Innovating Agriculture

Half Yearly Report March 2025

mehransugar.com

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. Ali Hassan	GM Finance & 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	
Mr. Ali Hassan	

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
Faysal Bank Limited

Registered Office

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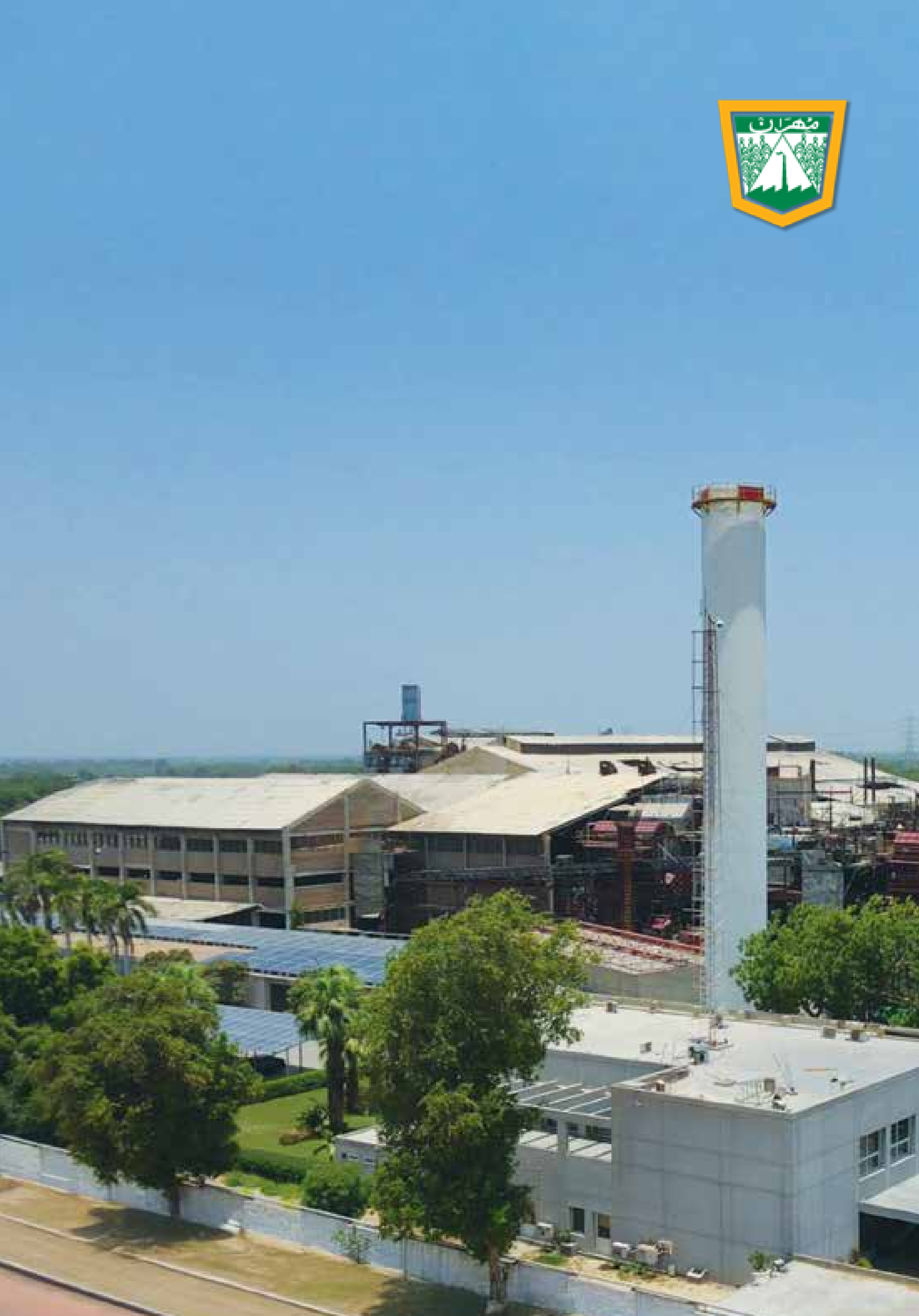
Mills

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



Directors' Report

On behalf of the Board of Directors, I am pleased to present the financial and operational performance of the company for the half year ended March 31, 2025. The company has demonstrated resilience with improved turnover and cost efficiency. Our diversified balance sheet has allowed the company to maintain profitability despite a lower GP number for the half year.

Operational Highlights	March 2025	March 2024	Change
Crushing Volume (M. Tons)	**710,803**	902,931	(21.3%)
Sucrose Recovery (%)	**10.22%**	10.79%	(0.57%)
Sugar Production (M. Tons)	**72,643**	97,384	(25.4%)
Molasses Production (M. Tons)	**33,247**	40,809	(18.5%)

Key Observations:

- **Lower crushing volumes** were driven by reduced sugarcane availability despite increased cultivation area, attributed to declining per-acre yields due to the severe heatwave which was a result of climate change.
- **Sucrose recovery dropped** (10.22% vs. 10.79% last year) due to the previously adverse climatic conditions, a trend observed industry-wide, and ultimately increasing production costs.
- **Molasses prices declined** by 18% due to weak export demand and competitive ethanol prices globally.
- **Bagasse Sales Improvement** – Higher realizations partially offset lower volumes.
- **Other Income improvement** – increased to Rs. 735 M vs. Rs. 613 M due to a prudent investment strategy.
- **Unicol Limited Performance** – Profit contribution improved to Rs. 15.84 M (vs. Rs. 0.47 M). We are confident that Unicol has stabilized its financial and operational structure which took time to absorb after the acquisition of a sugar asset and unprecedented hike in borrowing rates.

Financial Performance (Rupees in Thousands, except EPS)

Financial Performance	March 2025	March 2024	Change
Turnover (Rs. '000)	**7,983,993**	3,915,478	+104%
Gross Profit (Rs. '000)	**717,309**	942,241	(23.9%)
Gross Profit Margin (%)	**11%**	27%	(16%)
Finance Cost (Rs. '000)	**244,882**	535,498	(54%)
Profit Before Tax (PBT) (Rs. '000)	**842,393**	782,083	+7.7%
PBT Margin (%)	**13%**	22%	(9%)
Net Profit After Tax (NPAT) (Rs. '000)	**745,404**	709,800	+5%
NPAT Margin (%)	**11%**	20%	(9%)
Earnings Per Share (EPS) – Rs.	**9.95**	9.47	+5%

Key Financial Insights:

- **Turnover Growth (+104%)** – Driven by higher sugar sales volume, including carryover stock, though margins were compressed due to lower pricing. Lower pricing was there since sugar prices crashed in October due to the delayed export decision.
- **Gross Margin Contraction (11% vs. 27%)** – Impacted by lower sugar prices, increased sugarcane prices, reduced sucrose recovery and weak molasses realization.
- **Reduced Finance Costs (-54%)** – Due to lower seasonal borrowing but major reason being the declining KIBOR rates and improved working capital management.
- **Stable Bottom Line (NPAT +9%)** – Supported by improvement in sugar sales volume, cost rationalization, better bagasse pricing, and lower interest expenses.

Directors' Report

Industry & Market Outlook

- **Sugarcane Pricing & Supply Challenges:** Despite a 5-10% higher cultivation area, yields dropped by 15-20%, pushing cane prices to Rs. 450-480 per 40kg which were much higher than earlier anticipated.

- **Sugar Production Costs Rising**: Due to lower sucrose recovery, higher taxes, and lower fixed cost absorption challenges this unexpected scenario has come about.

- **Deregulation Impact:** No government-mandated support price; thus a market-driven pricing mechanism was initiated which worked really well. Farmers were paid competitive pricing and paid aggressively as mills had to compete to procure cane.

Future Outlook & Strategic Focus

- **Cost Optimization** – Leveraging lower interest rates to reduce financing costs further.

- **Supply Chain & Yield Improvement** – Investing in high-quality cane seeds and agricultural support to enhance yields.

- **By-Product Pricing Recovery** – Anticipating better ethanol prices in the upcoming quarters.

- **Market Equilibrium** – Advocating for deregulated sugar pricing to ensure sustainable profitability.

Unicol Limited Performance

It's heartening to note that Unicol Limited is back in positive zone during the current period after a difficult last year.

Looking ahead, we expect both ethanol and sugar operation to operate smoothly in the latter half of the year. The Company has been able to secure molasses and sugarcane supplies at reasonable prices. We expect improved selling prices for both ethanol and sugar in the next few months which should support the bottom line.

The gradual reduction of KIBOR rates is a huge advantage for Unicol and should help stabilize the company since it carries long term loans on its new acquisition. We are cautiously optimistic that Unicol will be able to resume its long term history of sustainable profitability thus adding value to us and working positively with our objective of a diversified balance sheet.

Future Outlook

Plantation trends indicate a rising trajectory, and we anticipate improved output during the 2025-26 season. However, continual increase in consumption and issues relating to water availability restrict major surplus. Our investments in developing sugarcane through the provision of quality cane seeds and related inputs on agricultural loaning are expected to yield positive results.

The gradual reduction in interest rates is a positive development, as it will help lower finance costs during the year, thereby reducing the cost of sugar production.

As previously mentioned, the government's favorable response on sugarcane/sugar is a step in the right direction. However, a complete de-regulation is essential for long term improvement in the sector. We are proud to state that sugar in Pakistan sells at prices below world market and thus we as an industry have become globally competitive. Even with zero tariffs prices today are 15-20 percent below imported white sugar prices.

Conclusion

After a challenging financial year 2024 the financial year 2025 seems to be progressing as per plan. Our diversified balance sheet has allowed us to post strong results from investments. We expect improved results from the sugar operations in the latter half of the year thus showing continuity of profits and are pleased to see stabilization at Unicol which we are confident is an excellent long term investment.

For and on behalf of the Board of Directors

Ahmed Ebrahim Hasham
Chief Executive Officer

Khurram Kasim
Director

May 24, 2025

KIBOR (کراچی انٹر بینک آفر ڈ ریٹس) میں بتدریج کمی، یونیکول کے لیے ایک بڑا فائدہ ہے خاص طور پر نئی خریدی گئی شوگر مل پر طویل مدتی قرضوں کے تناظر میں۔ ہم پر امید ہیں کہ یونیکول اپنی پائیدار منافع کی روایت کو بحال رکھے گا، جس سے ہمارے متنوع بیلنس شیٹ کے مقاصد کو تقویت ملے گی۔

مستقبل کا منظر نامہ:

2025-26 سیزن میں پیداوار میں بہتری کی توقع ہے، لیکن کھپت میں مسلسل اضافہ اور پانی کی دستیابی کے مسائل پیداوار کو محدود کر سکتے ہیں۔ معیاری اقسام اور زرعی قرضوں کی فراہمی سے گنے کی پیداوار بڑھانے کی کوششیں مثبت نتائج دے سکتی ہیں۔

سود کی کم ہوتی شرح پیداواری لاگت کو مزید کم کرنے میں معاون ہوں گی۔ حکومت کی گنے / چینی پر مثبت پالیسیاں درست سمت میں ایک قدم ہیں، لیکن شعبے کی طویل مدتی بہتری کے لیے مکمل ڈی ریگولیشن ضروری ہے۔ پاکستان میں چینی عالمی منڈیوں کے مقابلے میں 15-20٪ کم قیمت پر فروخت ہو رہی ہے، جو ہماری مسابقت کو ظاہر کرتی ہے۔

اختتامیہ:

2024 کے مشکل مالی سال کے بعد 2025 کے لئے اہداف کے مطابق پیش رفت ہو رہی ہے۔ ہماری متنوع بیلنس شیٹ نے بہتر نتائج دیے ہیں۔ بہتر شوگر آپریشنز سے اگلے نصف سال میں مزید بہتری کی توقع ہے، جبکہ یونیکول کا استحکام ہمارے طویل مدتی سرمایہ کاری کے فیصلے کو استحکام بخشے گا۔

از طرف
بورڈ آف ڈائریکٹرز

Ahmed Ebrahim
احمد ابراہیم ہاشم
چیف ایگزیکٹو آفیسر

خرم قاسم
ڈائریکٹر

کراچی-24 مئی 2025

ڈائریکٹرز رپورٹ

چینی کی صنعت اور مارکیٹ کے حالات پر ایک نظر:

- **گنے کی قیمتیں اور سپلائی کے چیلنجز:** کاشتکاری کے رقبے میں 5 سے 10 فیصد اضافے کے باوجود پیداوار 15 سے 20 فیصد تک کم رہی، جس کی وجہ سے گنے کی قیمتیں 450-480 روپے فی 40 کلوگرام تک پہنچ گئیں جو توقعات سے کہیں زیادہ تھیں۔
- **شوگر کی پیداواری لاگت میں اضافہ:** سکروز ریکوری میں کمی، محصولات (ٹیکسز) میں اضافہ اور فکسڈ کاسٹ کو جذب کرنے میں دشواریوں کی وجہ سے یہ غیر متوقع صورتحال پیدا ہوئی۔
- **ڈی ریگولیشن کا اثر:** گنے کی قیمتوں کا سرکاری تعین ختم ہونے سے مسابقتی مارکیٹ قیمتیں متعارف ہوئیں، جو کامیاب رہیں۔ کسانوں کو مسابقتی قیمتیں ملیں اور ملوں کے درمیان گنا خریدنے کے لئے مقابلے کا رجحان دیکھا گیا۔

مستقبل کا منظرنامہ اور ہماری حکمت عملی:

- **لاگت کو قابو کرنا** بہتر مالیاتی نظم کے ذریعے ہم مالیاتی اخراجات میں مزید کمی لا سکتے ہیں۔
- **سپلائی چین اور پیداوار میں بہتری** پیداوار بڑھانے کے لیے گنے کی اعلیٰ معیار کی اقسام متعارف کرانا اور پیداوار میں اضافے کے لئے کسان کو قرض کے طور پر کھاد اور بہتر بیج فراہم کرنا۔
- **ضمنی مصنوعات کی قیمتوں کی بحالی** آنے والی سہ ماہیوں میں ایتھنول کی بہتر قیمتوں کی توقع۔
- **مارکیٹ میں توازن** پائیدار منافع کو یقینی بنانے کے لیے چینی کی قیمتوں کے تعین میں حکومتی مداخلت کو ختم کرنا۔

یونیکول لمیٹڈ کی کارکردگی:

خوش آئند بات ہے کہ یونیکول لمیٹڈ گزشتہ سال کی مشکلات کے بعد موجودہ مدت میں نقصان سے باہر آ گئی ہے۔

آئندہ نصف سال میں ایتھانول اور چینی آپریشنز کے بہتر رہنے کی توقع ہے۔ کمپنی معقول قیمتوں پر مولاسس اور گنے کی سپلائی کو یقینی بنا چکی ہے۔ اگلے چند مہینوں میں ایتھانول اور چینی کی فروخت اور انکی قیمتوں میں بہتری سے منافع کو سہارا ملے گا۔

- **یونیکول لمیٹڈ کی کارکردگی** منافع کا حصہ 0.47 ملین روپے کے مقابلے میں بہتر ہو کر 15.84 ملین روپے ہو گیا ہمیں اطمینان ہے کہ یونیکول نے اپنے مالیاتی اور آپریشنل معاملات کو مستحکم کرلیا ہے جس میں شوگر مل خریدنے کے بعد کچھ وقت ضرور لگا خاص طور پر بلند ترین شرح سود کی موجودگی میں۔

مالی کارکردگی کا جائزہ

		مارچ 2025	مارچ 2024	تبدیلی
مجموعی فروخت	روپے ہزاروں میں	7,983,993	3,915,478	+104%
بنیادی منافع	روپے ہزاروں میں	717,309	942,241	(23.9%)
بنیادی منافع کی شرح	روپے ہزاروں میں	11%	27%	(16%)
مالیاتی اخراجات	روپے ہزاروں میں	244,882	535,498	(54%)
قبل از ٹیکس منافع	روپے ہزاروں میں	842,393	782,083	+7.7%
قبل از ٹیکس منافع کی شرح	فیصد میں	13%	22%	(9%)
بعد از ٹیکس منافع	روپے ہزاروں میں	745,404	709,800	+5%
بعد از ٹیکس منافع کی شرح	فیصد میں	11%	20%	(9%)
فی حصص آمدنی	روپے	9.95	9.47	+5%

مالیاتی نتائج کے حوالے سے چیدہ چیدہ معلومات:

- **ٹرن اوور میں (+104٪) اضافہ** کی وجہ اس سال چینی کی زیادہ مقدار میں فروخت جس میں پچھلے سال کے ذخائر بھی شامل تھے۔ نہ صرف ملکی منڈیوں میں چینی کی بہتر قیمتیں نہ ملنے کی وجہ سے منافع متاثرہ ہوا بلکہ برآمدگی کے فیصلے میں تاخیر کی وجہ سے (جو کہ اکتوبر میں دی گئی) بین الاقوامی منڈیوں میں بھی چینی کی قیمتیں نیچے آگئی۔
- **مجموعی منافع میں کمی (11٪ بمقابلہ 27٪)** کی وجوہات میں چینی کی قیمتوں میں کمی، گنے کی قیمتوں میں اضافہ، سکروز ریکوری میں کمی اور مولاس کی قیمتوں میں کمی شامل ہیں۔
- **فنانسگ اخراجات میں کمی (-54٪)** اس بہتری کی وجہ کم مدتی قرضوں میں کمی کے علاوہ KIBOR ریٹس میں کمی اور بہتر ورکنگ کیپٹل مینجمنٹ ہے۔
- **مستحکم خالص منافع (NPAT +9٪)** یہ اضافہ فروخت کی گئی چینی کی مقدار میں اضافہ، بگاس کی بہتر قیمتیں اور مالیاتی اخراجات میں کمی کی بدولت ممکن ہوا۔

ڈائریکٹرز رپورٹ

میں بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2025 کو ختم ہونے والی ششماہی کے لیے کمپنی کی مالی اور آپریشنل کارکردگی پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

ناموافق حالات کے باوجود کمپنی نے اپنی فروخت میں اضافہ اور پیداواری لاگت کو کنٹرول کیا۔ کمپنی خالص منافع کی شرح میں کمی کے باوجود، مختلف النوع سرمایہ کاری کے باعث منافع برقرار رکھنے میں کامیاب ہوئی۔

آپریشنل جائزہ	مارچ 2025	مارچ 2024	تبدیلی
کرشنگ (میٹرک ٹن)	710,803	902,931	(21.3%)
سکروز ریکوری	10.22%	10.79%	(0.57%)
چینی کی پیداوار (میٹرک ٹن)	72,643	97,384	(25.4%)
مولیسس کی پیداوار (میٹرک ٹن)	33,247	40,809	(18.5%)

اہم مشاہدات:

- **کرشنگ کے حجم میں کمی** کی وجہ گنے کی دستیابی میں کمی رہی، حالانکہ گنے کی کاشتکاری کے رقبے میں اضافہ ہوا تھا۔ لیکن فی ایکڑ پیداوار میں کمی واقع ہوئی جس کی بنیادی وجہ موسمیاتی تبدیلی کے باعث شدید گرمی کا ہونا تھا
- **سکروز ریکوری میں کمی** (سکروز ریکوری گذشتہ سال کے 10.79٪ کے مقابلے میں اس سال 10.22٪ رہی) اس کی وجہ بھی موسمیاتی تبدیلی تھی یہ رجحان پوری انڈسٹری میں دیکھا گیا اور سکروز ریکوری میں ہونے والی یہ کمی، پیداواری لاگت میں اضافے کا سبب بنی۔
- **مولاسس کی قیمتوں میں 18٪ کمی** ہوئی، جس کی وجہ برآمدی طلب میں کمی اور عالمی سطح پر ایتھانول کی قیمتوں میں کمی تھی۔
- **بگاس کی قیمتوں میں بہتری** حجم میں کمی کے باوجود اوسط قیمتوں میں اضافے نے حجم کی کمی کو کچھ حد تک پورا کیا۔
- **دیگر آمدن میں اضافہ** سرمایہ کاری کی حکمت عملی کی وجہ سے 613 ملین روپے آمدنی کے مقابلے میں 735 ملین روپے آمدنی ہوئی۔

INDEPENDENT AUDITORS' REVIEW REPORT

To The Members of Mehran Sugar Mills Limited

Report on review of unconsolidated condensed interim financial statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Mehran Sugar Mills Limited** as at 31 March 2025 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matters

The figures of the quarters ended 31 March 2025 and 31 March 2024 in the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

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

Chartered Accountants

Place: Karachi

Date: 29 May 2025

UDIN: RR202510093juRMbcX7D

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at 31 March 2025

ASSETS	Note	31 March 2025 (Un-audited) Rupees	30 September 2024 (Audited) Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	4	**2,318,592,082**	2,356,445,597
Right-of-use assets		**60,031,307**	129,536,144
Long term investments	5	**1,142,253,436**	1,126,416,293
Long term deposits		**3,436,400**	3,436,400
		3,524,313,225	3,615,834,434
CURRENT ASSETS			
Biological assets		**2,213,021**	17,414,250
Stores and spare parts		**215,346,978**	179,009,795
Stock-in-trade	6	**5,635,484,269**	2,599,018,609
Trade debts		**327,081,476**	479,404,658
Loans and advances		**64,392,937**	134,311,102
Trade deposits and short-term prepayments		**15,777,084**	62,803,496
Short-term investments	7	**1,143,669,072**	627,215,350
Taxation - net		**187,611,365**	840,978
Cash and bank balances		**28,541,359**	88,406,886
		7,620,117,561	4,188,425,124
TOTAL ASSETS		**11,144,430,786**	7,804,259,558
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital		**1,500,000,000**	1,500,000,000
Issued, subscribed and paid-up share capital		**749,276,090**	749,276,090
Reserves		**2,776,865,562**	2,031,461,139
		3,526,141,652	2,780,737,229
NON-CURRENT LIABILITIES			
Long-term financing		**261,333,162**	289,780,120
Lease liabilities		**25,126,023**	76,471,242
Market committee fee payable		**48,676,134**	57,000,808
Deferred liabilities		**3,520,561**	3,520,561
Deffered Income-Government Grant		**65,344,441**	75,704,286
Deferred taxation		**535,248,672**	542,686,195
		939,248,993	1,045,163,212
CURRENT LIABILITIES			
Trade and other payables		**528,945,355**	508,269,044
Contract liabilities		**510,076,258**	51,204,552
Short term borrowings	8	**5,199,959,539**	2,680,118,028
Unclaimed dividend		**26,816,767**	26,816,767
Accrued mark-up		**72,092,379**	266,142,380
Provision for market committee fee		**7,108,029**	-
Current portion of non-current liabilities		**146,815,714**	188,707,371
Sales tax and federal excise duty payable		**187,226,100**	257,100,975
		6,679,040,141	3,978,359,117
CONTINGENCIES AND COMMITMENTS	9	**-**	-
TOTAL EQUITY AND LIABILITIES		**11,144,430,786**	7,804,259,558

The annexed notes from 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	DIRECTOR

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS - (UN-AUDITED)

for the half year ended 31 March 2025

	Note	Half year ended		Quarter Ended	
		31 March 2025 Rupees	31 March 2024 Rupees	**31 March 2025 Rupees**	31 March 2024 Rupees
Turnover - gross		**7,983,993,171**	3,915,477,923	**3,311,311,527**	1,968,936,577
Sales tax		**(1,382,708,761)**	(418,354,470)	**(618,670,593)**	(176,864,684)
Turnover - net		**6,601,284,410**	3,497,123,453	**2,692,640,934**	1,792,071,893
Cost of sales		**(5,883,975,646)**	(2,554,882,837)	**(2,317,324,707)**	(1,143,857,111)
Gross profit		**717,308,764**	942,240,616	**375,316,227**	648,214,782
Distribution costs		**(125,640,302)**	(60,689,439)	**(68,094,865)**	(33,479,311)
Administrative expenses		**(198,381,086)**	(170,501,187)	**(121,661,926)**	(97,828,461)
Other expenses		**(56,881,620)**	(6,895,772)	**(42,114,346)**	13,225,853
Other income	10	**735,032,496**	612,955,353	**575,799,063**	208,357,462
		354,129,488	374,868,955	**343,927,926**	90,275,543
Operating profit		**1,071,438,252**	1,317,109,571	**719,244,153**	738,490,325
Share of profit / (loss) from associates – net		**15,837,143**	471,286	**12,014,545**	(10,300,638)
Finance costs		**(244,882,117)**	(535,498,187)	**(173,623,512)**	(451,922,792)
Profit before levy and income tax		**842,393,278**	782,082,670	**557,635,186**	276,266,895
Final taxes		**(37,594,683)**	(9,879,908)	**(13,060,054)**	(7,074,236)
Minimum tax		**(45,366,397)**	-	**(5,900,468)**	-
Profit before income tax		**759,432,198**	772,202,762	**538,674,664**	269,192,659
Income tax					
- Current		**(21,465,298)**	(110,381,604)	**(21,465,298)**	(81,492,942)
- Deferred		**7,437,523**	47,979,024	**1,075,083**	47,979,024
		(14,027,775)	(62,402,580)	**(20,390,215)**	(33,513,918)
Net profit for the period		**745,404,423**	709,800,182	**518,284,449**	235,678,741
Earnings per share - Basic and diluted (Rupees)		**9.95**	9.47	**6.92**	3.15

The annexed notes from 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (UN-AUDITED)

for the half year ended 31 March 2025

	Half year ended		Quarter ended	
	31 March 2025 Rupees	31 March 2024 Rupees	**31 March 2025 Rupees**	31 March 2024 Rupees
Net profit for the period	**745,404,423**	709,800,182	**518,284,449**	235,678,741
Other comprehensive income	**-**	-	**-**	-
Total comprehensive income for the period	**745,404,423**	709,800,182	**518,284,449**	235,678,741

The annexed notes from 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.

Ahmed Ebrahim

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (UN-AUDITED)

for the half year ended 31 March 2025

	Issued, subscribed and paid-up capital	Reserves					Total Equity
		Capital	Revenue				
		Share Premium	General Reserve	Unappropriated Profit	Actuarial gain on defined benefit plan	Sub-Total	
	------ Rupees ------						
Balance as at 01 October 2023 (Audited)	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 profit for the period	-	-	-	709,800,181	-	709,800,181	709,800,181
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	709,800,181	-	709,800,181	709,800,181
Balance as at 31 March 2024 (Un-audited)	749,276,090	63,281,250	85,000,000	3,387,942,078	4,040,389	3,540,263,717	4,289,539,807
Balance as at 01 October 2024 (Audited)	**749,276,090**	**63,281,250**	**85,000,000**	**1,879,115,144**	**4,064,746**	**2,031,461,140**	**2,780,737,230**
Net profit for the period	-	-	-	745,404,423	-	745,404,423	745,404,423
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**745,404,423**	**-**	**745,404,423**	**745,404,423**
Balance as at 31 March 2025 (Un-audited)	**749,276,090**	**63,281,250**	**85,000,000**	**2,624,519,567**	**4,064,746**	**2,776,865,563**	**3,526,141,653**

The annexed notes from 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS - (UN-AUDITED)

for the half year ended 31 March 2025

	Note	31 March 2025 Rupees	31 March 2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**842,393,278**	782,082,669
Adjustment for:			
Depreciation		**108,116,468**	108,510,098
Ammortization of deferred income - government grant		**(11,505,932)**	(12,448,606)
Share of profit from associates		**(15,837,143)**	(471,286)
Gain on disposal of operating fixed assets and right-of-use assets		**(5,100,000)**	(3,000,000)
Finance costs		**244,882,117**	535,498,186
Provision for market committee fee		**7,108,029**	9,029,320
Realised gain on investments at FVTPL		**(176,783,842)**	(285,689,881)
Unrealised gain on remeasurement of investments at FVTPL		**(215,439,696)**	(257,376,072)
		(64,559,999)	94,051,759
Working capital changes	11	**(2,378,660,713)**	(9,452,292,596)
		(1,600,827,434)	(8,576,158,168)
Gratuity paid		**-**	(428,703)
Taxes paid		**(291,196,765)**	(124,113,474)
Finance costs paid		**(424,914,554)**	(101,534,852)
Market committee fee paid		**(5,813,042)**	(4,009,153)
Net cash used in operating activities		**(2,322,751,795)**	(8,806,244,350)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		**(45,020,232)**	(58,865,882)
Proceeds from disposal of operating fixed assets and right-of-use assets		**6,074,437**	3,000,000
Short term investments made		**(3,079,839,067)**	(3,446,849,829)
Proceeds from disposal of short-term investments		**2,955,608,883**	3,449,445,141
Dividend received		**-**	24,999,999
Net cash used in investing activities		**(163,175,979)**	(28,270,571)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - net		**(73,181,803)**	(41,410,541)
Lease rentals paid		**(20,597,461)**	(38,381,019)
Dividend paid		**-**	(295,632,132)
Net cash used in financing activities		**(93,779,264)**	(375,423,692)
Net decrease in cash and cash equivalents		**(2,579,707,038)**	(9,209,938,613)
Cash and cash equivalents at beginning of the period		**(2,591,711,142)**	32,582,965
Cash and cash equivalents at end of the period		**(5,171,418,180)**	(9,177,355,648)
Cash and cash equivalents			
Cash and bank balances		**28,541,359**	111,211,386
Short-term borrowings		**(5,199,959,539)**	(9,288,567,034)
		(5,171,418,180)	(9,177,355,648)

The annexed notes from 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	DIRECTOR

1 THE COMPANY AND ITS OPERATIONS

1.1 Mehran Sugar Mills Limited (the Company) was incorporated in Pakistan as a public limited company on 22 December 1965 under the repealed Companies Act, 1913. The shares of the Company are quoted on Pakistan Stock Exchange. The Company is principally engaged in the manufacturing and sale of sugar and its by-products. The registered office of the Company is situated at 14th floor, Dolmen City Executive Tower, Marine Drive, Block 4, Clifton, Karachi. The mill of the Company is located at District Tando Allahyar, Sindh.

1.2 These are the separate financial statements of the Company in which investment in subsidiary is accounted for on the basis of cost less impairment losses, if any and investments in associates are accounted under equity method less impairment, if any.

2 STATEMENT OF COMPLIANCE

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

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

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

2.1.1 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 30 September 2024.

2.1.2 The figures of the unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income for the three months ended March 2025 and March 2024 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the six months ended March 2025 and March 2024.

3 ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS AND FINANCIAL RISK POLICIES

The accounting policies, estimates, judgements and financial risk policies used in these unconsolidated condensed interim financial statements are the same as those applied in the preparation of annual financial statements for the year ended 30 September 2024.

		Note	31 March 2025 (Un-audited) Rupees	30 September 2024 (Audited) Rupees
4	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating fixed assets	4.1	**2,146,750,907**	2,204,325,604
	Capital work-in-progress (CWIP)		**171,841,175**	152,119,993
			2,318,592,082	2,356,445,597
4.1	**Operating fixed assets**			
	Book value at the beginning of the period / year		**2,204,325,604**	2,209,371,259
	Additions during the period / year		**25,299,050**	164,044,082
	Depreciation charged during the period / year		**(82,873,747)**	(169,089,737)
			2,146,750,907	2,204,325,604
5	**LONG-TERM INVESTMENTS**			
	Subsidiary	5.1	**-**	-
	Associates	5.2	**1,142,253,436**	1,126,416,293
			1,142,253,436	1,126,416,293
5.1	**Subsidiary**			
	Mehran Energy Limited		**42,596,739**	42,596,739
	Provision for impairment		**(42,596,739)**	(42,596,739)
			-	-

		Unicol Limited	UniEnergy Limited	Total
5.2	**Associates**		Rupees	
	31 March 2025 (Un-audited)			
	Opening balance	**1,105,603,719**	**20,812,574**	**1,126,416,293**
	Share of profit from associates	**15,460,000**	**377,143**	**15,837,143**
	Closing balance	**1,121,063,719**	**21,189,717**	**1,142,253,436**
	30 September 2024 (Audited)			
	Opening balance	1,783,082,782	20,614,718	1,803,697,500
	Share of (loss) / profit from associates	(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

		31 March 2025 (Un-audited) Rupees	30 September 2024 (Audited) Rupees
6	**STOCK-IN-TRADE**		
	Work-in-process	**7,287,531**	6,907,846
	Finished goods	**5,628,196,738**	2,592,110,763
		5,635,484,269	2,599,018,609

7	**SHORT-TERM INVESTMENTS**		
	Amortised cost		
	Term deposit certificates	**3,654,000**	3,654,000
	Allowance for ECL	**(3,654,000)**	(3,654,000)
		-	-
	Fair value through profit or loss		
	Equity securities	**1,143,669,072**	619,822,867
	Mutual funds	**-**	7,392,483
		1,143,669,072	627,215,350

8 SHORT-TERM BORROWINGS - secured

The aggregate facilities for short term borrowings from various banks amounted to Rs. 8,900 million (30 September 2024: Rs. 9,950 million). These carry mark-up ranging between -2.00% to 0.75% over one to six months KIBOR per annum. These are secured against pledge of stock-in-trade and hypothecation over Company's current assets.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There has been no change in the status of contingencies as disclosed in note 26 to the annual financial statements of the Company for the year ended 30 September 2024.

		31 March 2025 (Un-audited) Rupees	30 September 2024 (Audited) Rupees
9.2	**Commitments**		
	Capital commitments	**-**	19,087,895
	Letter of guarantee	**12,600,000**	12,600,000

10 OTHER INCOME

Includes reversal of allowance for ECL on long term receivables amounting to Rs. 297 million. During the year ended 30 September 2019, the Company recorded receivable from Federal and Provincial Governments of Rs. 304 million related to cash freight support which was subsequently provided for owing to uncertainity regarding recoverability. However, during the current period, the Company has received Rs. 297 million from the Provincial Government against such receivable and accordingly, the same has been recognized as reversal of ECL.

11 WORKING CAPITAL CHANGES

	31 March 2025 (Un-audited) Rupees	30 September 2024 (Audited) Rupees
(Increase) / decrease in current assets		
Biological assets	**15,201,229**	(1,011,250)
Stores and spare parts	**(36,337,183)**	(1,354,698)
Stock-in-trade	**(3,036,465,660)**	(9,126,370,053)
Trade debts	**152,323,182**	165,307,332
Loans and advances	**69,918,165**	44,673,199
Trade deposits and short-term prepayments	**47,026,412**	27,072,245
Other receivables	**-**	8,676,535
	(2,788,333,855)	(8,883,006,690)
Increase / (decrease) in current liabilities		
Trade and other payables	**20,676,311**	(1,151,707)
Contract liabilities	**458,871,706**	(348,654,537)
Sales tax and federal excise duty payable	**(69,874,875)**	(219,479,662)
	409,673,142	(569,285,906)
	(2,378,660,713)	(9,452,292,596)

12 FAIR VALUES OF ASSETS AND LIABILITIES

There were no transfers amongst levels during the period.

13 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on May 24,2025 by the Board of Directors of the Company.

14 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of subsidiary, associates, retirement funds, directors and key management personnel.

14.1 Transactions during the period

		Half year ended	
Nature of relationship	Nature of transactions	**31 March 2025**	31 March 2024
		---------- Rupees ----------	
Associates	Sales	**1,152,498,209**	1,460,027,457
	Donations	**8,903,000**	5,882,000
Key management personnel	Salaries and allowances	**60,301,101**	50,645,477
Retirement benefit funds	Provident fund contribution	**2,425,469**	2,109,103

14.2 Balances as at period end

	31 March 2025 (Un-audited) Rupees	30 September 2024 (Audited) Rupees
Trade debts	**19,816,728**	-

15 OPERATING SEGMENTS

These unconsolidated condensed interim financial statements have been prepared on the basis of a single reportable segment.
Total sales of the Company relating to customers in Pakistan were 91% during the current period (31 March 2024 100%).
All non-current assets of the Company at the end of the current and preceding period are located in Pakistan.

Sales to 10 major customers of the Company are around 66% of the Company's total sales during the current period (31 March 2024: 72%).

The Company's production process is seasonal in nature because of the cultivation and reaping of sugarcane due to which production is carried out in the first half of the financial year.

16 GENERAL

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

16.2 Figures have been rounded off to the nearest rupee, unless otherwise stated.

CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	DIRECTOR

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