

CORPORATE BRIEFING SESSION

on Annual Report 2024



سانگھڑ شوگر ملز لمیٹیڈ
Sanghar Sugar Mills Limited



سانگھڑ شوگر ملز لمیٹیڈ
Sanghar Sugar Mills Limited

Company Information

BOARD OF DIRECTORS

Mr. Ghulam Dastagir Rajar (Chairman)	Non-Executive Director
Mr. Ghulam Hyder (Chief Executive)	Executive Director
Haji Khuda Bux Rajar	Executive Director
Mr. Muhammad Qasim	Non-Executive Director
Mr. Mehmood Alam	Independent Director
Mr. M. Abdul Jabbar (Nominee of N.I.T.)	Independent Director
Ms. Misbah	Non-Executive Director-Female

BOARD COMMITTEES

AUDIT COMMITTEE

Mr. M. Abdul Jabbar	(Chairman)
Mr. Muhammad Qasim	
Mr. Mehmood Alam	

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. M. Abdul Jabbar	(Chairman)
Mr. Ghulam Hyder	
Ms. Misbah	

INFORMATION TECHNOLOGY & STEERING COMMITTEE

Mr. Ghulam Hyder	(Chairman)
Syed Rehan Ahmad Hashmi	
Mr. Sheraz Khan	

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Ghulam Dastagir Rajar	(Chairman)
Mr. Muhammad Qasim	
Ms. Misbah	
Syed Rehan Ahmad Hashmi	

RISK MANAGEMENT COMMITTEE

Mr. Mehmood Alam	(Chairman)
Haji Khuda Bux Rajar	
Mr. M. Abdul Jabbar	

COMPANY SECRETARY

Mr. Muhammad Mubeen Alam

CHIEF FINANCIAL OFFICER

Syed Rehan Ahmad Hashmi

STATUTORY AUDITOR

Kreston Hyder Bhimji & Co.
Chartered Accountants

COST AUDITOR

A. D. Akhawala & Co.
Chartered Accountants

SHARE REGISTRAR

Hameed Majeed Associates (Pvt) Limited
Karachi Chambers, Hasrat Mohani Road
Karachi.
Phone: 021 32424826
Fax: 021 32424835

LEGAL ADVISOR

Rafiq Kalwar & Dars Law Associates,
Advocates & Corporate Counselors,
Office # 412, 4th Floor, Clifton Centre,
DC-1, Block 5, Clifton, Karachi

BANKERS

Islamic

Al-Baraka Bank (Pakistan) Limited
Bank Islami Pakistan Limited
Meezan Bank Limited

Conventional

Bank Al-Habib Limited
MCB Bank Limited
National Bank of Pakistan
Soneri Bank Limited
United Bank Limited

REGISTERED / HEAD OFFICE

Office No. 204, 2nd Floor, Clifton Centre,
Block - 5, Clifton, Karachi
Phone: 021 35371441 to 43 (3 lines)
Fax: 021 35371444
Website: www.sangharsugarmills.com
E-mail: info@sangharsugarmills.com

MANUFACTURING FACILITIES

13 K.M., Sanghar - Sindhari Road
Deh Kehore, District Sanghar, Sindh
Phone: (0345) 3737001 - 8222911



سانگھڑ شوگر ملز لمیٹیڈ
Sanghar Sugar Mills Limited

ABOUT YOUR COMPANY & PRINCIPAL ACTIVITIES

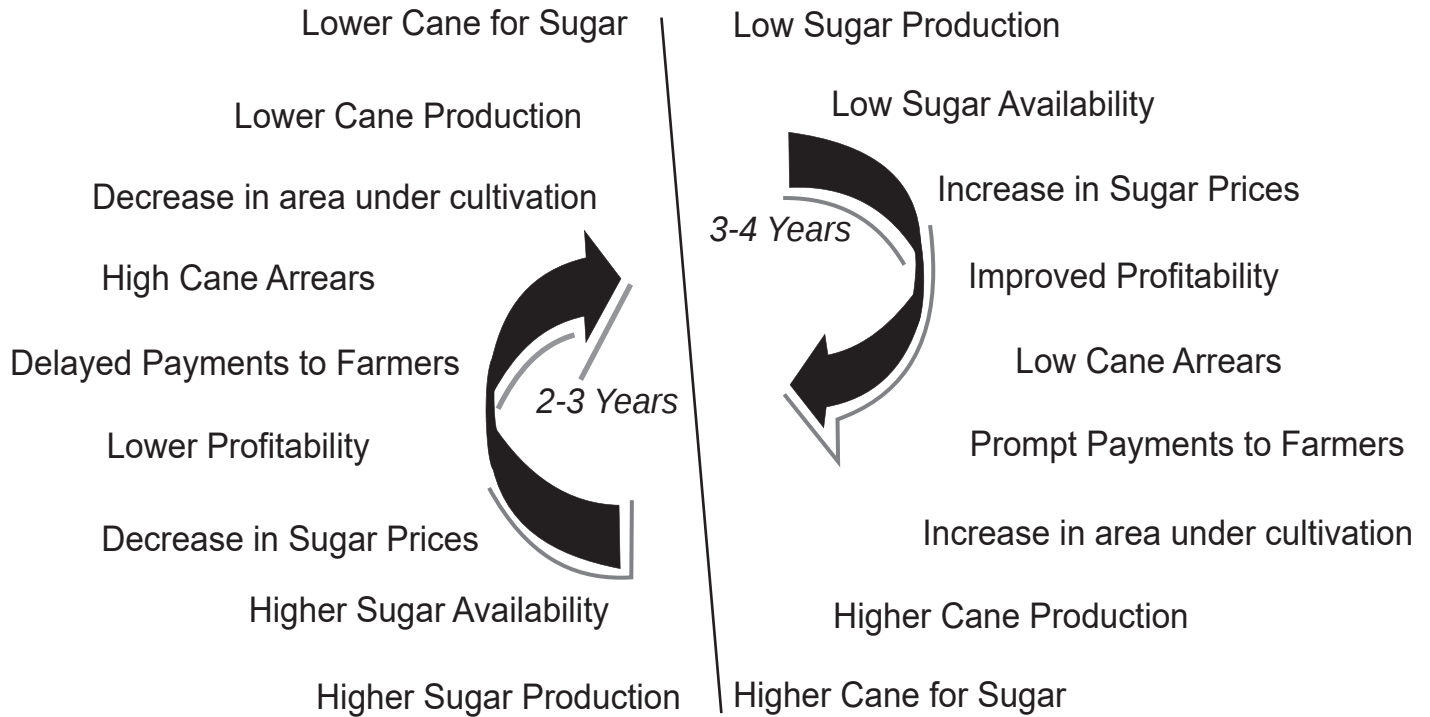
Sanghar Sugar Mills Limited is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 and now the Companies Act, 2017. Its shares are quoted on Pakistan Stock Exchange Limited. Sanghar Sugar Mills Limited was incorporated on 5th of May 1986, as a public limited company. The Company went into commercial production in January 1988.

Sanghar Sugar Mills Limited is principally engaged in the manufacture and sale of sugar. The Company has also installed transmission equipment to sell surplus electric power. Initially Mills having a capacity of 2,000 T.C.D. was installed. Subsequently the capacity has been increased to 6,000 T.C.D. and now currently stands at 8,500 T.C.D.

The Company is principally engaged in the manufacture and sale of sugar and sale of its by-products i.e. molasses and bagasse. The Company has also installed bagasse fired transmission equipment to sell surplus electric power. The manufacturing facilities are located at Sanghar Sindhri Road, Deh Kehore, District Sanghar in the province of Sindh. The total area of industry land / manufacturing facilities which includes the main factory is spread over 320.625 Acres. Cover Area of Building is approximately 299,759 Sq. Feet.



The Cycle of Sugar Sector is as follows:





OPERATING RESULTS & ITS REVIEW

	2023-2024	2022-2023
Season started on	12-11-2023	25-11-2022
Season completed on	14-02-2024	17-02-2023
Duration of crushing days	95	85
Sugarcane crushed (Metric Tons)	515,994.296	406,402.792
Average daily crushing (Metric Tons)	5,431.52	4,781.21
Cane sugar produced (Metric Tons)	52,293.50	41,711.25
Sucrose recovery (%)	10.135	10.263

Your Company was able to crush 515,994.296 M. Tons of sugarcane compared with 406,402.792 M. Tons of sugarcane in the previous crushing period, average crushing per day has been increased to 5,431.52 M. Tons per day from 4,781.20 M. Tons per day of the previous crushing period, produced 52,293.500 M. Tons of sugar at the recovery rate of 10.135% as compared with 41,711.250 M. Tons of sugar produced at the recovery rate of 10.263% in the previous crushing period.



FINANCIAL RESULTS & ITS REVIEW

The key financial figures of the Company for the year ended September 30, 2024 along with the comparatives for the corresponding year are summarized as under:

	2024	2023
	(Rupees '000)	
(Loss) / Profit before levies & taxation	(80,321)	132,451
Levies	79,387	62,529
(Loss) / Profit before taxation	(159,708)	69,922
Taxation	(20,048)	(34,961)
(Loss) / Profit for the year	(139,660)	104,883
(Loss) / Earnings per share basic and diluted (Rupees)	(11.69)	8.78

During the year, the Company has incurred loss before levies & taxation amounted to Rs. 80,321 thousand compared with profit before levies & taxation amounted to Rs. 132,451 thousand mainly due to the noticeable increase in cost of production and finance cost incurred on borrowings from financial institutions. Sale of by-products i.e. molasses & baggasse has considerably contributed in lowering the cost of production of the Company. It is worthwhile to mention here that, this year, the turnover of the Company is highest ever when compared with previous years and further the sugar sale in terms of value has been increased to 38.07 % as compared to last year while in terms of quantity, only 7.77 % has been increased and simultaneously the only average cost of production has been increased to 38.30 % which coupled with other expenses, overheads and others resulted a loss at the end of the financial year. However, the export of some sugar has give benefit to compensate the losses incurred to some extent.

The Government has continued the long debated 'mismatch' in the policy while fixing the minimum price of sugarcane whereas adopting a free market policy with regard to price of sugar. This is evident from the fact that though prices of sugar was not so high, the Government of Sindh enhanced the price of sugarcane very significantly and has announced the minimum price of cane at Rs. 425 per 40 k.g. which was high by Rs. 123 per 40k.g. (as compared to previous season) and greatly affect the cost of production. The Government exercises control over the price of sugarcane to protect the interest of the growers, but similar practice is not exercised over the price of sugar to have a win-win position for all the stakeholders.



Statement of Value Addition and its Distribution

Value Addition	----- 2024 -----		----- 2023 -----	
	(Rs. '000)	%	(Rs. '000)	%
Turnover Gross	7,273,928	99.363	5,225,178	99.959
Other Income	46,616	0.637	2,155	0.041
	7,320,544	100.000	5,227,333	100.000
Cane Procurement and related expenses	5,806,133	103.691	3,175,764	83.151
Other Expenses	(206,677)	(3.691)	643,516	16.849
	5,599,456	100.000	3,819,280	100.000
	1,721,088	23.510	1,408,053	26.936
Value Distribution				
Distributed as follows				
To Employees				
- Remuneration	350,790	20.382	284,508	20.206
	350,790		284,508	
To Government				
- Sales Tax, FED & Others	999,688	58.085	634,330	45.050
- Levies	81,196	4.718	60,139	4.271
- Deferred Tax	(20,048)	(1.165)	(34,961)	(2.483)
- Cess & Fees	8,385	0.487	6,604	0.469
	1,069,222		666,112	
To Providers of Capital				
- Finance Cost	251,349	14.604	151,210	10.739
	251,349		151,210	
To Corporate Social Responsibility				
- Charity & Donations	5,603	0.326	7,142	0.507
	5,603		7,142	
Retained in the Business				
- Depreciation & Amortization	183,785	10.678	194,198	13.792
- (Loss) / Profit for the year	(139,660)	(8.115)	104,883	7.449
	44,125		299,081	
	1,721,088	100.000	1,408,053	100.000



Graphical Presentation of Value Distribution

Value Distribution - 2024



- To Employees
- To Government
- To Providers of Capital
- To Corporate Social Responsibility
- Retained in the Business

Value Distribution - 2023



- To Employees
- To Government
- To Providers of Capital
- To Corporate Social Responsibility
- Retained in the Business



KEY OPERATING & FINANCIAL HIGHLIGHTS

2024 2023 2022 2021 2020 2019 2018 2017 2016 2015

OPERATIONAL DATA

Duration of Season	(Days)	95	85	125	108	109	100	142	133	117	137
Cane crushed	(Tons)	515,994.296	406,402.792	581,109.556	451,275.963	387,302.875	490,932	712,124	625,237	563,617	630,317
Sucrose Recovery	(%)	10.135	10.263	10.635	10.012	10.263	10.76	10.37	10.12	10.20	10.19
Sugar Made	(Tons)	52,293.50	41,711.25	61,785.00	45,239.50	39,804.25	52,799.25	73,776	63,380	57,387.5	64,271
Molasses	(Tons)	24,650.00	21,300.00	26,291.34	18,720	16,802	23,590	42,017	30,300	27,040	34,299

All figures are in Rs in '000

PROFIT OR LOSS RESULTS

Turnover - Net	5,415,294	3,922,156	3,872,185	2,860,053	2,938,182	2,770,439	3,405,535	2,583,232	2,832,657	2,869,164
Gross Profit / (Loss)	339,327	519,742	360,641	32,913	156,161	131,778	98,520	(70,660)	151,582	257,087
Operating Profit / (Loss)	124,412	281,506	177,281	(92,060)	49,137	24,059	146,802	(165,398)	59,919	170,905
(Loss) / Profit before levies & taxation	(80,321)	132,451	70,466	(16,094)	(98,846)	(148,608)	24,868	(259,678)	11,060	89,783
(Loss) / Profit after levies & taxation	(139,660)	104,883	1,609	(29,826)	(118,755)	(98,855)	19,426	(287,104)	13,953	57,400

ASSETS EMPLOYED

Operating Assets	3,425,535	3,552,387	3,707,666	2,615,681	2,712,815	2,807,695	2,909,416	1,745,965	1,465,348	1,167,508
Long Term Deposits	709	1,059	4,586	20,581	20,231	17,323	18,823	20,961	15,467	10,966
Deferred Cost	-	-	-	-	-	-	8,771	17,543	28,885	33,373
Current Assets	1,882,399	1,468,147	1,622,488	1,220,197	606,939	815,755	1,131,843	1,302,916	915,207	688,656
Total Assets Employed	5,308,643	5,021,593	5,334,740	3,856,459	3,339,985	3,640,773	4,068,853	3,087,385	2,424,907	1,900,503

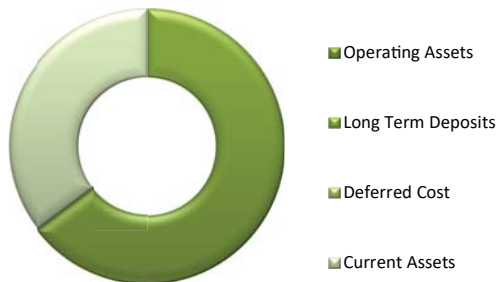
FINANCED BY

Shareholder's equity	1,908,924	2,057,446	1,965,075	1,080,845	1,108,108	1,223,854	1,330,699	569,165	863,437	860,635
Long Term Financing	131,277	-	1,752	114,145	247,536	145,670	250,863	345,291	262,532	103,640
Deferred Liabilities	857,560	842,488	850,123	483,704	508,584	519,916	603,790	300,074	295,067	325,349
Current Liabilities	2,410,882	2,121,659	2,517,790	2,177,765	1,475,757	1,751,333	1,883,501	1,872,855	1,003,871	610,879
Total Fund Invested	5,308,643	5,021,593	5,334,740	3,856,459	3,339,985	3,640,773	4,068,853	3,087,385	2,424,907	1,900,503

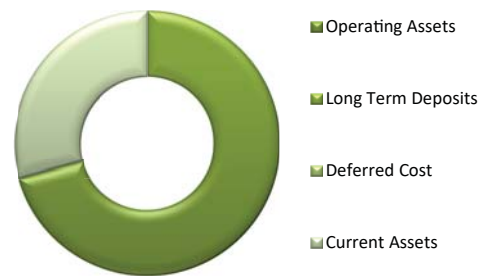


Graphical Presentation of Financial Highlights

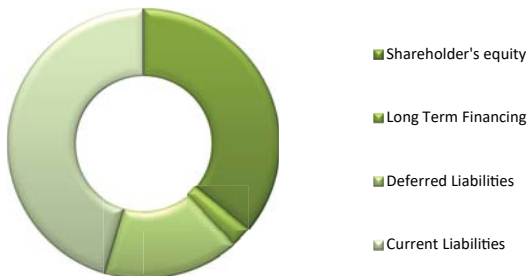
Total Assets Employed - 2024



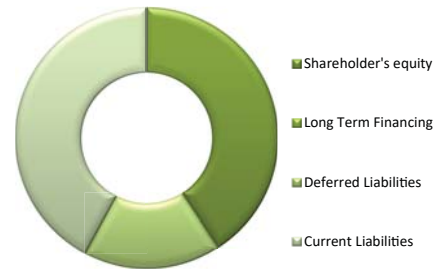
Total Assets Employed - 2023



Total Fund Invested - 2024



Total Fund Invested - 2023





سانگھڑ شوگر ملز لمیٹیڈ
Sanghar Sugar Mills Limited

Stakeholder Engagement, Investor Relations & Financial Ratios

The Sanghar Sugar Mills Limited (the Company) recognizes and protects the rights of the various stakeholders (internal as well as external) established under relevant laws and regulations and has put in place relevant policies and codes for their protection. The Company maintains sound collaboration relationships with its stakeholders. Procedure for stakeholder's engagement includes communication, good harmony, compliance with laws and regulations and sugarcane growers focused approach which is the key factors for establishment of collaboration relationship with stakeholders. Summary of the rights of the various stakeholders has been discussed below:

Shareholders

Access to shareholder records, enquiries concerning verification of transfer deeds, transfer of share certificates, change of address etc., are directed to the Shares Registrar. We have disclosed essential information to the shareholders and treated them equitably. Shareholders meeting along with timely and accurate reporting to our shareholders are the effective modes of engagements with our shareholders

Regulators

The Company make compliance with laws, rules, regulations and guidelines as directed by the Regulators. Timely, appropriately and accurately disclosures of information, as required by law, are our high priority. We have submitting periodic reports, providing and gives information as and when required.

Customers & Suppliers

The Company receive high-quality services and supplies from our suppliers and ensure that the product we give to our customers should be of high standards. We establish the confidentiality of customer information and redressal their complaints and concerns with honesty and trustworthy. We have maintain a good relationship with our customers and suppliers.



سانگھڑ شوگر ملز لمیٹیڈ
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Employees

As a good employer, the Company gives equal employment opportunity, gives performance based remuneration. Having Human Resource policies and procedures, the Company maintains effective communication between the management and the staff. To secure maximum cooperation of the employees and to motivate them to give their best. Gives full attention to redressal of complaints & grievances.

Community

The Company acknowledges its social and ethical responsibility to carry out its business in order to keep it safe and protect it for the generations to come. Gives priority to the fair distribution of resources, opportunities and financial assistances. The Company is contributing to the National growth by sharing its revenue with the nation in the form of taxes, rates, duties and other levies.

Financial Reporting & Communication

Communication with the users of financial statements is given high priority. Annual, half yearly and quarterly reports are distributed to the shareholders and provided to other users within the time specified by the Regulators and also makes it available on the Company's website for the easy access for the shareholders and potential shareholders. There is also an opportunity for individual shareholder to participate at the General Meetings to ensure high level of accountability. The Company notifies information to the Regulators from time to time. This helps the shareholders remain connected with the Company. The notifications mainly include Financial Results, Board of Directors meetings, shareholders meetings etc.

Media & Website

The Company disseminates information through print, electronic, social and other web media. The Company is maintaining its website providing complete information about the Company, Investors Relations, Investors Informations, Governance, Policy & Procedures and contact details. This can be accessed through a link www.sangharsugarmills.com

Public Information

Financial analysts, stock brokers, interested investors and financial media desiring information about the Company and its product may contact the Chief Financial Officer and or the Company Secretary at Head Office, Karachi.



FINANCIAL RATIOS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>PROFITABILITY RATIOS</u>										
Gross Profit Ratio (%)	6.27	13.25	9.31	1.15	5.31	4.76	2.89	(2.74)	5.35	8.96
Net Profit to Sales (%)	(2.58)	2.67	0.04	(1.04)	(4.04)	(3.57)	0.57	(11.11)	0.49	2.00
Return on Capital Employed (%)	8.96	13.79	9.21	8.79	4.93	1.97	11.03	(85.28)	12.82	37.87
<u>TURNOVER RATIOS</u>										
Inventory Turnover Ratio	4.10	3.04	3.44	5.50	6.51	3.78	3.51	3.12	4.59	5.21
Fixed Assets Turnover Ratio	158.09	110.41	104.44	109.35	108.31	98.67	117.05	147.96	193.37	245.93
<u>INVESTOR INFORMATION</u>										
Price Earning Ratio	(1.99)	1.42	103.94	(6.49)	(1.74)	(3.15)	15.36	(1.55)	36.39	5.31
Market Value per Share	23.26	12.50	14.00	16.20	17.34	26.05	24.98	37.35	42.50	41.74
Book Value per Share	159.80	172.23	164.50	90.48	92.76	102.45	111.39	54.02	46.68	37.78
Earning / (Loss) per Share	(11.69)	8.78	0.13	(2.50)	(9.94)	8.28	1.63	(24.03)	1.17	4.80
<u>LIQUIDITY RATIOS</u>										
Current Ratio	0.78	0.69	0.64	0.56	0.41	0.47	0.60	0.69	0.91	1.13
<u>CAPITAL STRUCTURE RATIOS</u>										
Debt Equity Ratio	0.54	0.05	0.42	0.97	0.68	0.86	1.05	3.10	1.11	0.53
Interest Cover Ratio	0.68	1.88	1.64	0.86	0.36	0.14	1.20	(1.75)	1.23	2.11



VERTICAL ANALYSIS OF FINANCIAL STATEMENTS

	2024	2024	2023	2023	2022	2022	2021	2021	2020	2020
	Rupees in 000	%	Rupees in 000	%	Rupees in 000	%	Rupees in 000	%	Rupees in 000	%
<u>Financial Position</u>										
Total Non-Current Assets	3,426,244	64.54	3,553,096	70.76	3,712,252	69.59	2,636,262	68.36	2,733,046	81.83
Total Current Assets	1,882,399	35.46	1,468,497	29.24	1,622,488	30.41	1,220,197	31.64	606,939	18.17
Total Assets	5,308,643	100.00	5,021,593	100.00	5,334,740	100.00	3,856,459	100.00	3,339,985	100.00
Total Equity & Surplus on revaluation	1,908,924	35.96	2,057,446	40.97	1,965,075	36.84	1,080,845	28.03	1,108,108	33.18
Total Non-Current Liabilities	988,837	18.63	842,488	16.78	851,875	15.97	597,849	15.50	756,120	22.64
Total Current Liabilities	2,410,882	45.41	2,121,659	42.25	2,517,790	47.20	2,177,765	56.47	1,475,757	44.18
Total Equity & Liabilities	5,308,643	100.00	5,021,593	100.00	5,334,740	100.00	3,856,459	100.00	3,339,985	100.00
<u>Profit or Loss</u>										
Sales	5,415,294	100.00	3,922,156	100.00	3,872,185	100.00	2,860,053	100.00	2,938,182	100.00
Cost of sales	(5,075,967)	(93.73)	(3,402,414)	(86.75)	(3,511,544)	(90.69)	(2,827,140)	(98.85)	(2,782,021)	(94.69)
Gross Profit	339,327	6.27	519,742	13.25	360,641	9.31	32,913	1.15	156,161	5.31
Trading activities	-	-	-	-	111	-	-	-	-	-
Distribution cost	(3,219)	(0.06)	(11,153)	(0.28)	(696)	(0.02)	(766)	0.03	(710)	(0.02)
Administrative expenses	(159,981)	(2.95)	(134,539)	(3.43)	(132,656)	(3.43)	(114,239)	(3.99)	(99,630)	(3.39)
Other operating expenses	(51,715)	(0.95)	(92,544)	(2.36)	(50,119)	(1.29)	(9,968)	(0.35)	(6,684)	(0.23)
Other income	46,616	0.86	2,155	0.05	3,664	0.09	187,106	6.54	5,463	0.19
Operating Profit	171,028	3.16	283,661	7.23	180,945	4.67	95,046	3.32	54,600	1.86
Finance cost	(251,349)	(4.64)	(151,210)	(3.86)	(110,479)	(2.85)	(111,140)	(3.89)	(153,446)	(5.22)
(Loss) / Profit before levies & taxation	(80,321)	(1.48)	132,451	3.38	70,466	1.82	(16,094)	(0.56)	(98,846)	(3.36)
Levies & Taxation	(59,339)	(1.10)	(34,961)	(0.89)	68,857	1.78	13,732	0.48	19,909	0.68
(Loss) / Profit after levies & taxation	(139,660)	(2.58)	104,883	2.67	1,609	0.04	(29,826)	(1.04)	(118,755)	(4.04)



HORIZONTAL ANALYSIS OF FINANCIAL STATEMENTS

HORIZONTAL ANALYSIS OF FINANCIAL STATEMENTS

	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020
	----- Rupees in 000 -----					----- Variance in % -----				
<u>Financial Position</u>										
Total Non-Current Assets	3,426,244	3,553,096	3,712,252	2,636,262	2,733,046	(3.57)	(4.28)	40.81	(3.54)	(3.26)
Total Current Assets	1,882,399	1,468,497	1,622,488	1,220,197	606,939	28.19	(9.25)	32.97	101.04	(25.60)
Total Assets	5,308,643	5,021,593	5,334,740	3,856,459	3,339,985	5.72	(5.87)	38.33	15.46	(8.26)
Total Equity & Surplus on revaluation	1,908,924	2,057,446	1,965,075	1,080,845	1,108,108	(7.22)	4.70	81.81	(2.46)	(9.46)
Total Non-Current Liabilities	988,837	842,488	851,875	597,849	756,120	17.37	(1.10)	42.49	(20.93)	13.60
Total Current Liabilities	2,410,882	2,121,659	2,517,790	2,177,765	1,475,757	13.63	(15.73)	15.61	47.57	(15.74)
Total Equity & Liabilities	5,308,643	5,021,593	5,334,740	3,856,459	3,339,985	5.72	(5.87)	38.33	15.46	(8.26)
<u>Profit or Loss</u>										
Sales	5,415,294	3,922,156	3,872,185	2,860,053	2,938,182	38.07	1.29	35.39	(2.66)	6.05
Cost of sales	(5,075,967)	(3,402,414)	(3,511,544)	(2,827,140)	(2,782,021)	49.19	(3.11)	24.21	1.62	5.42
Gross Profit	339,327	519,742	360,641	32,913	156,161	(34.71)	44.12	995.74	(78.92)	18.50
Trading activities	-	-	111	-	-	-	(100.00)	100.00	-	-
Distribution cost	(3,219)	(11,153)	(696)	(766)	(710)	(71.14)	1,502.44	(9.14)	7.89	(94.41)
Administrative expenses	(159,981)	(134,539)	(132,656)	(114,239)	(99,630)	18.91	1.42	16.12	14.66	9.32
Other operating expenses	(51,715)	(92,544)	(50,119)	(9,968)	(6,684)	(44.12)	84.65	402.80	49.13	5.03
Other income	46,616	2,155	3,664	187,106	5,463	2,063.16	(41.18)	(98.04)	3,324.97	120.37
Operating Profit	171,028	283,661	180,945	95,046	54,600	(39.71)	56.77	90.38	74.08	126.94
Finance cost	(251,349)	(151,210)	(110,479)	(111,140)	(153,446)	66.23	36.87	(0.59)	(27.57)	(11.13)
(Loss) / Profit before levies & taxation	(80,321)	132,451	70,466	(16,094)	(98,846)	(160.64)	87.96	537.84	(83.72)	(33.45)
Levies & Taxation	(59,339)	34,961	(68,857)	(13,732)	(19,909)	(269.73)	(59.96)	401.43	(31.03)	(140.02)



STATEMENT OF FINANCIAL POSITION

As At September 30, 2024

	September 30 2024	September 30 2023	Variance	Percentage %
----- (Rupees in '000) -----				
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	3,425,535	3,552,387	(126,852)	-3.57%
Long term deposits	709	709	-	-
	3,426,244	3,553,096	(126,852)	-3.57%
CURRENT ASSETS				
Stores, spare parts and loose tools	75,265	82,686	(7,421)	-8.97%
Stock-in-trade	1,497,402	977,463	519,939	53.19%
Trade debts	27,924	27,924	-	-
Loans and advances	123,862	129,787	(5,925)	-4.57%
Trade deposits and short term prepayments	3,712	2,422	1,290	53.26%
Other receivables	76,652	103,368	(26,716)	-25.85%
Income tax refundable - net of provision	27,125	25,316	1,809	7.15%
Cash and bank balances	50,457	119,531	(69,074)	-57.79%
	1,882,399	1,468,497	413,902	28.19%
TOTAL ASSETS	5,308,643	5,021,593	287,050	5.72%
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized capital 20,000,000 shares of Rs.10 each	200,000	200,000	-	-
Issued, subscribed and paid up capital	119,460	119,460	-	-
Unappropriated profit	185,181	252,764	(67,583)	-26.74%
Surplus on revaluation of property, plant and equipment	1,604,283	1,685,222	(80,939)	-4.80%
	1,908,924	2,057,446	(148,522)	-7.22%
NON CURRENT LIABILITIES				
Long term finance	131,277	-	131,277	100.00%
Deferred liabilities	857,560	842,488	15,072	1.79%
	988,837	842,488	146,349	17.37%
CURRENT LIABILITIES				
Trade and other payables	1,454,524	2,009,318	(554,794)	-27.61%
Accrued finance cost	57,036	6,394	50,642	792.02%
Short term borrowings	860,000	100,000	760,000	760.00%
Unclaimed dividend	3,731	4,696	(965)	-20.55%
Current portion of lease liabilities	-	1,251	(1,251)	-100.00%
Current portion of long term finance	35,591	-	35,591	100.00%
	2,410,882	2,121,659	289,223	13.63%
CONTINGENCIES AND COMMITMENTS	-	-	-	-
TOTAL EQUITY AND LIABILITIES	5,308,643	5,021,593	287,050	5.72%



STATEMENT OF PROFIT OR LOSS

For the year ended September 30, 2024

	September 30 2024	Restated September 30 2023	Variance	Percentage %
	----- (Rupees in '000) -----			
Sales	5,415,294	3,922,156	1,493,138	38.07%
Cost of sales	5,075,967	3,402,414	1,673,553	49.19%
Gross Profit	339,327	519,742	(180,415)	-34.71%
Distribution cost	3,219	11,153	(7,934)	-71.14%
Administrative expenses	159,981	134,539	25,442	18.91%
Other operating expenses	51,715	92,544	(40,829)	-44.12%
	214,915	238,236	(23,321)	-9.79%
Operating Profit	124,412	281,506	(157,094)	-55.80%
Other income	46,616	2,155	44,461	2063.16%
	171,028	283,661	(112,633)	-39.71%
Finance cost	251,349	151,210	100,139	66.23%
(Loss) / Profit before levies and taxation	(80,321)	132,451	(212,772)	-160.64%
Levies	79,387	62,529	16,858	26.96%
(Loss) / Profit before taxation	(159,708)	69,922	(229,630)	-328.41%
Taxation	(20,048)	(34,961)	14,913	-42.66%
(Loss) / Profit for the year	(139,660)	104,883	(244,543)	-233.16%
(Loss) / Earning per share - Basic and diluted (Rupees)	(11.69)	8.78	(20.47)	-233.15%



NOTES TO THE PROFIT OR LOSS

For the year ended September 30, 2024

	2024	2023	Variance	Percentage
	----- (Rupees in '000) -----			%
SALES				
Local Sales	6,184,408	4,113,233	2,071,175	50.35%
Export Sales	196,798	429,724	(232,926)	-54.20%
	6,381,206	4,542,957	1,838,249	40.46%
Less: Sales Tax	(943,384)	(616,871)	(326,513)	52.93%
Less: Federal Excise Duty	(14,400)	-	(14,400)	100.00%
Less: Brokerage and Commission	(8,128)	(3,930)	(4,198)	106.82%
	(965,912)	(620,801)	(345,111)	55.59%
	5,415,294	3,922,156	1,493,138	38.07%
COST OF SALES				
Sugar cane consumed (including cane procurement expenses)	5,806,133	3,175,764	2,630,369	82.83%
Salaries, wages and staff benefits	234,098	188,281	45,817	24.33%
Stores, spare parts and loose tools consumed	203,048	176,625	26,423	14.96%
Fuel, power and utilities	15,787	13,945	1,842	13.21%
Insurance	13,512	9,490	4,022	42.38%
Repairs and maintenance	10,157	9,352	805	8.61%
Vehicle running expenses	15,335	13,127	2,208	16.82%
Depreciation	173,952	179,197	(5,245)	-2.93%
Depreciation on right-of use assets	546	3,545	(2,999)	-84.60%
Other expenses	16,060	11,883	4,177	35.15%
	6,488,628	3,781,209	2,707,419	71.60%
Sugar -in-process				
- Opening	979	873	106	12.14%
- Closing	(2,559)	(979)	(1,580)	161.34%
	(1,580)	(106)	(1,474)	1390.57%
	6,487,048	3,781,103	2,705,945	71.56%
Sale of Molasses	805,500	605,900	199,600	32.94%
Inventory adjustment for molasses	4,976	192	4,784	2491.81%
	810,476	606,092	204,384	33.72%
Sale of Bagasse	87,222	58,862	28,360	48.18%
Inventory adjustment for bagasse	3,626	(11,488)	15,114	-131.56%
	90,848	47,374	43,474	91.77%
Cost of goods manufactured	5,585,724	3,127,637	2,458,087	78.59%
Finished sugar				
- Opening stock	974,234	1,249,011	(274,777)	-22.00%
- Closing stock	(1,483,991)	(974,234)	(509,757)	52.32%
	(509,757)	274,777	(784,534)	-285.52%
	5,075,967	3,402,414	1,673,553	49.19%



سانگھڑ شوگر ملز لمیٹیڈ
Sanghar Sugar Mills Limited

	2024	2023	Variance	Percentage
	----- (Rupees in '000) -----			%
DISTRIBUTION COST				
Handling and stacking	1,667	978	689	70.45%
Export charges	1,552	10,175	(8,623)	-84.75%
	3,219	11,153	(7,934)	-71.14%
ADMINISTRATIVE COST				
Salaries, wages and staff benefits	116,692	96,227	20,465	21.27%
Rent, rates and taxes	3,638	3,345	293	8.76%
Communication	1,418	1,099	319	29.03%
Repairs and maintenance	3,798	3,579	219	6.12%
Utilities	3,229	813	2,416	297.17%
Entertainment	608	453	155	34.22%
Subscription	2,966	2,206	760	34.45%
Cartage	31	68	(37)	-54.41%
Printing and stationery	3,023	1,876	1,147	61.14%
Insurance	4,504	3,163	1,341	42.40%
Legal and professional charges	2,650	1,674	976	58.30%
Conveyance and traveling	6,252	7,101	(849)	-11.96%
Depreciation	9,287	11,456	(2,169)	-18.93%
Others	1,885	1,479	406	27.45%
	159,981	134,539	25,442	18.91%
OTHER OPERATING COST				
Auditors' remuneration	3,294	2,857	437	15.30%
Corporate social responsibility costs	5,603	7,142	(1,539)	-21.55%
Workers' Profit Participation Fund	-	7,113	(7,113)	-100.00%
Workers' Welfare Fund	-	2,703	(2,703)	-100.00%
Provision for slow moving and obsolete items	1,250	2,054	(804)	-39.14%
Exchange loss on export proceeds realization - net	37	1,453	(1,416)	-97.45%
Write off against receivable from Nazir High Court	26,716	-	26,716	100.00%
Sales tax default surcharge	7,511	69,222	(61,711)	-89.15%
Impairment allowance against dormant bank account	7,304	-	7,304	100.00%
	51,715	92,544	(40,829)	-44.12%



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Sanghar Sugar Mills Limited

	2024	2023	Variance	Percentage
	----- (Rupees in '000) -----			%
OTHER INCOME				
Income from non financial assets:				
Gain on sale of property, plant & equipment	684	1,188	(504)	-42.42%
Others - Rent & related receipts	166	92	74	80.43%
	850	1,280	(430)	-33.59%
Income from others:				
Scrap Sales	1,244	-	1,244	100.00%
V. Filter Cake Sales	796	-	796	100.00%
Reversal of provision of dormant bank account	-	334	(334)	-100.00%
Liabilities written back	43,726	541	43,185	7982.44%
	45,766	875	44,891	5130.40%
	46,616	2,155	44,461	2063.16%
FINANCE COST				
Profit on long term financing	25,388	8,391	16,997	202.56%
Mark-up on short-term borrowings	223,393	139,355	84,038	60.30%
Financial charges on lease liabilities	132	1,913	(1,781)	-93.10%
Bank charges	1,415	1,047	368	35.15%
Interest on workers' profit participation fund	1,021	504	517	102.58%
	251,349	151,210	100,139	66.23%
LEVIES				
Minimum tax	79,387	62,529	16,858	26.96%
TAXATION				
Deferred	(20,048)	(34,961)	14,913	-42.66%
	(20,048)	(34,961)	14,913	-42.66%
(LOSS) / EARNING PER SHARE - Basic and Diluted				
(Loss) / Profit for the year (Rupees '000)	(139,660)	104,883	(244,543)	-233.16%
Weighted average number of ordinary shares	11,946,000	11,946,000	-	-
(Loss) / Earning per share - (Rupees)	(11.69)	8.78	(20.47)	-233.15%



CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures commensuration to the circumstances. The Company finances its expansions projects through equity, borrowings and management of its working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

The Company monitors capital using a gearing ratio, which is net debt divided by total shareholders equity plus net debt. Net debt is calculated as total loans and borrowings less cash and bank balances. The Company's strategy was to maintain leveraged gearing. The gearing ratio as at reporting date is as follows:

	2024	2023
	(Rupees in '000)	
Total financing and borrowings including lease liabilities	1,026,868	101,251
Less: Cash and bank balances	(50,457)	(119,531)
Net debt	976,411	(18,280)
Total Equity	1,908,924	2,057,446
Total capital employed	2,885,335	2,039,166
Gearing Ratio	33.84%	-0.90%

Consistent with others in the industry, the Company manages its capital risk by monitoring its liquid assets and keeping in view future investment requirements and expectation of the shareholders.



FAIR VALUES / MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. A number of the Company's accounting policies and disclosure require the measurement of fair values, for both financial, if any and non-financial assets and liabilities. When measuring the fair value of an asset or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the management recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

Management assessed that the fair values of cash & cash equivalent, short term deposits, trade debts, loans & advances, other receivable, trade payables, short term borrowing and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. For long term asset and long term liabilities, management considers that their carrying values approximates fair value.

The fair value of land and buildings and plant and machinery is a level 3 recurring fair value measurement. Management engages an independent external expert / valuator to carry out periodic valuation of its non-financial assets (i.e. Land, Building and Plant and Machinery) and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained by the valuer. The Fair Values were determined with reference to market based evidence, based on active market prices and relevant enquiries and information as considered necessary, adjusted for any difference in nature, location or condition of the specific property. Recent valuation was carried on September 30, 2022 and following factors were considered:

- | | |
|---------------------|--|
| Land and Building | The valuation is considered on the factors of location, need of the buyers, the overall prevailing market situation and other considerations linked with this. |
| Plant and Machinery | Factors taken into consideration in order to assess the present value of the machinery include Make, Model, Quality, Operational Capacity, Existing Condition, Demand and Resale Prospects, Depreciation and Obsolescence etc. |



FUTURE PROSPECTS

Due to excess production of sugar as compared to the Country's demand, your management see a stable selling price of sugar subject to the export of sugar which has been currently allowed to the certain limit for the Country. Your Company has fully availed the opportunity and exported the sugar, as per quota allotted by the Regulatory Authority. The export of sugar gave benefits to the Company's financials and availed relief in Sales Tax / FED and earned cash-flows.

Currently, the prices of local market are at lower side while compared with the cost of cane, other inflated overhead expenses, surplus production of sugar in the country and other unpredictable circumstances prevailing in the sugar industry which might affect the profitability of the Company.

In the Finance Act 2024-25, a Federal Excise Duty of Rs. 15 per Kg has been introduced on sales to manufacturers, alongside an increase in the withholding tax rate for non-filers from 0.2% to 2%. These adjustments are anticipated to significantly impact the Company's profitability. We urge the Government to reconsider these tax regime changes to ensure the continued sustainability of our industry.

As reported, the matter related to the subsidy receivable from the Provincial Government, the Honorable High Court of Sindh passed the judgment/order in favor of the Company and the petitions stand disposed off with the directions to the Finance Department, Government of Sindh to re-allocate funds in the previous year's budget and make payment to Sugar Mills within the first quarter of previous financial year and this decision will give benefit of positive cash flows to the Company but the implementation on the Honourable Court's Order is still awaited.

Strategies are in place and are regularly reviewed to ensure that the Company stays on the path of growth and progress. The focus is on stringent controls on the cost of production mainly through modernizing and replacement of old machines, lesser interruptions, abnormal wastages, process improvements, energy savings and high savings in Bagasse consumption through availing and implementing various options and installing machineries.

Adhering to the guidelines and SOPs necessary to ensure the health and safety of human resources, we are optimistic that the Company's performance will sustain and further improve in terms of revenue, profits and liquidity positions.



سانگھڑ شوگر ملز لمیٹیڈ
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CORPORATE SOCIAL RESPONSIBILITY PLANS

The Company has plan to conduct a two days free eye camp in the month of February 2025 for employees and persons living nearby.

The Company has planned to install the Solar Power throughout the Mills premises for own consumption, in different phases and our plan is to install 250 KW Solar Power Generation System, in phases, for the main factory area and workshop to smoothly run the repair & maintenance during off-season with-out interruption and to curtail usage of diesel generators. Currently we have installed the solar powers at some areas of Offices, Hostel, Messes and Employees Colony.

During season the Company's power appliances and plant & machinery are running on own power generation and the power generation through solar will be transferred to Hyderabad Electric Supply Corporation with the permission of National Electric Power Regulatory Authority through Net Metering and this will give benefit during off season through adjustment in HESCO bills, the matter of approvals from authorities are in process and will be completed soon.

The Company has plan and the work is in process regarding the implementation of the “Digital Transformation” which is the process of using digital technologies to create new or modify existing business processes, culture, and customer experiences to meet changing business and market requirements. This reimagining of business in the digital age is digital transformation. Saving time, cost and empowers team members by automating manual tasks and integrating data and creating a paperless environment. Digital Transformation can integrate applications, databases, and software into a central repository for business intelligence. Digital Transformation is not only a functional unit of the IT Department, it may encompass every department of the Company and can lead to process reengineering, innovation and efficiency across the organization.

Various initiatives have been taken to up-grade infrastructure which broadly covers:

To increase energy mix from a more reliable and cost-effective source of Energy and green energy. Enhance raw water availability. Improve product quality via increasing control on factors impacting the quality. Expansion in material storage capacity to avoid interruptions while minimizing in variations of cost of material.



KEY FACTORS TO BE CONSIDERED

- ◆ Higher procurement cost of sugarcane due to lower availability and cane war between sugar mills.
- ◆ Significant increase in minimum cane price.
- ◆ Efficiency improvement measures.
- ◆ High Taxes & Duties.
- ◆ Inconsistent & Arbitrary changes in Government Policies.



سانگھڑ شوگر ملز لمیٹیڈ
Sanghar Sugar Mills Limited

Questions & Answers Session







سانگھڑ شوگر ملز لمیٹیڈ
Sanghar Sugar Mills Limited

Thank
You



سانگھڑ شوگر ملز لمیٹڈ

Sanghar Sugar Mills Limited

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