits sustainable and meaningful.

The acquisition of a sugar mill in a rich cane area of upper Punjab further strengthens this platform and should contribute meaningfully over time.

We view Unicol not as a hedge, but as a complementary business—one that broadens revenue streams, opens avenues of future growth and over a full cycle helps stabilize and grow group cash flows.

### C. Performance in FY 2025

Financial Highlights (Unicol Limited)	Units	2025	2024
Sales	Rs. in '000	20,965,888	19,217,260
Gross Profit	Rs. in '000	3,102,987	1,411,627
Gross Profit	%	14.8%	7.35%
Finance Cost	Rs. in '000	1,819	2,861
Profit Before Tax	Rs. in '000	537,793	(2,005,817)
Profit After Tax	Rs. in '000	377,363	(1,957,633)
Net Profit	%	1.8%	(10.19%)
(Loss) / Earnings per Share	Rs.	2.52	(13.05)

## Looking Ahead

Pakistan's macroeconomic environment appears more stable than it has been in recent years. Inflation has moderated, interest rates are easing and the sentiment remains positive.

Structural decisions by the present government will continue to build this momentum. This would mean a stable currency regime in 2026 as well as slightly declining interest rates.

Global sugar fundamentals however remain weaker due to increased supply. These are knowledgeable tailwinds—but we do not plan on tailwinds. Instead, we will continue to focus on what we can control:

operational efficiency, disciplined capital allocation, conservative financing structures yet aggressive financing for cane development. We would also foster long-term relationships with farmers, employees, and customers.

Our aim is simple, though not easy: to make Mehran a business that performs reasonably well in good years and comfortably in difficult ones.

Season 25/26 has a larger crop which is estimated between 6.6-7.2 Million Tons. This should allow better production numbers but would keep sugarcane and sugar prices bearish. We have thus entered a long sugar market which has its own challenges. The complete supply and demand scenario would further clear by end February.

This scenario should be more optimistic for the ethanol market which had a challenging 2025 season. All in all, our half yearly report closing March would give a better idea of how the year progresses.

Till then we continue to focus on operational efficiency and plant operations. On a positive note the initial sugar recovery numbers are showing a healthy trend whereby recoveries could be higher by 0.5-1.0 percent over last year which would add 5-10 percent extra sugar on the same cane crushed year on year.

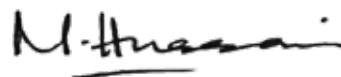
We thank our employees, management team, growers, lenders, and partners for their efforts during a demanding but rewarding year. Most importantly, we thank you—our shareholders—for your patience and trust.

We think like owners because we have our stake in the business. Thus, we measure success not by one good year, but by how Mehran continues to shape in the future. We look forward to this journey of growth and capital compounding and appreciate your support and encouragement.

For and on behalf of the Board of Directors:



**Ahmed Ebrahim Hasham**  
(Chief Executive Officer)



**Mohammad Hussain Hasham**  
(Director)

Dated: January 05, 2026.

# Pattern of Shareholding

Number of Shareholders	Shareholdings			Total Number of Shares held
	From		To	
819	1	-	100	14,421
120	101	-	200	17,560
182	201	-	500	64,715
114	501	-	1,000	87,002
61	1,001	-	1,500	76,188
57	1,501	-	2,000	103,261
42	2,001	-	3,000	102,610
72	3,001	-	5,000	290,746
60	5,001	-	10,000	437,949
30	10,001	-	15,000	363,611
27	15,001	-	20,000	472,242
16	20,001	-	25,000	373,382
11	25,001	-	35,000	333,476
15	35,001	-	50,000	618,792
23	50,001	-	100,000	1,621,625
7	100,001	-	150,000	827,103
5	150,001	-	200,000	902,084
7	200,001	-	300,000	1,543,029
7	300,001	-	500,000	2,724,946
5	500,001	-	800,000	3,533,375
1	800,001	-	1,000,000	813,634
3	1,000,001	-	1,500,000	3,531,813
1	1,500,001	-	4,000,000	3,707,042
1	4,000,001	-	4,500,000	4,158,425
1	4,500,001	-	6,000,000	4,586,521
2	6,000,001	-	8,000,000	15,763,405
1	8,000,001	-	12,000,000	11,786,135
1	12,000,001	-	16,500,000	16,072,517
<b>1,691</b>	<b>Total</b>			<b>74,927,609</b>

# Additional Information

Categories	Number of Folios	Shares held
<b>a) NIT &amp; ICP</b>		
Investment Corporation of Pakistan	1	2,527
	<b>1</b>	<b>2,527</b>
<b>b) Directors, Chief Executive Officer and their spouse(s) and minor children</b>		
Mr. Mohammed Kasim Hasham	1	11,786,135
Mr. Mohammed Hussain Hasham	1	7,854,473
Mr. Khurram Kasim	1	7,908,932
Mr. Ahmed Ebrahim Hasham	1	16,072,517
Iftikhar Soomro	1	3,826
Hasan Aziz Bilgrami	1	3,826
Mrs. Anushey A. Hasham	1	625,878
Mrs. Kulsoom Kasim	2	1,494,202
Mrs. Khursheed Ebrahim	1	4,158,425
Mrs. Mary Hussain	1	3,707,042
	<b>10</b>	<b>53,615,256</b>
<b>c) Executives</b>		
Muhammad Hanif Aziz (Chief Financial Officer)	1	97,066
<b>d) Public Sectors Companies and Corporations</b>		
State Life Insurance Corp. of Pakistan	1	755,460
<b>e) Bank, DFIs, NBFIs, Insurance Companies, Mudarbas &amp; Mutual Funds</b>		
EFU General Insurance Ltd.	1	79
Habib Bank Limited	1	168
Investment Corp. of Pakistan	1	2,527
State Life Insurance Corp. of Pakistan	1	755,460
	<b>4</b>	<b>758,234</b>
<b>f) General Public</b>		
Physical	792	1,439,360
CDC	899	73,488,249
	<b>1691</b>	<b>74,927,609</b>
<b>g) Shareholders holding 5% or more voting interest</b>		
Mr. Mohammed Kasim Hasham	1	11,786,135
Mr. Mohammed Hussain Hasham	1	7,854,473
Mr. Khurram Kasim	1	7,908,932
Mr. Ahmed Ebrahim Hasham	1	16,072,517
	<b>4</b>	<b>43,622,057</b>

Shareholders's Category	Number of Shareholders	Number of Shares held	Percentage
Individuals	1,654	70,447,935	94.02%
Joint Stock Companies	23	3,259,135	4.35%
Insurance Companies	2	755,539	1.01%
Financial Institutions	3	27,695	0.04%
Charitable Trusts	6	121,094	0.16%
Others	3	316,211	0.42%
	<b>1,691</b>	<b>74,927,609</b>	

# GENDER PAY GAP STATEMENT



In context of SECP's Circular No. 10 of 2024 dated April 17, 2024, following is the gender paygap calculated for the year ended September 30, 2025.

**i. Mean Gender Pay Gap : (46.10%)**

**ii. Median Gender Pay Gap : (46.10%)**

iii. We are committed and strive to provide equal opportunities to both genders. Employees are treated fairly in all phases of employment. Salary fixation / revision solely depends on education, skills, experience, job location and tenure of service with the company irrespective of their gender.



از طرف

بورڈ آف ڈائریکٹرز

Ahmed Ebrahim

احمد ابراہیم ہاشم  
چیف ایگزیکٹو آفیسر

M. Hussain

محمد حسین ہاشم  
ڈائریکٹر

کراچی - 05 جنوری 2026

# ڈائریکٹرز رپورٹ

## مستقبل کا منظر نامہ

پاکستان میں سازگار معاشی ماحول (Macroeconomics) حالیہ برسوں کے مقابلے میں زیادہ مستحکم نظر آتا ہے۔ مہنگائی کی شرح معتدل ہوئی ہے، سود کی شرحیں بتدریج کم ہو رہی ہیں اور معاشی نمو بہتری کا جانب دکھائی دیتی ہے۔ موجودہ حکومت کے بروقت فیصلے، ترقی کی اس رفتار کو مزید تقویت دیں گے۔

تاہم، عالمی سطح پر چینی کی اضافی پیداوار کی وجہ سے چینی کے نرخوں میں کمی کا رجحان برقرار ہے۔ مستقبل میں کچھ بہتری کے امکانات موجود ہیں۔ مگر ہم محض سازگار وقت پر انحصار کرنے کا انتظار نہیں کر سکتے موجودہ حالات کو مد نظر رکھتے ہوئے، ہم اُن باتوں پر توجہ مرکوز رکھیں گے جو ہمارے اختیار میں ہیں، جیسے کہ آپریشنل کارکردگی، منظم سرمایہ کاری، محتاط مالیاتی انتظام، اور کاشتکاروں، ملازمین اور گاہکوں کے ساتھ طویل المدتی تعلقات۔

ہمارا مقصد سادہ ہے، مگر آسان نہیں، مہران شوگر ملز کو ایسا کاروباری ادارہ بنانا ہے جو اچھے سالوں میں معقول منافع دیتا رہے اور مشکل سالوں میں بھی پرسکون طور پر چل سکے۔

سیزن 2025-26 میں فصل کا اندازہ تقریباً 7.0 ملین ٹن سے زائد کا ہے، جس سے پیداواری اعداد و شمار بہتر ہونے چاہئیں مگر یہ اضافہ چینی کی قیمتوں پر مسلسل دباؤ برقرار رکھے گا۔ اس طرح ہم زیادہ چینی کی حامل مارکیٹ میں داخل ہو رہے ہیں جس کی اپنی مشکلات ہیں۔ یہ منظر نامہ ایٹھانول مارکیٹ کے لیے زیادہ پرامید ہونا چاہیے، جس کا 2025 کا سیزن مشکل رہا ہے۔ مجموعی طور پر، مارچ میں ختم ہونے والی ہماری نصف سالہ رپورٹ سال کی پیشرفت کا بہتر اندازہ دے گی۔

ہم اپنے ملازمین، انتظامی ٹیم، کاشتکاروں، قرض دہندگان اور شراکت داروں کا اس مشکل مگر کارآمد سال میں ان کی کوششوں کے لیے تہہ دل سے مشکور ہیں۔ سب سے بڑھ کر، ہم آپ کا، ہمارے شیئر ہولڈرز کا، جنہوں نے ہمیں کبھی تنہا ہونے کا احساس نہیں ہونے دیا اور ہر گاہ ساتھ دیا ہم آپ کے صبر اور اعتماد کے لیے شکریہ ادا کرتے ہیں۔

ہم بھی آپ کی طرح ہی سوچتے ہیں کیونکہ ہمارا بھی اس کاروبار میں حصہ ہے۔ اس لیے، ہم کامیابی کا اندازہ کسی ایک اچھے سال سے نہیں، بلکہ اس سے لگاتے ہیں کہ مہران مستقبل میں کیسے مزید بہتری کی جانب گامزن ہو سکتی ہے۔

## یونی کول ایک جائزہ

یونی کول لمیٹڈ میں ہماری سرمایہ کاری مہران کی حکمت عملی کا ایک اہم حصہ ہے۔ جو کام 2004 میں امتحانوں کے ایک منصوبے کے طور پر شروع ہوا، آج وہ پاکستان کے امتحانوں اور کاربن ڈائی آکسائیڈ CO2 کے اہم ترین برآمد کنندگان میں سے ایک بن چکا ہے۔

مالی سال 2025 یونی کول کے لیے بھی تبدیلی والا سال ثابت ہوا۔ عالمی امتحانوں کی قیمتوں میں اتار چڑھاؤ کے باوجود، بہتر ریٹائرمنٹ، لاگت پر بہتر کنٹرول اور آپریشنل نظم و ضبط نے اسے دوبارہ منافع کی راہ پر گامزن کر دیا۔ 2023 میں سرگودھا کے قریب ایک شوگر مل کے حصول نے اس پلیٹ فارم کو مزید مضبوط کیا ہے اور وقت گزرنے کے ساتھ یہ منصوبہ بھی اہم شراکت کا باعث بنے گا۔

ہم یونی کول کو محض ایک حفاظتی انتظام کے بجائے ایک تعمیلی کاروبار کے طور پر دیکھتے ہیں — ایسا کاروبار جو آمدنی کے ذرائع کو وسیع کرتا ہے اور کاروباری سائیکل میں نقد سرمایہ کو مستحکم کرنے میں مددگار کی حیثیت رکھتا ہے۔

## یونی کول کی مالی سال 2025 کی کارکردگی

2024	2025	مالیاتی معلومات (فنانشل ہائی لائٹس)	
19,217,260	<b>20,965,888</b>	مجموعی فروخت (ٹوٹل ٹرن اوور)	روپے ہزاروں میں
1,411,627	<b>3,102,987</b>	خالص منافع	روپے ہزاروں میں
7.35%	<b>14.8%</b>	خالص منافع کی شرح	(%)
2,861	<b>1,819</b>	مالیاتی لاگت	روپے ہزاروں میں
(2,005,817)	<b>537,793</b>	قبل از ٹیکس منافع	روپے ہزاروں میں
(1,957,633)	<b>377,363</b>	بعد از ٹیکس منافع	روپے ہزاروں میں
(10.19%)	<b>1.8%</b>	بعد از ٹیکس منافع کی شرح	(%)
(13.05)	<b>2.52</b>	فی حصص آمدنی	روپے

# ڈائریکٹرز رپورٹ

معاشی ماحول بہتر ہونے کے سبب ہماری سرمایہ کاری سے آمدنی 833 ملین روپے سے بڑھ کر 1.83 بلین روپے ہو گئی۔

اگرچہ ہم اس نتیجے سے مطمئن ہیں، لیکن ہم اس کی نزاکت اور غیر مستقل ہونے سے بے خبر نہیں ہیں۔ کسی ایک اچھے سال سے کاروبار کی پہچان نہیں ہوتی، اس کی پہچان اس کی مشکل سالوں میں مزاحمت اور مسلسل بہتری کی جانب لے جانے والی صلاحیت اور درپیش مشکلات کے حل کے لئے اختیار کئے جانے والے اقدامات سے ہوتی ہے۔

سرمایہ کاری کے ذریعے مہران کے بیلنس شیٹ کو مضبوط بنانا، ضرورت کے مطابق سرمائے کی نقد روانی کو برقرار رکھنا، اور ایسے فیصلوں سے اجتناب جو کہ صرف اچھے وقتوں میں ہی دانشمندانہ نظر آتے ہوں، ہمارے لیے اہم ترجیح ہیں۔

ہمیں اس بات پر فخر ہے کہ مہران نے زیادہ ٹیکسوں اور لیویز کے ذریعے قومی خزانے میں اس سال نمایاں اضافہ کیا۔ یہ نتیجہ نہ صرف منافع بخش کارکردگی بلکہ بہتر ریگولیٹری عمل کا بھی غماز ہے۔

2024	2025	مالیاتی معلومات (فنانشل ہائی لائٹس)	
12,845,352	<b>16,571,241</b>	روپے ہزاروں میں	مجموعی فروخت (ٹوٹل ٹرن اوور)
1,856,483	<b>2,997,953</b>	روپے ہزاروں میں	سیلز ٹیکس
895,029	<b>2,010,155</b>	روپے ہزاروں میں	خالص منافع
8%	<b>15%</b>	(%)	خالص منافع کی شرح
1,253,087	<b>442,129</b>	روپے ہزاروں میں	مالیاتی لاگت
(675,277)	<b>2,754,590</b>	روپے ہزاروں میں	قبل از ٹیکس نقصان / منافع
(6) %	<b>20%</b>	(%)	قبل از ٹیکس منافع کی شرح
(799,027)	<b>2,174,068</b>	روپے ہزاروں میں	بعد از ٹیکس منافع
(7) %	<b>16%</b>	(%)	بعد از ٹیکس منافع کی شرح
(10.66)	<b>29.02</b>	روپے	فی حصص آمدنی

## کاروبار سے متعلق ہمارا نقطہ نظر

جیسا کہ آپ جانتے ہیں کہ مہران شوگر ملز 1965 میں ٹنڈوالہیار میں قائم ہوئی، یہ علاقہ گنے کی بہتر اقسام اور زیادہ پیداوار کی وجہ سے مشہور ہے، اس لحاظ سے ہمارا اور کاشتکار کا تعلق 61 سال کا بنتا ہے جو کہ صرف کاروباری نہیں بلکہ یہ تعلق مشینری یا عمارتوں سے کہیں زیادہ اہمیت رکھتا ہے، ماضی میں جب بھی مشکل کاروباری سال آئے ہیں جس کی وجہ سے اس دوران مالی طور پر بہتر پوزیشن میں بھی نہیں ہوتے تھے، تب بھی ہم اس تعلق کو نبھاتے چلے آئے ہیں خواہ اس کی ہمیں بھاری قیمت ہی کیوں نہ ادا کرنی پڑی ہو، پس یہی وجہ ہے کہ علاقے کے کاشتکار کے لئے مہران کا نام ہی اعتماد کا ضامن ہے۔ یہ تعلق اور ان کا ہم پر اعتماد، بلاشبہ ہمارے لئے سرمایہ کی حثیت رکھتے ہیں۔ مہران شوگر ملز چینی، ایتھنول اور ضمنی مصنوعات کی بہترین تیاری میں اپنا ایک منفرد مقام رکھتی ہے۔ طویل مدتی سرمایہ کاری اور مسلسل جدت کو اپنانے کی وجہ سے آج ہم ایک بہتر پوزیشن حاصل کرنے میں کامیاب ہوئے ہیں۔ ہمارا نظریہ، جزوی کامیابی نہیں بلکہ مستقل کامیابی کا حصول ہے۔ اس کے لئے ہم اپنی کارکردگی میں مسلسل بہتری، توانائی کی اصلاح، اور ماحولیاتی بہتری کے لئے اپنی سرمایہ کاری جاری رکھے ہوئے ہیں، یہ سرمایہ کاری نہ صرف ہمیں جدیدی خطوط پر استوار کرتی ہے بلکہ اخراجات میں کمی کا باعث بھی بنتی ہے جس سے ہم بہتر نتائج اور بیلنس شیٹ کو منافع بخش زون میں رکھنے میں کامیاب ہو پاتے ہیں۔

2024	2025	آپریشنل جائزہ
902,931	<b>710,803</b>	کرشنگ (میٹرک ٹن)
10.79%	<b>10.22%</b>	سکروز ریکوری
97,384	<b>72,643</b>	چینی کی پیداوار (میٹرک ٹن)
40,809	<b>33,247</b>	مولیسس کی پیداوار (میٹرک ٹن)
4.46%	<b>4.68%</b>	مولیسس ریکوری

## مالی سال 2025 کا جائزہ

ہمارے مالی سال 2025 کی اچھی کارکردگی کی بنیادی وجوہات میں چینی کی بڑھتی ہوئی قیمتیں، لاگت کا بہتر انتظام، بگاس سے بہتر آمدنی اور مالیاتی اخراجات میں واضح کمی شامل ہیں۔ شرح سود میں کمی اور ورکنگ کیپٹل مینجمنٹ میں بہتری کی وجہ سے مالیاتی اخراجات 1.25 بلین روپے سے کم ہو کر 442.7 ملین روپے رہ گئے۔ ملک میں مجموعی

# ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز

ہمیں مہران شوگر ملز لمیٹڈ کے 30 ستمبر 2025 کو اختتام پذیر ہونے والے سال کے آڈٹ شدہ مالیاتی نتائج آپ کی خدمت میں پیش کرتے ہوئے انتہائی مسرت محسوس ہو رہی ہے، اس رپورٹ میں بہتر مستقبل کے لائحہ عمل کے لئے چند تجاویز بھی شامل ہیں۔

مالی سال 2025 مہران کے لیے ایک نمایاں بہتری اور بحالی کا سال ثابت ہوا۔ گزشتہ سال نقصان رپورٹ کرنے کے بعد، مہران نے مالی سال 2025 میں ریکارڈ منافع حاصل کیا۔ ہمارے لئے یہ تبدیلی بہت معنی رکھتی ہے۔ یہ تبدیلی نہ صرف عددی طور پر اہم ہے، بلکہ اس لحاظ سے بھی اہمیت رکھتی ہے اور اس امر کی بھی عکاسی کرتی ہے کہ پیداواری لاگت اور مالیاتی حالات مناسبت حد تک موافق ہوں تو کمپنی کا بنیادی کاروبار مستحکم منافع پیدا کرنے کی صلاحیت رکھتا ہے۔

ساتھ ہی، ہم اس بات کو بھی بیان کیے بغیر نہیں رہ سکتے کہ نقصان سے ریکارڈ منافع میں یہ تیز تبدیلی ہماری صنعت کی اس حقیقت کو بھی اجاگر کرتی ہے کہ چینی کا کاروبار فطری طور پر غیر مستقل مزاج ہے۔ موسم، فصل کی پیداوار، سکروز کی ریکوری، حکومتی پالیسی، قیمتوں پر کنٹرول اور سود کی روزانہ بڑھتی ہوئی شرحیں یہ سب عوامل نتائج میں فیصلہ کن کردار ادا کرتے ہیں۔ لیکن چونکہ یہ سب یا ان میں سے کوئی ایک یا چند، تیزی سے تبدیل بھی ہو سکتے ہیں جبکہ ان میں سے کوئی ایک بھی مکمل طور پر انتظامیہ کے اختیار میں نہیں ہے۔

لہذا، ہم کسی ایک اچھے سال کو بہتری کی بنیاد نہیں کہہ سکتے، ہاں البتہ، ہماری کوشش یہ ہوتی ہے کہ بدترین اور بہترین سالوں کے درمیانی فاصلے کو کم سے کم کیا جائے۔ یہ مقصد کاروبار میں اتار چڑھاؤ کو ہموار کرنے اور بیلنس شیٹ کو مضبوط اور بہتر بنانے کے لئے ہوتا ہے۔ ان سب کاوشوں کے دوران ہماری سوچ کا اصل محور و مرکز مہران کا منافع بخش مستقبل ہوتا ہے۔

مہران شوگر ملز لمیٹڈ 1965 میں ایک پبلک لمیٹڈ کمپنی کے طور پر قائم ہوئی، یہ ملک کی قدیم اور معتبر شوگر ملز میں سے ایک ہے۔ چینی اور ایتھنول کیے کاروبار میں اپنے مربوط آپریشنز اور اسٹریٹجک سرمایہ کاری کے ذریعے، ہماری کمپنی پاکستان کے زرعی کاروباری شعبے میں ایک لچکدار (resilient) اور پیش نظر (forward-looking) شریک کے طور پر اپنی پوزیشن مستقل طور پر مضبوط کرتی رہی ہے۔

ہمارا بنیادی کاروبار سفید چینی کی پیداوار ہے، جس میں ہمیں کاشتکاروں کے ساتھ گنے کی خریداری، جدید ٹیکنالوجی کے استعمال اور اچھی گورننس کی معاونت حاصل ہے



# DEREGULATION

## Encourages Modern Farming

As the demand for feedstock would grow the potential for higher returns would motivate farmers to adopt improved irrigation, fertilizers, and crop management practices and mills would work closely to ensure this.



# Corporate Governance Framework

## Board of Directors

The Board of Directors of the Company consists of seven members (including one female member), comprising two independent, three non-executive (including the Chairman) and two executive Directors. The Board is responsible for independently and transparently monitoring the performance of the Company and taking strategic decisions to achieve sustainable growth in the Company operations. Written notices of the Board meetings were sent to the members seven days before the meetings.

During the year under review, four meetings of the Board convened and the attendance of the members was as follows:

S. No.	Name of Directors	Meetings attended
1	Mr. Mohammed Kasim Hasham – Chairman	-
2	Mr. Mohammed Hussain Hasham – Director (Non-Executive)	3
3	Mr. Khurram Kasim – Director (Non-Executive)	4
4	Mr. Ahmed Ebrahim Hasham – Chief Executive Officer	4
5	Mr. Hasan Aziz Bilgrami (Independent)	4
6	Mr. Iftikhar Soomro (Independent)	4
7	Mrs. Anushey A. Hasham – Director (Female / Non-Executive)	4

The leave of absence granted to the directors who could not attend some of the meetings due to being out of country or ill health.

## Directors' Remuneration

Company have a "Remuneration Policy for Directors" approved by the Board of Directors; the salient features of which are:

- The Company will not pay any remuneration to its non-executive directors except as meeting fee for attending the Board and its Committee meetings.
- The remuneration of a director for attending meetings of the Board of Directors or its Committees shall from time to time be determined and approved by the Board of Directors.
- A director shall be provided or reimbursed for all travelling, boarding, lodging and other expenses incurred by them for attending meetings of the Board, its Committees and / or General Meetings of the Company.

## Statement of Ethics & Business Practices

The Board has adopted the statement of Ethics & business practices. All employees are informed of this statement and are required to observe these rules of conduct in relation to customers, suppliers and regulations.

### Audit Committee

The Audit Committee of the Company comprises of three non-executive and one independent (the Chairman) Directors. Four meetings of the audit committee were held during the year. Attendance of the members was as follows:

S. No.	Name of Directors	Meetings attended
1	(Mr. Hasan Aziz bilgrami (Chairman	4
2	Mr. Khurram Kasim	4
3	Mrs. Anushey A. Hasham	4

The leave of absence granted to the members who could not attend some of the meetings due to being out of country or ill health.

### Human Resource and remuneration committee

The committee comprises of three members, the Chairman of the committee is an independent Director. During the year, two meetings of the committee were held. Attendance of the members was as follows:

S. No.	Name of Directors	Meetings attended
1	Mr. Iftikhar Soomro (Chairman)	2
2	Mr. Ahmed Ebrahim Hasham	2
3	Ms. Khurram Kasim	2

### External Audit

The Company wishes to place on record its appreciation for the services rendered by the Company's auditors M/s. Grant Thornton Anjum Rahman; Chartered Accountants, who have completed the audit of financial statements of the Company for the year ended September 30, 2025. M/s Grant Thornton Anjum Rahman; Chartered Accountants, being eligible, have offered themselves for re-appointment for the year ending September 30, 2026, Audit Committee has also recommended for re-appointment, however shareholders approval for the said appointment will be sought in AGM.

### Corporate & Financial Reporting Framework

As required by the Code of Corporate Governance, your Directors are pleased to report that:

- The financial statements, prepared by the management of the Company, fairly present its state of affairs, the result of its operations, cash flows and changes in equity;
- The Company has maintained proper books of accounts as required under the law;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has been adequately disclosed and explained;

- There are no significant doubts upon the Company's ability to continue as a going concern;
- The summary of key operating and financial data for last six years is annexed;
- The Company has contributed towards the national exchequer in the form of Federal, Provincial and local taxes and levies; as disclosed in annexed Financial Statements.
- The Company is operating a Provident Fund Scheme for its permanent employees. The value of the fund as at September 30, 2025 was Rs. approx 135 million (un-audited);
- There is also an un-funded gratuity scheme. On the basis of actuarial valuation conducted during 2025, a net liability of Rs. 2.24 million as at September 30, 2025 has been provided;
- The Pattern of Shareholding as at 30th September, 2025 is annexed;
- Following transactions in the shares of the company executed by the spouse of director during the period under review:

Mrs. Kulsoom Kasim spouse of Mohammed Kasim (Non-Executive Director) bought 50,000 shares

### **Adequacy of Internal Financial Controls**

The system of internal control is sound in design and effectively implemented and monitored, we confirm compliance of Corporate Governance with highest standard.

### **Certificate of Related Parties Transactions**

It is confirm that the audit committee and the Board have verified the transactions entered with related parties, and provides the information about the amount due from related parties at the balance sheet date, and the proportion of receivables from related parties provided as doubtful debts, if any.

### **Material Changes**

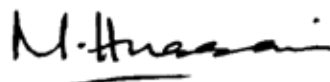
There have been no material changes since September 30, 2025 and the Company has not entered into any commitment, which would affect its financial position at the date.

For and on behalf of the Board of Directors



**Ahmed Ebrahim Hasham**

Chief Executive Officer



**Mohammad Hussain Hasham**

Director

Karachi: January 05, 2026

# STATEMENT OF COMPLIANCE with Listed Companies(Code of Corporate Governance) Regulations, 2019

For the year ended September 30, 2025

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (here-in-after referred as 'Regulations') in the following manner:

1. The total number of directors are 7 as per the following:

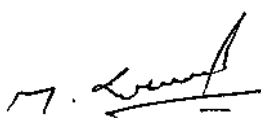
- Male: (6) Six
- Female: (1) One

2. The composition of the Board is as follows:

Category	Name
Independent Directors	Mr. Hasan Aziz Bilgrami Mr. Iftikhar Soomro
Non-Executive Directors	Mr. Mohammed Kasim Hasham-Chairman Mr. Khurram Kasim Mrs. Anushey A. Hasham
Executive Directors	Mr. Ahmed Ebrahim Hasham – CEO Mr. Mohammed Hussain Hasham

3. The directors have confirmed that none of them is serving as a director on more than seven listed Companies, including this Company;
4. The Company has prepared a Code of Conduct called "Business Conduct Guidelines" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act, and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The following Directors have either obtained certificate of Directors Training Program or are exempted from the requirement of Directors Training Program as per the Listed Companies (Code of Corporate Governance) Regulation, 2019;
  - i) Mr. Mohammed Kasim Hasham
  - ii) Mohammed Hussain Hasham
  - iii) Mr. Ahmed Ebrahim Hasham
  - iv) Mr. Khurram Kasim
  - v) Mrs. Anushey A. Hasham
  - vi) Mr. Hasan Aziz Bilgrami
  - vii) Mr. Iftikhar Soomro

10. The Board has approved the appointment of Chief Financial Officer, Company Secretary and Internal Audit function, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed following Committees comprising of members given below:
  - a. Audit Committee**
    - i. Mr. Hasan Aziz Bilgrami- Chairman
    - ii. Mr. Khurram Kasim
    - iii. Mrs. Anushey A. Hasham
  - b. HR and Remuneration Committee**
    - i. Mr. Iftikhar Soomro- Chairman
    - ii. Mr. Ahmed Ebrahim Hasham
    - iii. Mr. Khurram Kasim
13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance.
14. The frequency of meetings of the Committees were as per following:
  - a. Audit Committee: Four meetings during FY 2025 ended 30 September 2025. However, due to the non-availability of directors, the Audit Committee meeting of 1st quarter could not be held within the quarter.
  - b. Human Resource and Remuneration Committee: (Two) Half yearly meetings during FY 2025 ended 30 September 2025.
15. The Board has outsourced its internal audit function to "The BPO" who are considered suitably qualified and experienced for the purpose of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that Company intends to formulate committees for recommendatory regulation 29 and 30 to have a Nomination Committee and Risk Management Committees in near future.
19. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 have been complied with; and
20. With regard to Regulation 6(1), the two elected independent directors have the requisite competencies, skills, knowledge, and experience to discharge and execute their duties competently, as per applicable laws and regulations. The Company believes that it has sufficient impartiality and is able to exercise independence in decision-making within the Board and hence, does not require to round up the fraction to three independent directors.



**Mohammad Kasim Hasham**  
Chairman



**Ahmed Ebrahim Hasham**  
CHIEF EXECUTIVE OFFICER

# Independent Auditors' Review Report

## to the Members of Mehran Sugar Mills Limited

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN  
LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Mehran Sugar Mills Limited (the Company) for the year ended 30 September 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

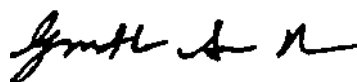
As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance with this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 September 2025.

Further, we highlight below instance of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

S. No.	Paragraph reference	Description
1	27 (2) (i)	The Board audit committee of the Company did not meet in the 1 <sup>st</sup> quarter, thereby not meeting the quarterly requirement.



Chartered Accountants

Place: Karachi

Date: 16 January 2026

UDIN: CR202510093cHfxWP841



# FINANCIAL STATEMENTS



# Independent Auditors' Report

TO THE MEMBERS OF MEHRAN SUGAR MILLS LIMITED

## Report on the Audit of the Unconsolidated financial statements

### Opinion

We have audited the annexed financial statements of Mehran Sugar Mills Limited (the Company), which comprise the statement of financial position as at 30 September 2025, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 September 2025 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key audit matter

Key audit matter	How the matter was addressed in our audit
<b>Revenue recognition</b>	
As disclosed in note 28 to the financial statements, the Company generates revenue from local and export sales. We identified revenue recognition and its reporting in the financial statements as a key audit matter primarily due it being a key performance indicator, inherent risk of material misstatement and the amount of audit efforts in relation to this area.	<p>Our key procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>- obtained an understanding of the Company's processes in place for revenue recognition and tested key controls.</li> <li>- performed analytical review procedures and other test of details over revenue including cut-off procedures to check that revenue has been recognized in the appropriate accounting period.</li> <li>- assessed the adequacy and appropriateness of disclosures for compliance with the requirements of applicable financial reporting framework.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Company are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company but not deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Khurram Jameel.



Chartered Accountants

Place: Karachi

Date: 16 January 2026

UDIN: AR202510093kQ0pEzYnh

# STATEMENT OF FINANCIAL POSITION

As at September 30, 2025

		2025	2024
	Note	Rupees	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	2,386,158,829	2,356,445,597
Right-of-use assets	7	63,291,360	129,536,144
Long-term receivables	8	-	-
Long-term investments	9	1,232,708,829	1,126,416,293
Long-term deposits		3,521,400	3,436,400
		<b>3,685,680,418</b>	<b>3,615,834,434</b>
<b>CURRENT ASSETS</b>			
Biological assets		7,858,000	17,414,250
Stores and spare parts	10	246,552,512	179,009,795
Stock-in-trade	11	367,939,062	2,599,018,609
Trade debts	12	309,222,855	479,404,658
Loans and advances	13	304,130,070	134,311,102
Trade deposits and short-term prepayments		20,068,933	62,803,496
Short-term investments	14	2,431,254,760	627,215,350
Taxation – net		-	840,978
Cash and bank balances	15	35,600,986	88,406,886
		<b>3,722,627,178</b>	<b>4,188,425,124</b>
<b>TOTAL ASSETS</b>		<b>7,408,307,596</b>	<b>7,804,259,558</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	16	749,276,090	749,276,090
Reserves		4,018,386,685	2,031,461,139
		<b>4,767,662,775</b>	<b>2,780,737,229</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing	17	240,795,755	289,780,120
Lease liabilities	18	33,043,058	76,471,242
Market committee fee payable	19	49,007,766	57,000,808
Deferred liabilities	20	2,235,839	3,520,561
Deferred income	21	55,619,953	75,704,286
Deferred taxation	22	643,288,592	542,686,195
		<b>1,023,990,963</b>	<b>1,045,163,212</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	23	711,418,953	508,269,044
Contract liabilities	24	1,670,000	51,204,552
Unclaimed dividend		28,790,417	26,816,767
Accrued mark-up		25,079,492	266,142,380
Short-term borrowings	25	476,167,020	2,680,118,028
Taxation – net		56,086,501	-
Sales tax and federal excise duty payable		210,804,382	257,100,975
Current portion of non-current liabilities	26	106,637,093	188,707,371
		<b>1,616,653,858</b>	<b>3,978,359,117</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	27		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,408,307,596</b>	<b>7,804,259,558</b>

The annexed notes from 1 to 46 form an integral part of these financial statements.

Ahmed Elbushia

CHIEF EXECUTIVE OFFICER

Amr Elmaghrabi

CHIEF FINANCIAL OFFICER

M. Hussain

DIRECTOR

# STATEMENT OF PROFIT OR LOSS

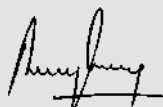
For the Year Ended 30 September 2025

		2025	2024
	Note	----- Rupees -----	
Turnover - gross	28	<b>16,571,241,033</b>	12,845,351,524
Sales tax		<b>(2,997,952,745)</b>	(1,856,483,268)
Turnover - net		<b>13,573,288,288</b>	10,988,868,256
Cost of sales	29	<b>(11,563,133,425)</b>	(10,093,839,447)
<b>Gross profit</b>		<b>2,010,154,863</b>	895,028,809
Distribution costs	30	<b>(207,412,291)</b>	(133,265,196)
Administrative expenses	31	<b>(409,487,068)</b>	(354,564,709)
Other expenses	32	<b>(144,831,801)</b>	(10,231,839)
Other income	33	<b>1,832,947,101</b>	833,124,473
		<b>1,071,215,941</b>	335,062,729
<b>Operating profit</b>		<b>3,081,370,804</b>	1,230,091,538
Share of profit / (loss) from associates	9.2	<b>115,948,623</b>	(652,281,208)
Finance costs	34	<b>(442,729,149)</b>	(1,253,086,904)
<b>Profit / (loss) before income tax and levies</b>		<b>2,754,590,278</b>	(675,276,574)
Levies			
- Final taxes		<b>(7,830,230)</b>	(19,690,379)
- Minimum taxes		<b>(169,666,104)</b>	(134,859,713)
<b>Profit / (loss) before income tax</b>		<b>2,577,093,944</b>	(829,826,666)
Taxation	35	<b>(403,026,324)</b>	30,799,912
<b>Net profit / (loss) for the year</b>		<b>2,174,067,620</b>	(799,026,754)
<b>Basic and diluted earnings / (loss) per share</b>	36	<b>29.02</b>	(10.66)

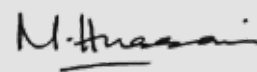
The annexed notes from 1 to 46 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

# STATEMENT OF COMPREHENSIVE INCOME

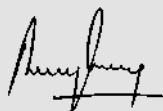
For the Year Ended 30 September 2025

	2025	2024
	----- Rupees -----	
<b>Net profit / (loss) for the year</b>	<b>2,174,067,620</b>	(799,026,754)
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>		
Actuarial gain on defined benefit plan - net of tax	<b>176,949</b>	24,357
<b>Total comprehensive income / (loss) for the year</b>	<b>2,174,244,569</b>	(799,002,397)

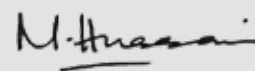
The annexed notes from 1 to 46 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

# STATEMENT OF CHANGES IN EQUITY

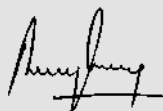
For the Year Ended 30 September 2025

	Issued, Subscribed and Paid-up Capital	Reserves				Sub-total	Total Equity
		Capital	Revenue				
		Share Premium	General Reserve	Unappropriated Profit	Actuarial gain on defined benefit plan		
Rupees							
Balance as at 30 September 2023	749,276,090	63,281,250	85,000,000	2,977,852,333	4,040,389	3,130,173,972	3,879,450,062
Final dividend for the year ended 30 September 2023 @ Rs.3 per share	-	-	-	(224,782,827)	-	(224,782,827)	(224,782,827)
Interim dividend for the year ended 30 September 2024 @ Rs.1 per share	-	-	-	(74,927,609)	-	(74,927,609)	(74,927,609)
Net loss for the year	-	-	-	(799,026,754)	-	(799,026,754)	(799,026,754)
Other comprehensive income for the year	-	-	-	-	24,357	24,357	24,357
Total comprehensive loss for the year	-	-	-	(799,026,754)	24,357	(799,002,397)	(799,002,397)
Balance as at 30 September 2024	749,276,090	63,281,250	85,000,000	1,879,115,143	4,064,746	2,031,461,139	2,780,737,229
1st Interim dividend for the year ended 30 September 2025 @ Rs. 1 per share	-	-	-	(74,927,609)	-	(74,927,609)	(74,927,609)
2nd Interim dividend for the year ended 30 September 2025 @ Rs. 1.5 per share	-	-	-	(112,391,414)	-	(112,391,414)	(112,391,414)
Net profit for the year	-	-	-	2,174,067,620	-	2,174,067,620	2,174,067,620
Other comprehensive income for the year	-	-	-	-	176,949	176,949	176,949
Total comprehensive income for the year	-	-	-	2,174,067,620	176,949	2,174,244,569	2,174,244,569
Balance as at 30 September 2025	749,276,090	63,281,250	85,000,000	3,865,863,740	4,241,695	4,018,386,685	4,767,662,775

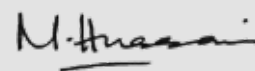
The annexed notes from 1 to 46 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

# STATEMENT OF CASH FLOWS

For the Year Ended 30 September 2025

	Note	2025 Rupees	2024
<b>CASH FLOWS FROM OPERATING ACTIITIES</b>			
Profit / (loss) before income tax and levies		2,754,590,278	(675,276,574)
Adjustments for non-cash charges and other items:			
Depreciation			
- Operating fixed assets	6.1.1	164,209,131	169,089,737
- Right of use assets	7	51,735,425	49,357,179
Amortization of deferred income	33	(22,425,072)	(24,415,578)
Share of (profit) / loss from associates	9.2	(115,948,623)	652,281,208
Gain on disposal of property, plant and equipment	33	(25,979,286)	(10,622,051)
Finance costs	34	442,729,149	1,253,086,905
Provision for gratuity	20.3	335,506	973,741
Provision for market committee fee payable	29	7,108,029	9,029,320
Discounting of market committee fee payable		-	(21,022,743)
Reversal of allowance for ECL on long-term receivables	33	(296,681,937)	-
Gain on disposal of investments at FVTPL	33	(586,100,533)	(553,976,485)
Unrealized gain on remeasurement of investments at FVTPL	33	(829,163,426)	(115,484,260)
Provision for impairment of long term investment	9.2	9,656,087	-
		(1,200,525,550)	1,408,296,973
Working capital changes	37	2,323,509,242	(2,564,071,087)
Gratuity paid		(1,330,148)	(699,007)
Income tax / levies paid		(423,105,913)	(205,152,065)
Finance costs paid		(654,448,424)	(985,760,489)
Market committee fee paid		(7,993,042)	(6,189,153)
Long-term receivables		296,681,936	-
Long term deposits		(85,000)	-
<b>Net cash generated from / (used in) operating activities</b>		<b>3,087,293,379</b>	<b>(3,028,851,402)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Addition to property plant and equipment / right-of-use assets		(194,113,204)	(127,583,123)
Proceeds from disposal of property, plant and equipment / right-of-use assets		26,170,127	11,331,252
Investments made / redeemed during the year		(388,775,451)	956,224,535
Dividends received		-	24,999,999
<b>Net cash (used in) / generated from investing activities</b>		<b>(556,718,528)</b>	<b>864,972,663</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term financing repaid		(144,068,698)	(115,007,389)
Lease rentals paid		(50,015,672)	(49,135,488)
Dividends paid		(185,345,373)	(296,272,492)
<b>Net cash used in financing activities</b>		<b>(379,429,743)</b>	<b>(460,415,369)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>2,151,145,108</b>	<b>(2,624,294,108)</b>
Cash and cash equivalents at the beginning of the year		(2,591,711,142)	32,582,966
<b>Cash and cash equivalents at the end of the year</b>		<b>(440,566,034)</b>	<b>(2,591,711,142)</b>
<b>Cash and cash equivalents</b>			
Cash and bank balances	15	35,600,986	88,406,886
Short-term borrowings	25	(476,167,020)	(2,680,118,028)
		(440,566,034)	(2,591,711,142)

The annexed notes from 1 to 46 form an integral part of these financial statements.

Ahmed Elbushia

CHIEF EXECUTIVE OFFICER

Amr Hany

CHIEF FINANCIAL OFFICER

M. Hussain

DIRECTOR

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

## 1 THE COMPANY AND ITS OPERATIONS

**1.1** Mehran Sugar Mills Limited (the Company) was incorporated in Pakistan as a public limited company in December 1965 under the repealed Companies Act, 1913. 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.

**1.2** Geographical location and addresses of all the business units are as under:

Location	Business unit
<b>Karachi</b> 14th Floor, Dolmen Executive Tower, Marine Drive, Clifton	Registered office
<b>Tando Allahyar, Sindh</b> Tando Adam Road Deh Rechal, P.O. Khokhar	Mill and Farm

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

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

- IFRS Accounting Standards issued by International Accounting Standards Board (IASB) as notified under Companies Act, 2017 (the Act); and
- Provisions of, directives and notifications issued under the Act.

Where provisions of, directives and notifications issued under the Act differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Act have been followed.

### 2.2 Accounting convention

These financial statements have been prepared under the historical cost convention unless specified otherwise.

### 2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the Company's functional and presentation currency. All financial information presented in Pakistani Rupees has been rounded off to the nearest rupee unless otherwise stated.

## 3 NEW ACCOUNTING STANDARDS

### 3.1 Accounting standards effective for the year

There are certain new standards and amendments that are mandatory for the Company's accounting period beginning on 01 October 2024, but are considered either to be not relevant or to not have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

## 3.2 Accounting standards not yet effective

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's accounting periods beginning on / after 01 October 2025. However, the Company expects that these standards will not have any material impact on the future financial statements of the Company.

## 4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

- a) Determining the useful lives and residual value of property, plant and equipment (Note 5.1 & 6);
- b) Classification and valuation of investments (Note 5.8 & 14);
- c) Impairment / adjustment of inventories to their net realizable value (Note 5.6 & 11); and
- d) Recognition of tax and deferred tax (Note 5.12, 20 & 35);

## 5 MATERIAL ACCOUNTING POLICIES

### 5.1 Property, plant and equipment

#### Operating fixed assets

These are stated at cost less accumulated depreciation and accumulated impairment if any except for freehold land, which is stated at cost.

Depreciation is charged to the statement of profit or loss using the reducing balance method. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month the asset is in use.

The carrying values of the Company's operating fixed assets are reviewed at each financial year end for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Repairs and maintenance cost is written off to the statement of profit or loss in the year in which it is incurred. Major renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Company.

An item of operating fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on disposal of operating fixed assets is recognized in the period of disposal.

#### Capital work-in-progress

These are stated at cost less accumulated impairment, if any, and represent expenditure on fixed assets in the course of construction and installation. Transfers are made to relevant property, plant and equipment category as and when assets are available for their intended use.

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

## 5.2 Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless, the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated using straight line method. Right-of-use assets are subject to impairment.

## 5.3 Investments

Investment in subsidiaries is stated at cost less provision for impairment, if any. Investment in associates accounted for using equity method of accounting.

## 5.4 Biological assets

These are measured at fair value less costs to sell on initial recognition and at each reporting date. Gain or loss arising on initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset at the reporting date is included in the statement of profit or loss for the period in which it arises.

To ascertain the fair value of the biological assets, the fair value less estimated point-of-sale costs of crops at the end of each reporting period is determined using prices and other relevant information generated by market transactions involving identical or comparable assets. Since, there exists an active market for the agricultural produce, the estimated selling price is obtained using the observable inputs and the estimated selling costs are the harvesting charges farmer takes for cutting the crop.

## 5.5 Stores and spare parts

These are valued at lower of weighted average cost and estimated NRV.

## 5.6 Stock-in-trade

These are valued at the lower of cost, determined on weighted moving average cost method, and estimated NRV. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

## 5.7 Cash and cash equivalents

These are carried at cost.

## 5.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### 5.8.1 Financial assets

#### i) Initial recognition and measurement

On initial recognition, financial assets are measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). Financial assets are recognized at fair value and transaction cost, if any, except for financial assets at FVTPL, in which case, transaction cost is charged to profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

## ii) Subsequent measurement

Financial assets are subsequently measured as follows:

### - At amortized cost

These are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in statement of profit or loss when the asset is derecognized, modified or impaired.

### - At FVTPL

These are subsequently measured at fair value with net changes in fair value recognized in statement of profit or loss.

### - At FVOCI

The Company does not have any financial asset at FVOCI.

## iii) Derecognition

A financial asset is primarily derecognized when the right to receive cash flows from the asset have expired.

## iv) Impairment of financial assets

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancement held by the Company. At each reporting date, the Company assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company uses the standard's simplified approach and calculates ECL based on life time ECL on its financial assets. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

## 5.8.2 Financial liabilities

### i) Initial recognition and measurement

On initial recognition, financial liabilities are measured at amortized cost and FVTPL. Financial liabilities are recognized at fair value and net of transaction cost, if any, except for financial liabilities at FVTPL, in which case, transaction cost is charged to profit or loss.

### ii) Subsequent measurement

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

## **Financial liabilities are subsequently measured as follows:**

### **- At amortized cost**

After initial recognition, borrowings and payables are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. 'Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in statement of profit or loss.

### **- At FVTPL**

The Company does not have any liabilities at FVTPL.

## **ii) Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Gains and losses on derecognition are recognized in statement of profit or loss.

### **5.8.3 Offsetting of financial instruments**

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Correspondingly, income on the assets and change in the liabilities are also offset accordingly.

## **5.9 Lease liabilities**

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments represent fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees wherever applicable. Wherever applicable, the lease payments may also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the commencement date of the lease if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

## **5.10 Employees' benefits**

### **Gratuity**

The Company operates an unfunded gratuity scheme for its permanent mill employees. An actuarial valuation of all defined benefit scheme is conducted every year. The valuation uses the Projected Unit Credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of other comprehensive income. All past service costs are recognized at the earlier of when the amendment or curtailment occurs and when the Company has recognized related restructuring or termination benefits.

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

## **Provident fund**

The Company operates a recognized provident fund for those permanent employees who have opted for it. Equal monthly contributions are made to the fund by the Company and employees in accordance with the fund's rules. Contributions are made by the employees at mill and the employees at head office at the rate of 11% and 10% respectively, of the aggregate of basic salary. Investments made in provident fund have been made in accordance with the provisions of Section 218 of the Act and the conditions specified thereunder.

## **Compensated absences**

The Company accrues its liability towards leaves accumulated by employees on an accrual basis using current salary level.

### **5.11 Government Grant**

Government grant is recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant related to an expense item, it is recognized in the statement of profit or loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

### **5.12 Taxation**

#### **Current tax / Levies**

The charge for current taxation is computed in accordance with Income Tax Ordinance, 2001 (the Ordinance). The Company has elected to designate the amount computed in accordance with the Ordinance as an income tax within the scope of IAS 12 'Income Taxes' and recognize it as current income tax expense. Any excess over the amount designated as income tax is recognized as a levy.

#### **Deferred**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which these can be utilized. The carrying amount of deferred tax assets is reviewed at each statement of financial position date and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

### **5.13 Trade and other payables**

Liabilities for trade and other payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

### **5.14 Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

## 5.15 Revenue from contract with customers

Revenue from contract with customer is recognised when control of the asset is transferred to the customer. Revenue is measured at fair value of the consideration received or receivable and is recognised on the following basis:

- Revenue from sale of goods is recognised when or as control of goods have been transferred to a customer and the performance obligations are met. The credit limit in contract with customers ranges from 1 to 60 days.
- Dividend income is recognised when the right to receive such payment is established.

## 5.16 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Whereas, diluted EPS is determined by adjusting the profit or loss attributable to ordinary share holders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

## 5.17 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved. However, if these are approved after the reporting period but before the financial statements are authorized for issue, disclosure is made in the financial statements.

## 5.18 Foreign currency transactions and translation

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss.

## 6 PROPERTY, PLANT AND EQUIPMENT

	Note	2025	2024
		----- Rupees -----	
Operating fixed assets	6.1	<b>2,078,653,431</b>	2,204,325,604
Capital work-in-progress	6.2	<b>307,505,398</b>	152,119,993
		<b><u>2,386,158,829</u></b>	<u>2,356,445,597</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

## 6.1 Operating fixed assets

	COST			ACCUMULATED DEPRECIATION			BOOK VALUE	
	At 01 October 2024	Additions / (disposals)	At 30 September 2025	At 01 October 2024	Charge for the year	At 30 September 2025	At 30 September 2025	Rate
	Rupees							%
Freehold land	83,394,207	-	83,394,207	-	-	-	83,394,207	-
Buildings on freehold land:								
- Factory	327,758,587	-	327,758,587	226,829,462	10,092,913	236,922,375	90,836,212	10%
- Non-factory	51,623,372	-	51,623,372	26,765,457	1,242,896	28,008,353	23,615,019	5%
Plant, machinery and equipment	3,835,724,655	26,806,980	3,862,531,635	1,944,328,402	142,784,413	2,087,112,815	1,775,418,820	7.50%
Furniture and fittings	10,658,053	68,400	10,726,453	6,825,867	387,489	7,213,356	3,513,097	10%
Vehicles	76,665,421	57,115,614 (29,993,900)	103,787,135	71,684,514	1,199,400 24,699,041	97,582,955	6,204,180	20%
Office premises	85,022,551	-	85,022,551	39,551,896	2,273,533	41,825,429	43,197,122	5%
Office equipment	8,185,157	711,864	8,897,021	5,224,550	301,993	5,526,543	3,370,478	10%
Electric installation	50,256,350	3,258,798	53,515,148	22,358,523	2,958,381	25,316,904	28,198,244	10%
Weighbridge and scales	4,781,889	-	4,781,889	3,100,178	168,171	3,268,349	1,513,540	10%
Workshop tools and other equipment	6,341,923	-	6,341,923	5,637,414	70,451	5,707,865	634,058	10%
Computers	19,305,044	1,041,800	20,346,844	16,061,105	1,243,167	17,304,272	3,042,572	30%
Air conditioners and refrigerators	25,846,297	4,226,443	30,072,740	12,870,534	1,486,324	14,356,858	15,715,882	10%
	4,585,563,506	93,229,899 (29,993,900)	4,648,799,505	2,381,237,902	164,209,131 24,699,041	2,570,146,074	2,078,653,431	
<b>2025</b>	<b>4,585,563,506</b>	<b>63,235,999</b>	<b>4,648,799,505</b>	<b>2,381,237,902</b>	<b>188,908,172</b>	<b>2,570,146,074</b>	<b>2,078,653,431</b>	
	COST			ACCUMULATED DEPRECIATION			BOOK VALUE	
	At 01 October 2023	Additions / (disposals)	At 30 September 2024	At 01 October 2023	Charge for the year / (deletions)	At 30 September 2024	At 30 September 2024	Rate
	Rupees							%
Freehold land	83,394,207	-	83,394,207	-	-	-	83,394,207	-
Buildings on freehold land:								
- Factory	326,934,987	823,600	327,758,587	215,699,000	11,130,462	226,829,462	100,929,125	10%
- Non-factory	51,623,372	-	51,623,372	25,457,146	1,308,311	26,765,457	24,857,915	5%
Plant, machinery and equipment	3,688,162,680	147,561,975	3,835,724,655	1,797,505,458	146,822,944	1,944,328,402	1,891,396,253	7.50%
Furniture and fittings	10,499,053	159,000	10,658,053	6,400,068	425,799	6,825,867	3,832,186	10%
Vehicles	76,034,581	4,084,340 (3,453,500)	76,665,421	73,974,192	1,163,822 (3,453,500)	71,684,514	4,980,907	20%
Office premises	85,022,551	-	85,022,551	37,158,704	2,393,192	39,551,896	45,470,655	5%
Office equipment	7,762,157	423,000	8,185,157	4,900,557	323,993	5,224,550	2,960,607	10%
Electric installation	43,442,991	6,813,359	50,256,350	19,457,443	2,901,080	22,358,523	27,897,827	10%
Weighbridge and scales	4,781,889	-	4,781,889	2,913,321	186,857	3,100,178	1,681,711	10%
Workshop tools and other equipment	6,341,923	-	6,341,923	5,559,135	78,279	5,637,414	704,509	10%
Computers	18,041,694	1,263,350	19,305,044	14,987,842	1,073,263	16,061,105	3,243,939	30%
Air conditioners and refrigerators	22,930,839	2,915,458	25,846,297	11,588,799	1,281,735	12,870,534	12,975,763	10%
	4,424,972,924	164,044,082 (3,453,500)	4,585,563,506	2,215,601,665	169,089,737 (3,453,500)	2,381,237,902	2,204,325,604	
<b>2024</b>	<b>4,424,972,924</b>	<b>160,590,582</b>	<b>4,585,563,506</b>	<b>2,215,601,665</b>	<b>165,636,237</b>	<b>2,381,237,902</b>	<b>2,204,325,604</b>	

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

6.1.1 Depreciation charge for the year has been allocated as follows:	Note	2025	2024
		----- Rupees -----	-----
Cost of sales	29	<b>157,317,225</b>	162,427,933
Administrative expenses	31	<b>6,891,906</b>	6,661,804
		<b>164,209,131</b>	<b>169,089,737</b>

## 6.1.2 Particulars of immovable assets of the Company are as follows:

Particulars	Usage of Property	Covered Area (Sq. ft.)		
Freehold land	Mill	5.5 million		
Building on freehold land		0.37 million		
		Buildings on freehold land	Plant, machinery and equipment	Total
6.2 Capital work-in-progress		----- Rupees -----		
Balance as at 30 September 2023		4,604,247	183,976,705	188,580,952
Capital expenditure incurred / advances made during the year		17,642,728	114,530,108	132,172,836
Transferred to operating fixed assets		(823,600)	(120,763,526)	(121,587,126)
Transfer to stores and spares parts		(4,160,407)	(42,886,262)	(47,046,669)
Balance as at 30 September 2024		<b>17,262,968</b>	<b>134,857,025</b>	<b>152,119,993</b>
Capital expenditure incurred / advances made during the year		<b>8,343,891</b>	<b>147,041,514</b>	<b>155,385,405</b>
Balance as at 30 September 2025		<b>25,606,859</b>	<b>281,898,539</b>	<b>307,505,398</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

7	RIGHT-OF-USE ASSETS	2025			2024		
		Vehicles	Farms	Total	Vehicles	Farms	Total
		----- Rupees -----			----- Rupees -----		
	<b>As at 01 October</b>						
	Cost	173,262,790	58,652,664	231,915,454	118,031,290	-	118,031,290
	Accumulated depreciation	(95,047,727)	(7,331,583)	(102,379,310)	(52,312,930)	-	(52,312,930)
	Net book value	78,215,063	51,321,081	129,536,144	65,718,360	-	65,718,360
	<b>Net carrying value basis</b>						
	Opening net book value	78,215,063	51,321,081	129,536,144	65,718,360	-	65,718,360
	Additions during the year	35,226,320	-	35,226,320	55,231,500	58,652,664	113,884,164
	Transfers during the year	-	(50,710,116)	(50,710,116)	(709,201)	-	(709,201)
	Depreciation	(50,150,023)	(610,965)	(50,760,988)	(42,025,596)	(7,331,583)	(49,357,179)
	Closing net book value	63,291,360	-	63,291,360	78,215,063	51,321,081	129,536,144
	<b>As at 30 September</b>						
	Cost	208,489,110	58,652,664	267,141,774	173,262,790	58,652,664	231,915,454
	Accumulated depreciation	(145,197,750)	(58,652,664)	(203,850,414)	(95,047,727)	(7,331,583)	(102,379,310)
	Net book value	63,291,360	-	63,291,360	78,215,063	51,321,081	129,536,144
	Depreciation % per annum	20%	32%		20%	32%	

8	LONG-TERM RECEIVABLES	Note	2025	2024
			----- Rupees -----	----- Rupees -----
	Subsidy receivable	8.1	7,094,134	303,776,070
	Others	8.2	42,510,996	42,510,996
			49,605,130	346,287,066
	Allowance for ECL	8.3	(49,605,130)	(346,287,066)
			-	-

**8.1** During the year 2019, the Company recognized subsidy receivable from the Federal / Provincial Governments amounting to Rs. 303.776 million in respect of cash freight support on export sales. Subsequently, the Company, on a prudent basis, recorded a provision amounting to Rs. 303.776 million against the said receivable. However, during the current year, the Company received Rs. 296.682 million from the Provincial Government and accordingly adjusted the allowance for ECL in this respect.

**8.2** Represents down payment made in respect of purchase of Thatta Sugar Mills (the Mill) and other costs incurred in running the Mill from November 1992 up to July 1993, when the Mill was forcibly taken over by the Government of Sindh (GoS) without paying any amount. The Company filed a law suit for Rs. 166 million being the amount of down payment, expenses incurred (including payment to workers) and loss of profits. The GoS made a counter claim of Rs. 402 million against the Company. During the year, the High Court of Sindh (the Court) decided the suit in favour of the Company, awarding refund of amounts paid with mark-up and damages for unlawful dispossession. The GoS is now trying to privatize it through the Federal Privatization Commission. The Company has made full provision against the said receivable as a matter of prudence and the fact that the debt is outstanding for a considerable period.

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

8.3	Allowance for ECL	Note	2025	2024
			----- Rupees -----	-----
	Balance at the beginning of the year		<b>346,287,066</b>	346,287,066
	Reversal for the year	33	<b>(296,681,937)</b>	-
	Balance at the end of the year		<b>49,605,129</b>	346,287,066
<b>9 LONG-TERM INVESTMENTS</b>				
	Susbsidiary	9.1	-	-
	Associates	9.2	<b>1,232,708,829</b>	1,126,416,293
			<b>1,232,708,829</b>	1,126,416,293
<b>9.1 Mehran Energy Limited (MEL)</b>				
	4,000,000 ordinary shares of Rs. 10 each		<b>40,000,000</b>	40,000,000
	Advance against right issue of shares		<b>2,596,739</b>	2,596,739
	Provision for impairment		<b>(42,596,739)</b>	(42,596,739)
			-	-

**9.1.1** In accordance with the requirements of the Act, the Company is required to prepare consolidated financial statements. However, the Company has obtained exemption to prepare such financial statements from the SECP and accordingly, consolidated financial statements are not prepared.

		Unicol Limited (note 9.2.1)	UniEnergy Limited (note 9.2.2)	Total	
9.2	Associates	Note	----- Rupees -----		
	2025				
	Opening balance		1,105,603,719	20,812,574	1,126,416,293
	Share of profit / (loss)		127,105,110	(11,156,487)	115,948,623
	Provision for impairment	32	-	(9,656,087)	(9,656,087)
	Closing balance		1,232,708,829	-	1,232,708,829
	Percentage of shareholding		33%	20%	
			Unicol Limited	UniEnergy Limited	Total
			----- Rupees -----		
	2024				
	Opening balance		1,783,082,782	20,614,718	1,803,697,500
	Share of (loss) / profit		(652,479,064)	197,856	(652,281,208)
	Dividends received		(24,999,999)	-	(24,999,999)
	Closing balance		1,105,603,719	20,812,574	1,126,416,293
	Percentage of shareholding		33%	20%	

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

## 9.2.1 Unicol Limited (UL)

UL is incorporated in Pakistan as a public unlisted company with its registered office situated at Sub Post Office Sugar Mills, Umerkot Road, Mirpurkhas. The principal activity of the Company is to manufacture and sell ethanol, carbon dioxide, sugar and its by-products. The share of the Company in the net asset has been determined on the basis of financial statements as of 30 September 2025. The summarized financial information of UL is as follows:

	2025	2024
	----- Rupees -----	
<b>Aggregate amount of:</b>		
- assets	<b>13,815,027,000</b>	16,275,657,442
- liabilities	<b>10,112,973,000</b>	12,958,769,564
- revenue	<b>20,965,888,000</b>	19,217,560,270
- profit / (loss) after taxation	<b>385,167,000</b>	(1,957,632,958)

## 9.2.2 UniEnergy Limited (UEL)

During the year, UniEnergy Limited has applied for liquidation and the Company has recorded an impairment loss against the said investment.

	2025	2024
	----- Rupees -----	
<b>10 STORES AND SPARE PARTS</b>		
Stores	<b>242,340,180</b>	52,972,354
Spare parts	<b>4,212,332</b>	126,037,441
	<b>246,552,512</b>	179,009,795
<b>11 STOCK-IN-TRADE - finished goods</b>		
<b>Sugar:</b>		
- Work-in-process	<b>7,596,089</b>	6,907,846
- Finished goods	<b>357,877,186</b>	2,584,930,892
<b>Bagasse:</b>		
- Finished goods	<b>2,465,787</b>	7,179,871
	<b>367,939,062</b>	2,599,018,609
<b>12 TRADE DEBTS</b>		
Considered good	<b>309,222,855</b>	479,404,658
Considered doubtful	<b>16,987,867</b>	16,987,867
	<b>326,210,722</b>	496,392,525
Allowance for ECL	<b>(16,987,867)</b>	(16,987,867)
	<b>309,222,855</b>	479,404,658

**12.1** Include receivable from Unicol Limited - a related party amounting to Rs. 11.502 million (2024: Nil). The maximum aggregate amount due from Unicol Limited at any time during the year calculated by reference to month-end balances amounted to Rs. 129.851 million (2024: Rs. 6.295 million)

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

			2025	2024
	Note		----- Rupees -----	
<b>13</b>	<b>LOAN AND ADVANCES - considered good</b>			
		Loan to employees	<b>7,384,545</b>	6,154,669
		<b>Advance to:</b>		
		- suppliers	<b>128,520,663</b>	30,230,795
		- cane growers	<b>164,608,702</b>	93,568,138
		- employees	<b>3,616,160</b>	4,357,500
			<b>304,130,070</b>	134,311,102
<b>14</b>	<b>SHORT-TERM INVESTMENTS - at FVTPL</b>			
		Equity securities	<b>2,431,254,760</b>	619,822,867
		Mutual funds	-	7,392,483
			<b>2,431,254,760</b>	627,215,350
<b>14.1</b>	<b>Equity securities - quoted</b>			
		Cherat Cement Limited	<b>184,295,000</b>	-
		D.G.K.Cement Limited	<b>79,623,000</b>	-
		Lucky Cement Limited	<b>594,862,500</b>	397,818,000
		Maple Leaf Cement Factory Limited	<b>109,610,000</b>	32,440,000
		Pioneer Cement Company Limited	<b>24,821,987</b>	-
		Askari Bank Limited	<b>84,100,000</b>	-
		Bank Al Falah Limited	<b>218,680,000</b>	-
		Habib Bank Limited	<b>219,150,000</b>	31,760,000
		Meezan Bank Limited	<b>545,189,066</b>	114,187,017
		National Bank of Pakistan	<b>81,720,000</b>	-
		Mari Energies Limited	<b>14,539,207</b>	43,617,850
		Sui Southern Gas Company Limited	<b>21,500,000</b>	-
		Sui Northern Gas Pipelines Limited	<b>27,634,000</b>	-
		Hub Power Company Limited	<b>119,655,000</b>	-
		System Limited	<b>105,875,000</b>	-
			<b>2,431,254,760</b>	619,822,867
<b>15</b>	<b>CASH AND BANK BALANCES</b>			
		Cash in hand	<b>215,494</b>	38,818
		Cash with banks - current accounts:		
		- Local	<b>19,239,044</b>	56,193,234
		- Foreign	<b>16,146,448</b>	32,174,834
			<b>35,385,492</b>	88,368,068
			<b>35,600,986</b>	88,406,886
<b>16</b>	<b>SHARE CAPITAL</b>			
		<b>Authorized capital:</b>		
		Ordinary shares 150,000,000 of Rs.10/- each	<b>1,500,000,000</b>	1,500,000,000
		<b>Issued, subscribed and paid-up share capital:</b>		
		Ordinary shares 6,318,750 of Rs.10/- each fully paid in cash	<b>63,187,500</b>	63,187,500
		Bonus shares	<b>686,088,590</b>	686,088,590
			<b>749,276,090</b>	749,276,090

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

- 16.1** The voting rights, board selection, right of first refusal and block voting are in proportion to the shareholding of the shareholders.

		2025	2024
	Note	Rupees	Rupees
<b>17 LONG-TERM FINANCING – secured</b>			
Finance facilities		-	84,375,000
Temporary economic refinance facilities	17.1	242,175,935	276,913,908
Renewable solar financing scheme	17.2	38,264,626	40,795,279
		<b>280,440,561</b>	<b>402,084,187</b>
Less: Current portion	26	<b>(39,644,806)</b>	<b>(112,304,067)</b>
		<b>240,795,755</b>	<b>289,780,120</b>

- 17.1** Represent financing facilities obtained from various conventional and Islamic banks under Temporary economic refinance facility (TERF) Scheme by SBP repayable in quarterly instalments latest by January 2032 and have been recognized at present value discounted at the effective rate of interest. These carry mark-up at the SBP rate plus spread at 3% per annum. The differential mark-up has been recognized as government grant which will be amortized over the period of facility. These facilities are secured against specific charge on plant and machinery of the Company.

- 17.2** Represent financing facilities obtained from various conventional banks under SBP financing scheme for renewable solar financing repayable in quarterly instalments latest by September 2023. These carry mark-up at the SBP rate plus spread ranging from 1% to 4% per annum. These are secured against specific hypothecation charge over plant and machinery of the Company.

- 17.3** The movement of long term financing is as follows:

	Note	2025	2024
		Rupees	Rupees
Opening balance		402,084,187	492,143,603
Payments made during the year		(144,068,698)	(115,007,389)
Unwinding of finance cost	21	22,425,072	24,947,973
Closing balance		280,440,561	402,084,187
Less: Current portion	26	(39,644,806)	(112,304,067)
		<b>240,795,755</b>	<b>289,780,120</b>

	2025			2024		
	Vehicles	Farms	Total	Vehicle	Farms	Total
	Rupees			Rupees		
<b>18 LEASE LIABILITIES</b>						
Opening balance	79,674,736	47,840,402	127,515,138	63,743,043	-	63,743,043
Additions during the year	35,226,320	-	35,226,320	55,231,500	58,652,664	113,884,164
Finance cost during the year	10,454,429	1,895,277	12,349,706	19,349,411	9,187,738	28,537,149
Payments during the year	(60,470,103)	-	(60,470,103)	(58,649,218)	(20,000,000)	(78,649,218)
Termination of lease agreement	-	(49,735,679)	(49,735,679)	-	-	-
Closing balance	64,885,382	-	64,885,382	79,674,736	47,840,402	127,515,138
Less: current portion	(31,842,325)	-	(31,842,325)	(43,850,060)	(7,193,836)	(51,043,896)
	<b>33,043,057</b>	<b>-</b>	<b>33,043,057</b>	<b>35,824,676</b>	<b>40,646,566</b>	<b>76,471,242</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

## 18.1 Future period lease payments and interest expense:

	2025			2024		
	Minimum lease payments	Interest expense for the future periods	Present value of minimum lease payments	Minimum lease payments	Interest expense for the future periods	Present value of minimum lease payments
	Rupees			Rupees		
Not more than 1 year	31,842,325	306,160	31,536,165	56,770,250	12,920,189	43,850,061
Later than 1 year but not more than 5 years	47,317,543	13,967,226	33,350,317	43,734,670	7,909,995	35,824,675
	<b>79,159,868</b>	<b>14,273,386</b>	<b>64,886,482</b>	<b>100,504,920</b>	<b>20,830,184</b>	<b>79,674,736</b>

		2025	2024
	Note	Rupees	
<b>19 MARKET COMMITTEE FEE PAYABLE</b>			
Balance at the beginning of the year		59,970,586	49,446,910
Provision during the year		7,108,029	32,470,005
Impact of discounting		-	(15,757,176)
Unwinding of finance cost	34	5,023,264	-
Payments during the year		(7,993,042)	(6,189,153)
Balance at the end of the year		64,108,837	59,970,586
Less: current portion	26	(15,101,071)	(2,969,778)
		<b>49,007,766</b>	<b>57,000,808</b>
<b>20 DEFERRED LIABILITIES</b>			
	Note	2025	2024
		Rupees	
Staff gratuity	20.1	2,235,839	3,520,561
<b>20.1 Staff gratuity</b>			
Opening balance		3,520,561	3,280,132
Provision for the year	20.3	335,506	973,741
Benefits paid during the year		(1,330,148)	(699,007)
Actuarial gain on remeasurement	20.4	(290,080)	(34,305)
Closing balance		<b>2,235,839</b>	<b>3,520,561</b>
<b>20.2 Principal actuarial assumptions</b>			
<b>Financial assumptions</b>			
Discount rate		11.75%	12.00%
Expected rate of increase in salary level		12.00%	15.00%
<b>Demographic assumptions</b>			
		2025	2024
Expected mortality rate		SLIC 2001-05	SLIC 2001-05
Expected withdrawal rate		High	High
Long term salary increase rate		12.00%	12.00%

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

			2025	2024
			----- Rupees -----	-----
<b>20.3</b>	<b>Amount recognized in profit or loss</b>	Note		
	Current service cost		-	502,002
	Interest cost		335,506	471,739
			<u>335,506</u>	<u>973,741</u>
<b>20.4</b>	<b>Amount recognized in OCI</b>			
	Financial assumptions		12,740	162,461
	Experience adjustments		(302,820)	(196,766)
			<u>(290,080)</u>	<u>(34,305)</u>
<b>21</b>	<b>DEFERRED INCOME - government grant</b>			
	Balance at beginning of the year		98,093,916	123,041,889
	Recognized during the year		-	(532,395)
	Amortization during the year	33	(22,425,072)	(24,415,578)
	Balance at end of the year		75,668,844	98,093,916
	Less: Current portion	26	(20,048,891)	(22,389,630)
			<u>55,619,953</u>	<u>75,704,286</u>
<b>22</b>	<b>DEFERRED TAXATION</b>			
	<b>Taxable temporary differences arising due to:</b>			
	Accelerated tax depreciation		464,383,974	394,982,857
	Investments		391,685,005	278,057,685
			<u>856,068,979</u>	<u>673,040,542</u>
	<b>Deductible temporary differences arising due to:</b>			
	Allowance for ECL / Provisions		(28,867,423)	(107,875,851)
	Unused tax losses		(173,477,413)	-
	Others		(10,435,550)	(22,478,497)
			<u>(212,780,387)</u>	<u>(130,354,347)</u>
			<u>643,288,592</u>	<u>542,686,195</u>
<b>22.1</b>	<b>The movement of deferred taxation is as follows:</b>	Note	2025	2024
			----- Rupees -----	-----
	Opening balance		542,686,195	678,769,650
	Recognized in profit or loss		100,489,266	(136,093,403)
	Recognized in OCI		113,131	9,948
	Closing balance		<u>643,288,592</u>	<u>542,686,195</u>
<b>23</b>	<b>TRADE AND OTHER PAYABLES</b>			
	Creditors		477,116,105	140,296,205
	Accrued expenses		37,727,565	266,334,322
	Payable to provident fund		1,648,862	1,591,285
	Workers' Welfare Fund	23.1	78,845,026	50,411,072
	Workers' Profit Participation Fund	23.2	65,395,435	-
	Advance from employees against purchase of vehicles		29,622,220	25,630,210
	Withholding tax payable		5,380,441	4,112,218
	Others		15,683,299	19,893,732
			<u>711,418,953</u>	<u>508,269,044</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

			2025	2024
	Note		----- Rupees -----	
<b>23.1 Workers' Welfare Fund</b>				
Opening balance			50,411,072	52,510,733
Payments during the year			(27,782,174)	(2,099,661)
			22,628,898	50,411,072
Charge for the year	32		56,216,128	-
Closing balance			78,845,026	50,411,072
<b>23.2 Workers' Profit Participation Fund</b>				
Opening balance			-	64,393,787
Interest on funds utilized in the Company business			-	2,712,320
			-	67,106,107
Payments during the year			-	(67,106,107)
Charge for the year	32		65,395,435	-
Closing balance			65,395,435	-
<b>24 CONTRACT LIABILITIES</b>				
Represent advance received from various customers. Revenue recognized during the year from amounts included in contract liabilities at beginning of the year amounted to Rs. 51.204 million (2024: Rs. 408.682 million).				
<b>25 SHORT-TERM BORROWINGS – secured</b>				
	Note		2025	2024
			----- Rupees -----	
Running finance	25.1		251,858,020	828,953,319
Cash finance	25.2		224,309,000	1,851,164,709
			476,167,020	2,680,118,028
<b>25.1</b>	Represent short term running finance facilities amounting to Rs. 1,775 million (2024: Rs. 1,575 million) obtained from various commercial banks. These carry mark-up at the rate of 3 months' KIBOR plus spread is 0.75% per annum. These facilities are secured by way of hypothecation of stock-in-trade, plant and machinery, stores and spares and receivables of the Company.			
<b>25.2</b>	Represent cash finance facilities amounting to Rs. 10,450 million (2024: Rs. 8,375 million) obtained from various commercial banks. These carry mark-up at the rate of 1 to 6 months' KIBOR plus spread ranging from 0.35% to 0.75%. These facilities are secured by way of pledge of stock-in-trade and plant and machinery of the Company.			

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

26	CURRENT PORTION OF NON-CURRENT LIABILITIES	Note	2025	2024
			----- Rupees -----	
	Long-term financing	17	<b>39,644,806</b>	112,304,067
	Lease liabilities	18	<b>31,842,325</b>	51,043,896
	Market committee fee payable	19	<b>15,101,071</b>	2,969,778
	Deferred income	21	<b>20,048,891</b>	22,389,630
			<b>106,637,093</b>	188,707,371

## 27 CONTINGENCIES AND COMMITMENTS

### 27.1 Contingencies

- a) During the year ended 30 September 2021, Deputy Commissioner Inland Revenue (DCIR) had passed orders with respect to tax years from 2015 to 2019 creating an aggregate tax demand of Rs. 32,765 million. The Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the above demand who deleted most of the unjustified add backs and remanded back the remaining items amounting to Rs. 984 million to DCIR, who filed the petition before the Court against the order passed by ATIR. During the current year, the Court remanded the matter back to ATIR which is pending to date. Based on the advice of the tax advisor, the management is confident of a favorable outcome and hence, no provision is made in these financial statements.
- b) During the year ended 30 September 2025, DCIR had passed orders with respect to tax years 2014, 2018, 2019 and 2020 creating an aggregate tax demand of Rs. 177.221 million respectively. The Company filed an appeal before the ATIR against the above demand who annulled the orders for the tax years 2018 and 2019, while the decision of appeal for tax years 2014 and 2020 is still pending. Based on the advice of the tax advisor, the management is confident of a favorable outcome and hence, no provision is made in these financial statements.
- c) During the year ended 30 September 2021, the Competition Commission of Pakistan (CCP) had passed a consolidated order whereby penalties have been levied on 84 sugar mills and in this respect, Rs. 265.588 million had been levied on the Company equivalent to 5% of the total turnover of Rs. 5,311 million as per the financial statements for the year ended 30 September 2019. The Company along with 18 other sugar mills had filed a suit before the Court which suspended the order of CCP. However, the CCP, in contravention of the above restraining order of the Court, issued a show-cause notice under section 30 of the Competition Act, 2010 on 08 October 2021, wherein identical issues were involved. The Company, along with 18 other sugar mills, again filed a suit before the Court which suspended the above show-cause notice dated 08 October 2021. Based on the advice of the legal advisor, the management is confident of a favorable outcome and hence, no provision is made in these financial statements.

27.2	Commitments	2025	2024
		----- Rupees -----	
	Capital commitments	<b>58,850,000</b>	19,087,895
	Letter of guarantee	<b>12,600,000</b>	12,600,000

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

28	TURNOVER – gross	2025	2024
		----- Rupees -----	
	Sugar - local	14,383,300,820	10,885,189,237
	Sugar - export	752,224,316	200,091,234
	Molasses	1,098,748,209	1,388,649,457
	Bagasse	331,636,638	365,251,779
	Mud	5,331,050	6,169,817
		<u>16,571,241,033</u>	<u>12,845,351,524</u>

28.1 Include sales to Unicol Limited - a related party amounting to Rs. 1,152 million (2024: Rs. 1,460 million)

29	COST OF SALES	Note	2025	2024
			----- Rupees -----	
	Cost of sugarcane consumed		8,222,083,077	10,928,566,674
	Provision for market committee fee payable		7,108,029	9,029,320
	Road cess on sugarcane		4,442,558	5,643,381
	Salaries, wages and other benefits	29.1	360,930,267	331,102,941
	Stores and spare parts consumed		383,958,406	453,464,685
	Repairs and maintenance		98,042,600	83,780,164
	Fuel, electricity and water charges		11,804,992	10,845,915
	Vehicle running and maintenance expenses		11,052,404	21,574,609
	Manufacturing overheads		28,712,719	47,118,274
	Insurance		20,275,716	26,640,514
	Depreciation on operating fixed assets	6.1.1	157,317,225	162,427,933
	Others		26,325,885	20,048,941
			<u>9,332,053,878</u>	<u>12,100,243,351</u>
	Opening stock of finished goods		2,599,018,609	592,614,705
	Closing stock of finished goods	11	(367,939,062)	(2,599,018,609)
			<u>2,231,079,547</u>	<u>(2,006,403,904)</u>
			<u>11,563,133,425</u>	<u>10,093,839,447</u>

29.1 Include gratuity expense of Rs.0.361 million (2024: Rs. 0.974 million) and contribution to provident fund of Rs. 3.860 million (2024: Rs. 3.637 million).

30	DISTRIBUTION COSTS	Note	2025	2024
			----- Rupees -----	
	Salaries and other benefits	30.1	5,926,758	5,319,922
	Stacking and loading		15,973,337	18,846,699
	Freight outwards		154,348,264	107,072,704
	Others		31,163,932	2,025,871
			<u>207,412,291</u>	<u>133,265,196</u>

30.1 Include contribution to provident fund of Rs.0.0932 million (2024: Rs. 0.0819 million).

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

31	ADMINISTRATIVE EXPENSES	Note	2025	2024
			----- Rupees -----	-----
	Salaries and other benefits	31.1	203,867,867	182,778,019
	Rent, rates and taxes		856,436	1,125,029
	Electricity, telephone, fax and postage		15,892,061	16,469,560
	Printing and stationery		2,190,831	1,885,329
	Travelling and conveyance		39,753,868	24,521,568
	Vehicle running and maintenance expenses		20,711,868	15,903,937
	Auditor's remuneration	31.2	3,800,000	3,280,000
	Legal and professional		10,755,582	10,677,177
	Fees and subscription		7,189,573	10,113,001
	Insurance		1,061,820	212,062
	Repairs and maintenance		21,605,787	19,385,630
	Advertising		115,800	175,500
	Donations	31.3	23,603,000	11,782,000
	Depreciation:			
	- Operating fixed assets	6.1.1	6,891,906	6,661,804
	- Right-of-use assets		50,760,988	49,357,179
	Others		429,681	236,914
			<b>409,487,068</b>	<b>354,564,709</b>

**31.1** Include contribution to provident fund of Rs.3.031 million (2024: Rs. 2.933 million).

31.2	Auditor's remuneration	2025	2024
		----- Rupees -----	-----
	Audit fee	2,700,000	2,300,000
	Half yearly review	600,000	500,000
	Review of compliance with CCG	200,000	200,000
	Out of pocket expenses	300,000	280,000
		<b>3,800,000</b>	<b>3,280,000</b>

**31.3** Include donation of Rs 22.6 million (2024: 11.3 million) to Usman Memorial Hospital. Mr Mohammed Hussain Hasham and Mr. Ahmed Ebrahim Hasham, directors of the Company, are also the Trustees of the Hospital.

32	OTHER EXPENSES		2025	2024
			----- Rupees -----	-----
	Worker's Profit Participation fund	23.2	65,395,435	-
	Worker's Welfare fund	23.1	56,216,128	-
	Brokerage on share security		8,099,262	9,473,141
	Provision for impairment on long term Investments	9.2	9,656,087	-
	Others		5,464,889	758,698
			<b>144,831,801</b>	<b>10,231,839</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

		2025	2024
33	OTHER INCOME	Note	Rupees
	<b>Income from financial assets:</b>		
	Dividend income		52,201,531
	Gain on disposal of investments at FVTPL		92,915,180
	Unrealized gain on remeasurement of investments at FVTPL		553,976,485
	Reversal of allowance for ECL on long-term receivables	8.3	115,484,260
	Exchange gain - net		296,681,937
	Profit on bank deposits		1,861,614
			-
			14,886,733
			<u>1,783,721,332</u>
			<u>777,262,658</u>
	<b>Income from non-financial assets:</b>		
	Farm income		-
	Gain on disposal of property, plant and equipment		5,067,010
	Impact of discounting		10,622,051
	Amortization of deferred income	21	15,757,176
	Scrap sales		22,425,072
			821,411
			-
			49,225,769
			<u>1,832,947,101</u>
			<u>833,124,473</u>
34	<b>FINANCE COSTS</b>		
	<b>Mark-up / interest on:</b>		
	- Long-term financing		41,442,936
	- Short-term borrowings		65,137,678
	- Lease liabilities		376,590,324
	- Workers' Profits Participation Fund		1,151,643,463
			12,349,705
			28,537,149
			-
			2,712,320
			<u>430,382,965</u>
			<u>1,248,030,610</u>
	Bank charges		7,322,920
	Unwinding of finance cost	19	5,056,295
			5,023,264
			-
			<u>442,729,149</u>
			<u>1,253,086,905</u>
35	<b>TAXATION</b>		
	Current		282,703,324
	Prior		19,833,734
			85,242,944
			302,537,058
	Deferred		105,293,491
			100,489,266
			(136,093,403)
			<u>403,026,324</u>
			<u>(30,799,912)</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

**35.1** As the provision for taxation is based on reduced rates on capital gains, tax reconciliation is not presented in these financial statements.

## **36 BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE**

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

	2025	2024
Net profit / (loss) after income tax attributable to ordinary shares - (Rupees)	<b>2,174,067,620</b>	(799,026,754)
Weighted average number of ordinary shares	<b>74,927,609</b>	74,927,609
earnings / (loss) per share - (Rupees)	<b>29.02</b>	(10.66)

## **37 WORKING CAPITAL CHANGES**

2025 2024  
----- Rupees -----

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

Biological assets	<b>9,556,250</b>	(4,565,500)
Stores and spare parts	<b>(67,542,717)</b>	(27,427,859)
Stock-in-trade	<b>2,231,079,547</b>	(2,006,403,904)
Trade debts	<b>170,181,803</b>	(190,806,876)
Loans and advances	<b>(169,818,968)</b>	(5,034,176)
Trade deposits and short-term prepayments	<b>42,734,563</b>	15,157,560
Other receivables	<b>-</b>	63,496,884
	<b>2,216,190,478</b>	(2,155,583,871)

### **Increase / (decrease) in current liabilities:**

Trade and other payables	<b>203,149,909</b>	(48,876,970)
Contract liabilities (advances from customers)	<b>(49,534,552)</b>	(357,477,305)
Sales tax and federal excise duty payable	<b>(46,296,593)</b>	(2,132,941)
	<b>107,318,764</b>	(408,487,216)
	<b>2,323,509,242</b>	(2,564,071,087)

## **38 TRANSACTIONS WITH RELATED PARTIES**

**38.1** Related parties of the Company comprise of subsidiary, associates, retirement funds, directors and key management personnel. Transactions with related parties are disclosed in relevant notes.

<b>39 CAPACITY AND PRODUCTION</b>	<b>Tons of Cane crushing per Day (TCD)</b>	
	<b>Rated Capacity</b>	<b>Average Capacity Utilization</b>
<b>Season 2024 - 2025</b>	12,500 TCD	6,901 TCD
Season 2023 - 2024	12,500 TCD	8,940 TCD

The short fall in crushing is due to the scarcity of sugarcane in the market.

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

## 40 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2025					2024				
	Chief Executive Officer	Executive Director	Non-Executive Directors	Executives	Total	Chief Executive Officer	Executive Director	Non-Executive Directors	Executives	Total
	Rupees									
Fee	-	-	1,300,000	-	1,300,000	-	-	1,500,000	-	1,500,000
Salary and other allowances	24,150,000	17,250,000	-	63,922,918	105,322,918	23,362,500	16,687,500	-	93,163,050	133,213,050
Retirement benefits	966,000	690,000	-	2,556,917	4,212,917	934,500	667,500	-	2,467,860	4,069,860
Bonus	805,000	575,000	-	2,326,660	3,706,660	752,500	-	-	2,792,340	3,544,840
	25,921,000	18,515,000	1,300,000	68,806,495	114,542,495	25,049,500	17,355,000	1,500,000	98,423,250	142,327,750
Number of persons	1	1	5	16	23	1	1	6	19	27

40.1 In addition, the Chief Executive Officer, some Executives are also provided with free use of the Company maintained cars, in accordance with their terms of service.

## 41 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Board of Directors has an overall responsibility for the establishment and over sight of the Company's risk management framework. As of the reporting date, the Company is exposed to the following risks:

### 41.1 Market risk

Market risk is the risk that fair value of future cash flows will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, foreign currency risk and equity price risk.

#### i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company is mainly exposed to interest / mark-up rate risk on long-term financing, short-term borrowings and lease obligations. The following figures demonstrate the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Company's profit before income tax and levies:

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

2025	Increase / decrease in basis points	Effect on profit before income tax and levies
KIBOR	+100	<u>(38,495,793)</u>
KIBOR	-100	<u>38,495,793</u>
2024		
KIBOR	+100	<u>(71,161,045)</u>
KIBOR	-100	<u>71,161,045</u>

## ii ) Foreign currency risk

Foreign currency risk is the risk that the value of a financial asset or a financial liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist made in foreign currency at the reporting date. As of 30 September 2025 the Company is not materially exposed to such risk.

## iii ) Equity price risk

Equity price risk is the risk of volatility in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. The Company's exposure to equity price mainly relates to equity securities. The management of the Company manages the above market risks through diversification of investment portfolio. The management estimates that, as at the reporting date, a 10% decrease in the overall share prices in the market with all of the factors remaining constant would decrease the Company's equity by Rs. 243 million.

## 41.2 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counter-parties and continually assessing the creditworthiness of counter-parties.

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Company is mainly exposed to credit risk in respect of the following:

	2025	2024
	----- Rupees -----	
Trade debts	<b>309,222,855</b>	479,404,658
Trade deposits	<b>52,828,111</b>	52,361,624
Bank balances	<b>35,385,492</b>	88,368,068
	<b><u>397,436,458</u></b>	<u>620,134,350</u>

### 41.2.1 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates:

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

## Trade debts

There are no customers with defaults as at the current and prior year reporting date.

## Bank balances

2025 2024

----- Rupees -----

With external credit rating:

A1+	PACRA	21,040,398	37,439,965
A-1+	JCR – VIS	13,928,056	49,067,834
A1	PACRA	417,038	1,860,269
		<b>35,385,492</b>	<b>88,368,068</b>

## 41.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company applies prudent liquidity risk management by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	On demand	Upto 3 month	Upto 12 month	More than 1 year	Total
	----- Rupees -----				
Long-term financing	-	15,610,855	46,052,722	276,295,984	337,959,561
Trade and other payables	46,954,381	664,464,572	-	-	711,418,953
Unclaimed dividend	28,790,417	-	-	-	28,790,417
Accrued markup	-	28,297,049	8,872,829	28,343,824	65,513,702
Market committee fee payable	-	-	15,101,071	49,007,766	64,108,837
Short term borrowings	-	476,167,020	-	-	476,167,020
<b>2025</b>	<b>75,744,798</b>	<b>1,184,539,496</b>	<b>70,026,622</b>	<b>353,647,574</b>	<b>1,683,958,490</b>
	On demand	Upto 3 month	Upto 12 month	More than 1 year	Total
	----- Rupees -----				
Long-term financing	-	-	112,304,067	289,780,120	402,084,187
Trade and other payables	47,115,227	461,153,817	-	-	508,269,044
Unclaimed dividend	26,816,767	-	-	-	26,816,767
Accrued markup	-	269,531,410	9,340,177	36,102,419	314,974,006
Market committee fee payable	-	-	2,969,778	57,000,808	59,970,586
Short term borrowings	-	2,680,118,028	-	-	2,680,118,028
<b>2024</b>	<b>73,931,994</b>	<b>3,410,803,255</b>	<b>124,614,022</b>	<b>382,883,347</b>	<b>3,992,232,618</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

	2025	2024
	----- Rupees -----	
<b>42 FINANCIAL INSTRUMENTS BY CATEGORY</b>		
<b>42.1 Financial assets</b>		
<b>At FVTPL</b>	<b>2,431,254,760</b>	627,215,350
Short-term investments		
<b>At amortised cost</b>		
Trade debts	<b>309,222,855</b>	479,404,658
Loans and advances	<b>304,130,070</b>	134,311,102
Trade deposits	<b>20,068,933</b>	62,803,496
Cash and bank balances	<b>35,600,986</b>	88,406,886
	<b>669,022,844</b>	764,926,142
	<b>3,100,277,604</b>	1,392,141,492
<b>42.2 Financial liabilities</b>		
<b>At amortised cost</b>		
Trade and other payables	<b>711,418,953</b>	508,269,044
Unclaimed dividend	<b>28,790,417</b>	26,816,767
Long-term financing	<b>240,795,755</b>	289,780,120
Lease liabilities	<b>33,043,058</b>	76,471,242
Market committee fee payable	<b>49,007,766</b>	57,000,808
Short-term borrowings	<b>476,167,020</b>	2,680,118,028
	<b>1,539,222,969</b>	3,638,456,009

## 42.3 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values.

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of the reporting date, the Company has financial instruments designated at FVTPL using level 1 valuation technique and the biological assets measured at fair value using level 2 valuation technique. There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

## 43 CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Capital includes issued capital and reserves and the Company is not subject to any regulatory capital requirements. The Company is currently financing majority of its operations / investing activities through long-term financing and short-term financing facilities, in addition to its equity.

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 September 2025

The gearing ratio as at statement of financial position date is as follows:

	2025	2024
	----- Rupees -----	
Long-term financing	337,959,561	402,084,187
Short-term borrowings	476,167,020	2,680,118,028
<b>Total debt</b>	<b>814,126,581</b>	<b>3,082,202,215</b>
Share capital	749,276,090	749,276,090
Reserves	4,018,386,685	2,031,461,139
<b>Total equity</b>	<b>4,767,662,775</b>	<b>2,780,737,229</b>
<b>Capital (Debt + equity)</b>	<b>5,581,789,356</b>	<b>5,862,939,444</b>
Gearing ratio	15%	53%

## 44 NUMBER OF EMPLOYEES

Total number of permanent employees as at reporting date

275

278

Average number of permanent employees during the year

277

279

## 45 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 05 January 2026 by the Board of Directors of the Company.

## 46 GENERAL

Corresponding figures have been rearranged and reclassified, wherever considered necessary for better presentation.

Ahmed Elbushia

CHIEF EXECUTIVE OFFICER

Amr Elmaghrabi

CHIEF FINANCIAL OFFICER

M. Hussain

DIRECTOR

# Notice of the Annual General Meeting

Notice is hereby given that the 60<sup>th</sup> Annual General Meeting of the members of the Company will be held at I.C.A.P. Auditorium, Chartered Accountant Avenue, Clifton, Karachi on Wednesday, January 28, 2026 at 1800 PST to transact the following business:

## ORDINARY BUSINESS

1. To confirm the minutes of the Annual General Meeting held on January 28, 2025;
2. To receive, consider and adopt the Audited Financial Statements of the Company together with the Directors' and Auditors' Reports for the year ended September 30, 2025;
3. To consider and approve final cash dividend @ 30% i.e. Rs. 30/- per share, in addition to interim cash dividend already issued @ 25% i.e. Rs.2.5 per share for the year ended September 30, 2025, as recommended by the Board of Directors of the Company.
1. To appoint auditors for the year ending September 30, 2026 and to fix their remuneration. The retiring auditors M/s Grant Thornton., Chartered Accountants being eligible, have offered themselves for re-appointment.

## SPECIAL BUSINESS

2. To elect seven (7) directors of the company as fixed by the Board for the term of three years in accordance with the provisions of Section 159 of the Companies Act, 2017. The retiring Directors are:
  1. Mohammad Kasim Hasham
  2. Mohammad Hussain Hasham
  3. Khurram Kasim
  4. Ahmed Ebrahim Hasham
  5. Mrs. Anushey A. Hasham
  6. Hasan Aziz Bilgrami
  7. Iftikhar Soomro
3. To transact any other business with the permission of the Chair.

By Order of Board of Directors

**Najam ul Aqib**

Company Secretary

Karachi: January 07, 2025

## Notes

1. The share transfer books of the company will remain closed from January 22, 2026 to January 28, 2026 (both days inclusive).
2. A member entitled to attend and vote at the Annual General Meeting may appoint another member as his / her proxy to attend and vote in his/her behalf. Proxies in order to be effective must be received by the company at its registered office not later than 48 hours before the time fixed for holding the Annual General Meeting.
3. The shareholders whose shares are registered in their account / sub-account with Central Depository System (CDS) to bring their CNIC along with their account number in CDS and participant's ID number for verification. In case of appointment of proxy by such accountholders and sub-account holders the guidelines as contained in SECP's circular 1 of 26<sup>th</sup> January, 2000 to be followed.
4. The shareholders are requested to notify the company immediately the change in their address, if any.
5. The shareholders are also requested to intimate us their CNIC# to implement the requirements of Annual Returns (Form A) which the company is required to file with the SECP under section 130 of the Companies Act 2017.

## مہران شوگر ملز لمیٹڈ

ایگزیکٹیو ٹاور، ڈالمین سٹی، 14 فلور، مرین ڈرائیو، بلاک 4، کلفٹن، کراچی۔

کمپنی کے تمام اراکین کو اطلاع دی جاتی ہے کہ کمپنی کا 60 واں سالانہ اجلاس عام بروز بدھ 28 جنوری 2026 کو شام 06:00 بجے ICAP آڈیٹوریم، کلفٹن کراچی میں درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

### عمومی امور:

- 1- 28 جنوری 2025 کو ہونے والے سالانہ اجلاس عام کی کارروائی کی توثیق۔
- 2- 30 ستمبر 2025 کو ختم ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ گوشواروں بشمول آڈیٹرز اور ڈائریکٹرز کی رپورٹس کو وصول کرنا، ان پر غور و خوض اور منظوری۔
- 3- کمپنی کے بورڈ آف ڈائریکٹرز کی سفارش کے مطابق 30 ستمبر 2025 کو ختم ہونے والے مالی سال کیلئے 30 فیصد یعنی 3 روپیہ فی حصص کی شرح سے حتمی نقد منافع منقسمہ، اس کے علاوہ پہلے سے جاری شدہ 25 فیصد یعنی 2.50 روپیہ فی حصص کی منظوری۔
- 4- 30 ستمبر 2026 کو ختم ہونے والے سال کیلئے آڈیٹرز کی تقرری اور ان کی معاوضے کا تعین کرنا۔ ریٹائر ہونے والے آڈیٹرز میسرز گرانٹ تھورنٹن، چارٹرڈ اکاؤنٹنٹس، اہل ہونے کے سبب دوبارہ تقرری کیلئے اپنی خدمات پیش کی ہیں۔

### خصوصی امور:

5- کمپنیز ایکٹ 2017 کے سیکشن 159 کے تحت بورڈ آف ڈائریکٹرز کے طے کردہ 7 ڈائریکٹران کو 3 سالہ مدت کیلئے منتخب کرنا۔ ریٹائر ہونے والے ڈائریکٹرز کے نام درج ذیل ہیں۔

(1) محمد قاسم ہاشم

(2) محمد حسین ہاشم

(3) خرم قاسم

(4) احمد ابراہیم ہاشم

(5) مسز انوشے ہاشم

(6) حسن عزیز بلگرامی

(7) افتخار سومرو

6- صدر مجلس کی اجازت سے دیگر امور کی انجام دہی۔

حسب احکام بورڈ آف ڈائریکٹرز

نجم العاقب

کمپنی سیکریٹری

کراچی: جنوری 07، 2026

### نوٹس

- 1- کمپنی کی حصص کی منتقلی کی کتابیں 22 جنوری 2026 سے 28 جنوری 2026 تک (بشمول دونوں ایام) بند رہیں گی۔
- 2- سالانہ جنرل میٹنگ میں شرکت اور ووٹ دینے کا حق رکھنے والے ممبر اپنی طرف سے شرکت اور ووٹ دینے کیلئے دوسرے ممبر کو اپنا پراکسی مقرر کر سکتا ہے۔ پراکسیز کے موثر ہونے کیلئے انہیں کمپنی کے رجسٹرڈ آفس میں سالانہ جنرل میٹنگ کے مقرر کردہ وقت سے کم از کم 48 گھنٹے پہلے موصول ہو جانا چاہئے۔
- 3- جن شیئرز ہولڈرز کے شیئرز سینٹرل ڈیپازٹری سسٹم (CDS) میں ان کے اکاؤنٹ/ذیلی اکاؤنٹ میں رجسٹرڈ ہیں، انہیں اپنے کمپیوٹرائزڈ شناختی کارڈ کیساتھ CDS میں اپنے اکاؤنٹ نمبر اور شرکاء کا شناختی نمبر تصدیق کیلئے لانا ہوگا۔ ایسے اکاؤنٹ ہولڈرز اور ذیلی اکاؤنٹ ہولڈرز کی جانب سے پراکسی کی تقرری کی صورت میں، SECP کے سرکلر 1 مورخہ 26 جنوری، 2000 میں موجود ہدایات پر عمل درآمد کیا جائیگا۔
- 4- ممبران کے ایڈرس میں کسی بھی تبدیلی کی صورت میں کمپنی کے شیئرز رجسٹر آفس کو فوری طور پر مطلع کریں۔
- 5- شیئرز ہولڈرز سے گزارش ہے کہ وہ سالانہ ریٹرن (فارم A) کی ضروریات کو پورا کرنے کیلئے ہمیں اپنا شناختی کارڈ نمبر بھی فراہم کریں، جو کمپنی کو کمپنیز ایکٹ 2017 کی دفعہ 130 کے تحت SECP میں جمع کروانا ضروری ہے۔

# Form of Proxy

I/We \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ being member of Mehran Sugar Mills Limited, holding \_\_\_\_\_ Ordinary Shares  
as per Registered Folio No. / CDC A/c No. (for members who have shares in CDS) \_\_\_\_\_ hereby  
appoint Mr./Mrs./Miss \_\_\_\_\_ of (full  
address) \_\_\_\_\_ or failing him / her Mr./Mrs./  
Miss \_\_\_\_\_ of (full address)  
\_\_\_\_\_ (being member of the company) as  
my/our Proxy to attend, act and vote for me/us and behalf at the 60th Annual General Meeting of the Company to  
be held on January 28, 2026 at 6:00 pm and /or any adjournment thereof.

As witness my/our hands seal this \_\_\_\_\_ day of \_\_\_\_\_ 2026.

Signed by \_\_\_\_\_ in the presence of

1. Witness

2. Witness

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_

Name \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

CNIC No. \_\_\_\_\_

CNIC No. \_\_\_\_\_

Signature on Rs. 5/-  
Revenue Stamp

Important:

1. This form of proxy, duly completed and signed, must be deposited at the office of the Company's Shares Registrar, not later than 48 hours before the meeting.
2. This form should be signed by the Member or by his/her attorney duly authorized in writing. If the member is a Corporation, its common seal should be affixed to the instrument.
3. A Member entitled to attend and vote at the meeting may appoint any other Member as his/her proxy to attend and vote on his/her behalf except that a corporation may appoint a person who is a Member.

For CDC Account Holders / Corporate Entities:

In Addition to the above following requirements have to be met:

- i. The Proxy form shall be witnessed by two persons whose names, address and CNIC Numbers shall be mentioned on the form.
- ii. Attested copies of CNIC or Passport of the beneficial owners and proxy shall be furnished with the proxy form.
- iii. The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.
- iv. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form.

# پراکسی فارم

میں / ہم:

بطور رکن (حصص دار) مہراں شوگر ملز لمیٹڈ (حصص کی تعداد) \_\_\_\_\_ جو کہ رجسٹرڈ ہیں بذریعہ فوولیو نمبری ڈی سی / اکاؤنٹ نمبر (ان اراکین کے لئے جن کے حصص سی ڈی ایس میں ہیں) \_\_\_\_\_ بذریعہ ہذا تقرر کرتا ہوں جناب / محترمہ \_\_\_\_\_ مکمل پتہ \_\_\_\_\_

میری / ہماری غیر موجودگی میں میرے / ہمارے پراکسی (نمائندے) کے طور پر کمپنی کی 60 ویں سالانہ جنرل میٹنگ 28 جنوری 2026 بروز بدھ 6:00 بجے، بذریعہ ویڈیو لنک میٹنگ میں شرکت کرے گا اور میری / ہماری جگہ ووٹ استعمال کرے گا۔

ریونیو  
مُہر

میں بطور گواہ اس \_\_\_\_\_ دن \_\_\_\_\_ 2026

دستخط کمپنی کے پاس موجود نمونے  
کے دستخط کے مطابق ہونا چاہیئے

دستخط منظور کنندہ \_\_\_\_\_

گواہان

دستخط	دستخط
نام	نام
پتہ	پتہ
شناختی کارڈ / پاسپورٹ نمبر	شناختی کارڈ / پاسپورٹ نمبر

ضروری:

- 1- پراکسی فارم بذمہ دار اور دستخط کے ہمراہ اجلاس کے انعقاد سے کم از کم اڑتالیس (48) گھنٹے قبل کمپنی کے رجسٹر آفس میں جمع کر دیا جائے۔
- 2- فارم پر نمبر یا اس کا تحریراً مقرر کردہ اٹارنی دستخط کرے گا۔ ممبر کارپوریشن ہونے کی صورت میں اس کی مُہر فارم پر ثبت کرنی ہوگی۔
- 3- اجلاس میں شرکت اور رائے دی کا اہل ممبر اپنی جانب شرکت اور رائے دی کے لئے دوسرے ممبر کو اپنا پراکسی مقرر کر سکتا ہے تاہم کارپوریشن کسی بھی غیر ممبر کو اپنا پراکسی مقرر کر سکتی ہے۔

برائے سی ڈی سی اکاؤنٹ ہولڈرز / کارپوریشن ایجنٹ

مزید براں مندرجہ ذیل شرائط پر عمل کرنا ہوگا:

- (i) پراکسی فارم ہر دو افراد کی گواہی ہونی چاہیئے جن کے نام، پتے اور سی این آئی سی یا پاسپورٹ نمبر فارم میں درج ہوں۔
- (ii) ممبر اور پراکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ہمراہ منسلک کرنی ہوگی۔
- (iii) پراکسی کو اجلاس کے وقت اپنا اصل سی این آئی سی یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (iv) کارپوریٹ ایجنٹ کی صورت میں ڈائریکٹرز کی قرارداد / پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم کے ہمراہ کمپنی کو پیش کرنے ہوں گے۔





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