



Habib Sugar Mills Limited

Annual Report 2023



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Company Information

Board of Directors	Asghar D. Habib Murtaza Habib Hasnain Habib Farouq Habib Rahimtoola Sohail Hussain Haji Muhammad Salman Husain Chawala Tyaba Muslim Habib Khursheed A. Jamal	<i>Chairman</i> Chief Executive
Audit Committee	Farouq Habib Rahimtoola Tyaba Muslim Habib Sohail Hussain Haji	Chairman Member Member
Human Resource & Remuneration Committee	Tyaba Muslim Habib Hasnain Habib Khursheed A. Jamal	Chairperson Member Member
Chief Financial Officer	Amir Bashir Ahmed	
Company Secretary	Imran Amin Virani	
Registered Office	3rd Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi-75530 Phones : (+92-21) 35680036 - 5 Lines Fax : (+92-21) 35684086 E-mail : sugar@habib.com	
Mills	Sugar & Distillery Division Nawabshah District Shaheed Benazirabad Phones : (+92-244) 360751 - 5 Lines Fax : (+92-244) 361314 Textile Division D-140/B-1 Mangopir Road S.I.T.E. Karachi-75700 Phones : (+92-21) 32571325, 32572119 Fax : (+92-21) 32572118	
Bulk Storage	Terminal 60/1-B Oil Installation Area Keamari Karachi-75620 Phones : (+92-21) 32852003-4 Fax : (+92-21) 32852005	
Bankers	Allied Bank Limited Bank AL Habib Limited First Women Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited MCB Bank Limited Meezan Bank Limited National Bank of Pakistan United Bank Limited	
Statutory Auditors	Grant Thornton Anjum Rahman Chartered Accountants	
Cost Auditors	Reanda Haroon Zakaria & Co. Chartered Accountants	
Share Registrar	THK Associates (Pvt.) Limited Plot No. C-32, Jami Commercial Street-2 D.H.A. Phase VII, Karachi. UAN : (+92-21) 111-000-322 Phone : (+92-21) 35310184 Fax : (+92-21) 35310191 E-mail : sfc@thk.com.pk	



VISION STATEMENT

We aim to be a leading manufacturer and supplier of quality sugar, ethanol, liquidified carbon dioxide (CO₂) and household textiles in local and international markets. We aspire to be known for the quality of our products and intend to play a pivotal role in the economic and social development of Pakistan.

MISSION STATEMENT

As a prominent producer and supplier of sugar, ethanol, liquidified carbon dioxide (CO₂) and household textiles, we shall continue to strive to achieve excellence in performance and aim to exceed the expectations of all stakeholders. We target to achieve technological advancements to inculcate the most efficient, ethical and time tested business practices in our management.



Code of Conduct

The founders of Habib Sugar Mills Limited were visionaries who established the company on very sound principles and envisioned its development and growth on the basis of making no compromises in any aspects of business practices. The company takes pride in adherence to its principles and continues to serve its customers, stakeholders and society based on the following guidelines:

Products

- To produce refined, high-grade sugar that is edible and hygienic and provides all the nutrition and food value at standards determined by the company, which would exceed industry norms and averages.
- To produce by-products and allied products including molasses, ethanol and liquidified carbon dioxide (CO₂).
- To diversify into other products such as home textiles thus consuming indigenous raw material and generating export earnings.

Systems & Processes

- To regularly update and upgrade manufacturing systems and processes so as to keep abreast with technological advancements, achieve economies of production and transfer knowledge and skill to workers.
- To develop and maintain the technical and professional standards, standard operating procedures and stringent quality control measures with on-line quality assurance at every stage of manufacture.
- To continuously conduct product research and develop new products, while improving upon the existing products, using ideal additives and packaging material.
- To regularly maintain, replace and upgrade all machinery and equipment for smooth working, optimum output and ensure safe working in all production units.
- To maintain a smooth work-flow in all departments with an effective communication system contained within the framework of principles yet allowing the required degree of autonomy for efficient functioning.

Management & Employees

- To employ only the appropriately suited human resource through the selection and recruitment process based on the commensurate qualifications and experience criteria without any non-professional considerations, without any bias or prejudice of race, cast, colour, creed or religious beliefs.
- To ensure that all management personnel are adequately qualified to perform management functions as assigned.
- To guide, direct and motivate employees to perform functions and to recognize and reward employees based on their performance outputs.
- To measure employee's performance by a pre-determined criteria so as to be fair and equitable towards every single employee.
- To ensure that all employees work towards achievement of corporate objectives, individually and collectively as a team and conduct themselves at work and in society as respectable employees and responsible citizens.



- To regularly train all employees at all levels to improve their knowledge and skill and provide employees with a career path whereby they can seek a planned betterment in their professional and personal life.
- To ensure that all employees and management personnel strictly adhere to the company rules and regulations and observe the best codes of conduct and abide by all laws of Pakistan.
- To make timely payment of salaries, wages and all allowances and benefits to all employees in line with their terms.
- To ensure all directors and employees of the company shall undertake such activities, whether personal or professional, that in no way conflicts with the interests of the company but contributes towards the betterment, development and growth of the organization in particular and the industry in general.

Financial

- To implement an effective, transparent and secure financial reporting and internal control system so as to ensure compliance with regulatory factors as well as meet all obligations of payable and receivables and keep investors, shareholders and management fully aware.
- To ensure effective utilization of all company resources and plan and operate resource utilization in order to produce better results and generate better yields and facilitate timely decisions.
- To place a strict Internal Audit system to study, analyze, review and report all company earning and spending and enhance reliability of all financial information and build shareholders confidence.
- To regularly prepare, as per pre-determined schedules, all financial reports and present accounts to the Board for review and analysis and show trends based on company income, revenues and expenses and industry trends.
- To ensure cost effectiveness and purchase goods and services based on developed criteria, vendor assessment and market competitiveness and evaluate options on prices, terms, products/services, substitute available, prior to purchase.
- To ensure timely and proper payments as per negotiated terms to all suppliers and deduct applicable taxes so as to enhance corporate credibility and image.
- To maintain an excellent relationship with bankers and utilize banking facilities in a manner to benefit company whilst making proper use of funding and facilities available and ensuring no defaults.

Adherence to Law

- The company shall at all times strictly adhere to all laws of the country and fulfill all statutory requirements and ensure timely, proper and full payment of all applicable taxes, rates, duties and/or any other levies as may be imposed from time to time.

Environment

- The company shall use all means to ensure a clean, safe, healthy and pollution free environment not only for its workers and employees but for the well being of all people who live in and around any of the production and manufacturing units and employ such technology as may be beneficial in maintaining a healthy and hygienic working and living environment.

Planning

- The company shall prepare an annual plan with clearly defined objectives, goals and strategies and implement those plans with a close watch on achievements and monitor and control measures shall be built in to ensure achievement of objectives and enhancement of corporate image.



Notice of Annual General Meeting

Notice is hereby given that the 62nd Annual General Meeting of Habib Sugar Mills Limited will be held on Wednesday, January 24, 2024 at 11:00 a.m. at Auditorium Hall – The Institute of Chartered Accountants of Pakistan (ICAP), Chartered Accountants Avenue, Clifton, Karachi to transact the following business:

Ordinary Business

1. To receive and consider the audited financial statements, the Directors' report and the Auditors' report for the year ended September 30, 2023.
2. To approve payment of cash dividend @ 120 % i.e. Rs. 6 per share of Rs. 5 each for the year ended September 30, 2023 as recommended by the Board of Directors.
3. To appoint auditors of the Company for the year ending September 30, 2024 and fix their remuneration.

Special Business

4. To consider and approve the circulation of Company's Annual Report including Audited Financial Statements to the shareholders through QR enabled Code and weblink in light of the S.R.O 389(I)/2023 dated March 21, 2023 issued by the Securities & Exchange Commission of Pakistan (SECP) instead of transmitting the same through CD/DVD/USB and to pass the following resolution as ordinary resolution:

RESOLVED THAT the shareholders of the Company do hereby consent and authorize the Company for transmission of the Annual Report of the Company including audited financial statements to its shareholders through QR-enabled code and web-link as required under the S.R.O 389(1)/2023 dated March 21, 2023 issued by the SECP instead of transmitting the same through CD/DVD/USB.

5. To consider and if deemed fit, to pass with or without modifications(s), the following Special Resolution(s) under Section 88 of the Companies Act, 2017 read with Listed Companies (Buy-Back of Shares) Regulations, 2019 for the purchase/buy-back by the Company up to an aggregate number of 15,000,000 (Fifteen Million) paid-up ordinary shares of the Company, having face value of PKR 5/- (Pak Rupees Five) each, through the Pakistan Stock Exchange Limited at the spot/current price acceptable to the Company prevailing during the purchase period, as recommended by the Board of Directors of the Company:

“RESOLVED THAT, subject to compliance with applicable laws (as may be further amended), approval of the members of Habib Sugar Mills Limited be and is hereby accorded under Section 88 of the Companies Act, 2017 read with Listed Companies (Buy-Back of Shares) Regulations, 2019, for the following acts by the Company:

- a) purchase/buy-back of up to an aggregate number of 15,000,000 (Fifteen Million) paid-up ordinary shares of the Company, having paid-up/face value of PKR 5/- (Pak Rupees Five Only) each, representing 10% of the total issued and paid-up ordinary shares of the Company (the “Purchase”);
- b) the Purchased shares be cancelled by the Company;
- c) the Purchase be commenced not later than 7 (seven) calendar days of the public announcement of the Purchase and to end not later than 180 (one hundred and eighty) days from the date of the special resolution;
- d) the Purchase to be conducted through the Pakistan Stock Exchange Limited in accordance with the Companies Act, 2017 read with Listed Companies (Buy-Back of Shares) Regulations, 2019”;
- e) that the Company maintain sufficient funds in the designated clearing bank account (s) from time to time during the Purchase period for the timely settlements of the daily purchases;
- f) that the Authorized Person(s) as appointed by the Board of Directors of the Company take all necessary, ancillary and incidental steps and to do or cause to be done all such acts, deeds and things that may be required for the purpose of carrying out and giving effect to the aforementioned resolutions, and for the purpose of implementing, procuring, and completing the Purchase; and
- g) the aforesaid resolutions, as deemed appropriate and necessary, may be revised by the Authorized Person(s) in accordance with any amendments in applicable law, or as directed in writing by any Competent Authority, which revision shall then be deemed to be part of the resolutions without the need for the shareholders/members of the Company to pass fresh resolutions.



A statement under section 134(3) of the Companies Act, 2017 in respect of the special business as per the agenda Item No. 4 & 5 to be considered at the meeting is being sent to the members alongwith a copy of this notice.

By order of the Board

Imran Amin Virani
Company Secretary

Karachi: December 23, 2023

Notes:

1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from Monday, January 15, 2024 to Wednesday, January 24, 2024 both days inclusive.

2. Proxy

A member entitled to attend and vote at this meeting is entitled to appoint another member of the Company as a proxy to attend and vote on his / her behalf. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed at least 48 hours before the time of meeting. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be provided at least 48 hours before the time of the meeting. The Proxy Form in English and Urdu is enclosed with the CD of Annual Report and also available on the Company's website (www.habibsugar.com).

3. For Identification

Owners of the physical shares and CDC account holder should present Computerized National Identity Card (CNIC) along with participant ID number and CDC account number. In case of appointment of proxy by such account holder(s), the guidelines as contained in the SECP's circular of 26th January 2000 are to be followed.

4. Change of address

Members are requested to notify any change in their addresses and their contact numbers immediately to our Share Registrar, THK Associates (Pvt.) Limited, Karachi.

5. Submission of Copies of Valid CNIC

Pursuant to the directives of the Securities and Exchange Commission of Pakistan, CNIC number is mandatorily required for payment of dividend. Shareholders holding physical share certificate are therefore requested to submit a copy of their valid CNIC, if not already provided to THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street – 2, D.H.A., Phase VII, Karachi (the Share Registrar). In case of non-receipt of the copy of valid CNIC, Habib Sugar Mills Limited would be unable to comply with SRO 831(1)/2012 dated July 5, 2012 of SECP and therefore will be constrained under Regulation No. 6 of the companies (Distribution of dividend) Regulations, 2017 and section 243(2) of the Companies Act 2017 to pay dividend to such shareholder.

6. Withholding Tax on Dividend

As per Income Tax Ordinance 2001, different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These rates are as follows:

- (i) For filers of income tax returns 15 %
- (ii) For non-filers of income tax returns 30 %

Shareholders are advised to make sure that their names are entered into Active Tax-payers List (ATL) provided on the website of FBR before the book closure of the Company, otherwise tax on their cash dividend will be deducted @ 30% instead of 15 %.

For shareholders holding their shares jointly, as per the clarification issued by the Federal Board of Revenue, withholding tax will be determined separately on 'Filer/Non-Filer' status of Principle shareholder as well as joint-holder(s) based on their shareholding proportions. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of Principle shareholder and Joint-holder(s) in respect of shares held by them to our share registrar, in writing as follows:



Company Name	Folio/CDC Account No.	Total shares	Principle Shareholder		Joint Shareholder(s)	
			Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

The Corporate shareholders having CDC account are required to have their National Tax number (NTN) updated with their respective participants, whereas physical shareholders should send a copy of their NTN certificate to the company or Company's Share Registrar M/s THK Associates (Pvt.) Limited. The shareholders while sending NTN or NTN certificate, as the case may be, must quote company name and their respective Folio numbers.

7. Valid tax Exemption Certificate for Exemption from Withholding Tax

Withholding Tax exemption from the dividend income shall only be allowed if copy of valid tax exemption certificate is made available to Share Registrar before the Book Closure of the Company.

8. Mandatory requirement of Bank details for payment of dividend

Section 242 of the Companies Act, 2017 provides that in case of a listed company, any cash dividend declared by the company must be paid electronically directly into the bank accounts of the shareholders. In order to receive dividends directly into their bank account, shareholders in case of physical shares, are requested to fill in E-Dividend Mandate Form available on the Company's website i.e. www.habibsugar.com and send it duly signed along with a copy of CNIC to the Registrar of the Company M/s. THK Associates (Pvt.) Limited. In case shares are held in CDC, E-Dividend Mandate Form must be submitted directly to shareholder's broker/participant/CDC investor account services. In-case of non-submission of IBAN, the Company will withhold the payment of dividends under the Companies (Distribution of Dividends) Regulations, 2017. Further, the information regarding gross dividend, tax/zakat deduction and net amount of dividend will be provided through the Centralized Cash Dividend Register (CCDR), therefore, shareholders should register themselves to CDC's eServices Portal at <https://eservices.cdaccess.com.pk>.

9. Participation in the Annual General Meeting via Video Conference Facility

In terms of section 134(1)(b) of the Companies Act, 2017, members holding in aggregate 10% or more shareholding can also avail video conference facility to attend the Annual General Meeting. In this regard, please fill the following information and share at companysecretary@habibsugar.com seven (7) days before holding the Annual General Meeting. If the Company receives consent from members residing at a geographical location, to participate in the meeting through video conference atleast seven (7) days prior to date of meeting, the Company will arrange video conference facility in the city subject to availability of such facility in the city.

"I/We _____ of _____, being a member of Habib Sugar Mills Limited, holder of _____ ordinary shares(s) as per Registered Folio No. _____ hereby opt for video conference facility at _____".

Video conference link details and login credentials will be e-mailed to the registered members/proxies who have provided all the requested information. Shareholders can also provide their comments and questions for the agenda items of the AGM on companysecretary@habibsugar.com at least 48 hours before the time of the meeting.

10. E-Voting and Postal Ballot

It is hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018 and its amendments notified by SRO 2192(1)/2022 dated December 5, 2022, members will be allowed to exercise their right to vote for the special business(es) in the AGM, in accordance with the conditions mentioned in the aforesaid Regulations. The Company shall provide its members with the following options for voting:



Procedure for E-Voting

- a. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on January 12, 2024.
- b. The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of THK Associates (Private) Limited (being the e-voting service provider).
- c. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- d. E-Voting lines will start from January 19, 2024, 09:15 a.m. and shall close on January 23, 2024- at 5:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

Procedure for Voting Through Postal Ballot

- a) Members may alternatively opt for voting through postal ballot. For the convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website www.habibsugar.com
- b) The members must ensure that the duly filled and signed ballot paper, along with a copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at the Company's Registered Office, Habib Sugar Mills Limited, 3rd Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi or email at companysecretary@habibsugar.com one day before the AGM, i.e., on January 23, 2024 before 5:00 p.m. A postal ballot received after this time / date shall not be considered for voting. The signature on the Ballot Paper shall match with signature on the CNIC

11. Conversion of Physical Shares into Book Entry Form

As per Section 72 of the Companies Act, 2017 all existing companies are required to convert their physical shares into book-entry form within a period not exceeding four years from the date of commencement of Companies Act, 2017.

The Securities and Exchange Commission of Pakistan through its circular No. CSD/ED/Misc/2016- 639-640 dated March 26, 2021 has advised the listed companies to pursue their such members who still hold shares in physical form to convert their shares into book entry form.

We hereby request all members who are holding shares in physical form to convert their shares into book-entry form at the earliest.

12. Transmission of Financial Statements & Notices through email

Members are hereby informed that the Annual Financial Statements of the Company for the year ended September 30, 2023 can be downloaded from the Company's website www.habibsugar.com. Further, the Securities and Exchange Commission of Pakistan (SECP) through its Notification S.R.O. 787(I)/2014 dated September 8, 2014 has permitted companies to circulate Audited Financial Statements along with Notice of Annual General Meeting to its members through e-mail. Accordingly, members are requested to send their consent and e-mail addresses for receiving Audited Financial Statements and Notices through e-mail. In order to avail this facility, a standard request form is available at the Company's website.

For any query / clarification / information, the shareholder may contact the company, and /or the share registrar at the following addresses;

Company Address:
Habib Sugar Mills Limited
3rd Floor, Imperial Court
Dr. Ziauddin Ahmed Road, Karachi-75530
Phones : (+92-21) 35680036 – 5 Lines
Fax : (+92-21) 35684086
e-mail : companysecretary@habibsugar.com

Share Registrar Address:
THK Associates (Pvt.) Limited
Plot No. 32-C, Jami Commercial Street-2, D.H.A.
Phase VII, Karachi-75500
UAN : (+92-21) 111-000-322,
Phone : (+92-21) 35310191-193
Fax : (+92-21) 35310190
e.mail: sfc@thk.com.pk



Statement under section 134(3) of the Companies Act, 2017

This statement sets out the material facts concerning the Special Business to be transacted at the 62nd Annual General Meeting of the Company to be held on January 24, 2024:

Special Business:

Item 4 of the agenda – Approval for circulation of Annual Report through QR-enabled code and web link:

Considering the technological advancements, the SECP vide S.R.O 389 (I)/2023 dated March 21, 2023 has allowed listed companies to send annual financial statements to shareholder through Quick Response (QR) Code and weblink alongwith the notice of AGM instead of DVD/CD/USB in order to facilitate the shareholders to quickly download and view the annual financial statements alongwith other documents. In this regard, Habib Sugar Mills Limited seeks consent from the shareholders to allow the Company to transmit the Annual Report of the Company to its shareholders through QR-enabled code and web link in order to ensure compliance with the above SRO issued by the SECP. It is pertinent to mention that if any member seeks to obtain a hard copy of the Annual Report, such member shall be provided with the same free of cost.

None of the directors of the Company have any personal interest in the aforementioned special business except in their capacity as shareholder or director of the Company

Agenda Item 5 – Purchase/Buy-back of its own shares by the Company

The Board of Directors of the Company, in its meeting held on December 23, 2023 had approved and decided to recommend to the members of the Company for their approval by passing of special resolutions, the purchase/buy-back by the Company up to an aggregate number of 15,000,000 (Fifteen Million) issued and paid up ordinary shares of the Company's shares, having paid-up/face value of PKR 5/- (Pak Rupees Five Only) each, constituting 10% of the current issued and paid up share capital of the Company, in accordance with Section 88 of the Companies Act, 2017 read with the Listed Companies (Buy-Back of Shares) Regulations, 2019 (as amended; the **Regulations**) at the spot/current price share acceptable to the Company prevailing during the purchase period, through the Pakistan Stock Exchange Limited.

In accordance with the Act and the Regulations, the Purchase is subject to the approval of the members of the Company by way of passing of special resolutions.

The Directors have no personal interest in the proposed special business for the purchase/buy-back of issued ordinary shares of the Company except to the extent of their existing respective beneficial shareholdings in the Company. However, in accordance with applicable law, no sponsor, director, officer, associated companies and undertakings of the Company can participate in the Purchase.

Following are the salient features of the buy-back of Company's shares as recommended by the Board of directors for members/shareholders approval:

Description	Board's Recommendation
Purpose of the purchase	Cancellation of shares.
Name of the Securities Exchange	Pakistan Stock Exchange Limited.
Indicative (maximum) number of ordinary shares proposed to be purchased (buy-back)	Up to an aggregate of 15,000,000 (Fifteen Million) paid-up ordinary shares of the Company having face value of PKR 5/- (Pak Rupees Five Only) each.
Indicative (maximum) percentage of ordinary shares proposed to be purchased (buy-back)	10% of the total outstanding issued and paid-up shares of the Company.
Purchase price (per share)	The shares shall be purchased from time to time at the spot/current price acceptable to the Company prevailing during the purchase period as per the Regulation 8(2) of Listed Companies (Buy-Back) of Shares, Regulations, 2019.
Purchase Period	February 2, 2024 to July 22, 2024 (both days inclusive) or till such date that purchase is complete, whichever is earlier.



Source of funds	The purchase of shares shall be made out of the distributable profits as required under Section 88(8) of the Companies Act, 2017. The Company will utilize its internally generated cash flows.
Allocated Funds	Since the purchase is to be carried out at the spot/prevaling share price acceptable to the Company, the Company will ensure availability of funds with respect to the shares to be purchased. The actual purchase of shares by the Company shall be subject to varying factors during the purchase period, including the market conditions.
Justification for the purchase/buy-back and effect on the financial position of the Company	The proposed buy-back of shares will have a positive impact on the financial position of the Company. This will also improve the Earning per Share (EPS) as well as break-up value of the Company's shares. Further, it will provide an opportunity of exit to those shareholders who wish to liquidate their investments.

Accordingly, the Board of Directors of the Company has recommended that the special resolution(s) as set out in the notice be passed at the Annual General Meeting with or without any modification(s).

In accordance with Regulation 3(1)(d) of the Regulations, the Board of Directors has undertaken that the funds specified/required for the Purchase (i.e., to the extent of the shares of the Company that will actually be purchased during the purchase period) are/shall be available with the Company, and after the Purchase, the Company shall be capable of meeting its obligations on time during the period up to the end of the immediately succeeding 12 (twelve) months. In accordance with Regulation 3(1)(e), it is confirmed that the Company is not on the defaulter counter of the PSX and that it has not defaulted on any debt instrument. Furthermore, the Company is compliant with its minimum capital requirements and financial ratios.

Procedure for the Purchase:

As required under Section 88 of the Act read with the Regulations, the following procedure shall be followed for the Purchase:

1. The Company shall make a public announcement for the purchase/buy-back through the Pakistan Stock Exchange Limited within 2 (two) working days of passing of the special resolution, which shall also be published in 2 (two) daily newspapers (Business Recorder and Nawa-i-Waqt).
2. Except for those persons mentioned in Regulations 12(2), it is clarified that all those persons who validly hold shares of the Company during the purchase period and are eligible to participate in the purchase/buy-back may participate in the Purchase, even if their names do not appear in the register of members of the Company on the date of book closure.
3. Members of the Company who are eligible and willing to sell the shares or part thereof held by them in the Company may sell such shares or part thereof to the securities broker through the Pakistan Stock Exchange by placing a sale order through their securities broker.
4. The Purchase shall be made through the automated trading system of the Pakistan Stock Exchange. All purchases shall be made at the spot/ current share price at the time of purchase acceptable to the Company. No purchase shall be made through negotiated deals market.
5. The shares will be purchased by the Company through the Pakistan Stock Exchange within the purchase period starting from February 02, 2024 to July 22, 2024 (both days inclusive) or till such date that the purchase is complete, whichever is earlier.
6. Necessary information and instruction regarding the procedure to sell the shares shall also be communicated to the members through public announcement, which shall also be made available on Company's website.



POSTAL BALLOT PAPER

FOR VOTING IN THE ANNUAL GENERAL MEETING OF HABIB SUGAR MILLS LIMITED TO BE HELD ON JANUARY 24, 2024 AT 11:00 A.M AT THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN, CHARTERED ACCOUNTANTS AVENUE, CLIFTON, KARACHI (UNDER THE COMPANIES (POSTAL BALLOT) REGULATIONS, 2018)

HABIB SUGAR MILLS LIMITED

Registered Office: 3rd Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi

Phone No. (92-21) 35680036 Fax No. (92-21) 35684086

Website: <http://www.habibsugar.com>

Designated email address at which the duly filled in ballot paper may be sent: companysecretary@habibsugar.com

Name of shareholder / joint shareholders	
Registered Address	
Folio Number / CDC Account No.	
Number of shares held	
CNIC No./Passport No - in case of foreigner (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolutions by placing tick (✓) mark in the appropriate box below

Serial No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
	SPECIAL BUSINESS:			
	RESOLUTION FOR AGENDA ITEM NO. 4			
	RESOLVED THAT the shareholders of the Company do hereby consent and authorize the Company for transmission of the Annual Report of the Company including audited financial statements to its shareholders through QR-enabled code and web-link as required under the S.R.O 389(1)/2023 dated March 21, 2023 issued by the SECP instead of transmitting the same through CD/DVD/USB.			
	RESOLUTIONS FOR AGENDA ITEM NO. 5			
a)	“RESOLVED THAT , subject to compliance with applicable laws, (as may be further amended), approval of the members of Habib Sugar Mills Limited be and is hereby accorded under Section 88 of the Companies Act, 2017 read with Listed Companies (Buy-Back of Shares) Regulations, 2019, for the following acts by the Company: purchase/buy-back of up to an aggregate number of 15,000,000 (Fifteen Million) paid-up ordinary shares of the Company, having paid-up/face value of PKR 5/- (Pak Rupees Five Only) each, representing 10% of the total issued and paid-up ordinary shares of the Company (the “Purchase”);			



Serial No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
b)	the Purchased shares be cancelled by the Company;			
c)	the Purchase be commenced not later than 7 (seven) calendar days of the public announcement of the Purchase and to end not later than 180 (one hundred and eighty) days from the date of the special resolution;			
d)	the Purchase to be conducted through the Pakistan Stock Exchange Limited in accordance with the Companies Act, 2017 read with Listed Companies (Buy-Back of Shares) Regulations, 2019;			
e)	that the Company maintain sufficient funds in the designated clearing bank account (s) from time to time during the Purchase period for the timely settlements of the daily purchases;			
f)	that the Authorized Person(s) as appointed by the Board of Directors of the Company take all necessary, ancillary and incidental steps and to do or cause to be done all such acts, deeds and things that may be required for the purpose of carrying out and giving effect to the aforementioned resolutions, and for the purpose of implementing, procuring, and completing the Purchase; and			
g)	the aforesaid resolutions, as deemed appropriate and necessary, may be revised by the Authorized Person(s) in accordance with any amendments in applicable law, or as directed in writing by any Competent Authority, which revision shall then be deemed to be part of the resolutions without the need for the shareholders/members of the Company to pass fresh resolutions.			

Signature of shareholder(s)

PROCEDURE FOR SUBMISSION OF BALLOT PAPER:

1. Dully filled postal ballot should be sent to the Chairman, Habib Sugar Mills Limited, 3rd Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi - Pakistan or at e-mail: companysecretary@habibsugar.com
2. Copy of CNIC/Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Postal ballot forms should reach chairman of the meeting on or before January 23, 2024 during working hours. Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC/Passport (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.
6. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, and attested copy of Board Resolution/ Power of Attorney/ Authorization Letter etc., in accordance with Section (s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Counsel General of Pakistan having jurisdiction over the member.
7. Ballot Paper Form has also been placed on the website of the Company at: www.habibsugar.com



Six years' review at a glance

		2023	2022	2021	2020	2019	2018
Sugar Division							
Sugarcane crushed	M. Tons	844,841	1,126,516	761,667	620,425	771,864	1,028,901
Average sucrose recovery	%	10.96	10.61	10.36	9.91	10.87	10.30
Sugar produced	M. Tons	92,591	119,531	78,910	61,488	83,910	106,005
Distillery Division							
Ethanol							
Molasses processed	M. Tons	191,525	163,346	126,512	134,770	162,015	184,654
Average ethanol yield	%	18.01	18.95	19.17	18.70	18.38	18.76
Ethanol produced	M. Tons	34,494	30,956	24,251	25,206	29,786	34,643
Liquidified Carbon Dioxide (CO ₂) produced	M. Tons	10,825	7,825	8,477	7,583	8,407	9,903
Textile Division							
Yarn / Semi finished goods consumed	Kgs.	506,863	514,355	850,107	716,804	907,431	1,074,066
Average yield	%	83.05	89.65	86.11	84.90	83.80	86.45
Finished product	Kgs.	420,936	461,114	732,011	608,561	760,385	928,557
Operating results							
Sales / Rental income	Rs. '000	19,985,028	13,006,818	9,912,679	10,138,211	9,873,134	7,758,520
Cost of sales	Rs. '000	16,044,162	10,796,106	8,552,280	9,038,874	8,381,862	6,484,368
Gross profit	Rs. '000	3,940,866	2,210,712	1,360,399	1,099,337	1,491,272	1,274,152
Profit before taxation	Rs. '000	3,266,478	1,624,761	1,199,736	804,295	1,342,276	958,776
Profit after taxation	Rs. '000	2,541,478	1,289,761	989,736	694,295	1,202,276	901,276
Shareholders' Equity							
Paid-up capital	Rs. '000	750,000	750,000	750,000	750,000	750,000	750,000
Reserves	Rs. '000	10,565,406	8,770,002	8,510,094	7,872,962	7,325,693	7,353,970
Shareholders' equity	Rs. '000	11,315,406	9,520,002	9,260,094	8,622,962	8,075,693	8,103,970
Break-up value per share	Rs.	75.44	63.47	61.73	57.49	53.84	54.03
Earnings per share	Rs.	16.94	8.60	6.60	4.63	8.02	6.01
Return on equity	%	22.46	13.55	10.69	8.05	14.89	11.12
Financial position - Assets							
Fixed assets	Rs. '000	2,284,432	2,357,465	2,496,633	2,478,359	2,478,920	2,645,188
Right-of-use assets	Rs. '000	7,237	14,474	11,659	17,488	-	-
Long-term investments	Rs. '000	1,908,277	2,155,805	2,806,226	2,696,602	2,299,658	2,948,619
Long-term loans and deposits	Rs. '000	21,501	18,800	11,391	9,402	10,717	8,727
Current assets	Rs. '000	13,487,612	8,986,899	6,509,222	5,904,354	5,959,710	4,857,577
Total assets	Rs. '000	17,709,059	13,533,443	11,835,131	11,106,205	10,749,005	10,460,111
Financial position - Liabilities							
Non-current liabilities	Rs. '000	251,932	178,395	174,722	146,959	69,000	86,000
Current liabilities	Rs. '000	6,141,721	3,835,046	2,400,315	2,336,284	2,604,312	2,270,141
Total liabilities	Rs. '000	6,393,653	4,013,441	2,575,037	2,483,243	2,673,312	2,356,141
Ratios							
Current ratio		2.20	2.34	2.71	2.53	2.29	2.14
Dividends							
Cash	%	120	70	60	55	55	55



Chairman's Report

It is my pleasure to present this report to the shareholders of the Company pertaining to the overall performance of the Board of Directors and their effectiveness in guiding the Company towards accomplishing its aims and objectives.

Habib Sugar Mills Limited has implemented a strong governance framework that supports an effective and prudent management of business matters which is regarded as instrumental in achieving the long-term success of the Company.

During the financial year 2022-23 the Board met five (5) times. The Board has complied with all the regulatory requirements and acted in accordance with applicable laws and best practices.

As required under the Code of Corporate Governance (CCG), an annual evaluation of the Board of the Company was conducted. The purpose of this evaluation was to ensure that the overall performance and effectiveness of the Board is measured and benchmarked against expectations in the context of objectives set for the Company.

The Board ensured adequate representation of non-executive and independent directors on the Board and its Committees as required under the CCG. The members of the Board and its respective Committees possess adequate skills, experience and ability required to perform their responsibilities.

The Board has actively participated in strategic planning, risk management and policy development and ensured integration of all policies and convergence to Company's vision and mission. The Board also sets annual budgets, targets and goals for the management.

The Board and its Committees have diligently performed their duties and remained updated with respect to achievement of Company's objectives, goals, strategies and financial performance through regular presentations by the management. The Board held extensive and fruitful discussions to arrive at decisions and appropriate direction and oversight is provided to the management on timely basis. Areas where improvements are required are duly considered and action plans are framed and implemented.

The Board has developed an environment of clear and transparent system of Governance by setting up an adequate and effective internal control system through self-assessment mechanism and internal audit activities. Further, the Board ensured compliance with the best practices of corporate governance.

Finally, I wish to acknowledge the commitment and diligence of my fellow directors, the executive team and all the employees of the Company for their hard work and contribution towards the growth of the Company.

Asghar D. Habib
Chairman

Karachi: December 23, 2023



Directors' Report

Dear Members – Assalam-o-Alekum

The Board of Directors are pleased to present their report along with the annual audited financial statements of your Company for the year ended September 30, 2023.

Operating Performance

By the Grace of Almighty Allah, during the year under review, the operations of your Company resulted in after-tax profit of Rs. 2,541.48 million (September 30, 2022: Rs. 1,289.76 million). The summarized operating results and appropriations as recommended by the Board are as follows:

	September 30, 2023	September 30, 2022 (Rupees in Million)	Variance
Profit before taxation	3,266.48	1,624.76	1,641.72
Less: Taxation	(725.00)	(335.00)	(390.00)
Profit after taxation	2,541.48	1,289.76	1,251.72
Adjustments for:			
Actuarial loss on Gratuity Fund Valuation	(4.48)	(1.57)	(2.91)
Realized (loss) / gain on sale of investments	(227.64)	46.89	(274.53)
	(232.12)	45.32	(277.44)
Unappropriated profit brought forward	5.19	5.11	0.08
Profit available for appropriation	2,314.55	1,340.19	974.36
Cash Dividend Proposed @ 120% (September 30, 2022: @ 70%)	900.00	525.00	375.00
Transfer to General Reserve	1,410.00	810.00	600.00
	2,310.00	1,335.00	975.00
Unappropriated profit carried forward	4.55	5.19	(0.64)
EPS – Basic and diluted (Rs.)	16.94	8.60	8.34

Sugar Division

The season 2022-23 commenced on November 29, 2022, and the plant operated up to February 26, 2023, for 89 days as against 125 days in the preceding season.

The Government of Sindh on November 23, 2022, issued a notification fixing the minimum sugarcane support price at Rs. 302 per 40 kgs for the crushing season 2022 - 2023 as against Rs. 250 per 40 kgs for the crushing season 2022 - 2023. In addition, the sugar mills in Sindh were also required to pay quality premium at the rate of Re. 0.50 for every 0.1 percent sucrose recovery in excess of the benchmark of 8.7%.



The comparative statistics of the division's operations are given below :

		2022-23	2021-22
Crushing duration	Days	89	125
Sugarcane crushed	M.Tons	844,841	1,126,516
Average sucrose recovery	%	10.96	10.61
Sugar production	M.Tons	92,591	119,531

The sugar division earned operating profit of Rs. 857.71 million (2022: Rs. 362.79 million). The increase in operating profit was mainly due to better sucrose recovery and improved selling prices as compared to the preceding period.

During the year, considering the surplus quantity of sugar in the Country, the Economic Coordination Committee (ECC) allowed the export of 250,000 M. Tons of sugar. Thereafter, the Cane Commissioner-Sindh vide his letter dated January 25, 2023 allocated equal Quota of 2,500 M. Tons for export of sugar to each of the 32 operational sugar mills in Sindh (i.e., 80,000 M. tons representing Sindh's share of 32% out of total 250,000 M. Tons of export allowed by the ECC) without taking into account the crushing capacity of Sindh sugar mills.

The above allocation was challenged before the Sindh High Court by certain sugar mills having higher crushing capacities. Subsequently, in light of the orders of the Sindh High Court, the Company exported 1,500 M. Tons and 1,000 M. Tons aggregating to 2,500 M. Tons of sugar subject to certain conditions prescribed in the order. The case is still pending adjudication.

Distillery Division

The division earned operating profit of Rs. 2,055.60 million (2022: Rs. 1,200.50 million). The increase in the profit of Rs. 855.10 million during the year ended on September 30, 2023, was mainly due to better Ethanol selling prices in the international market and devaluation of Pakistani Rupee against foreign currencies. The contribution of the liquidified carbon dioxide (CO₂) unit is included in the profit of the division.

The Comparative statistics of the division's operations are given below:

		2022-23	2021-22
Ethanol			
Days of operation		358	312
Molasses processed	M.Tons	191,525	163,346
Average recovery	(%)	18.01	18.95
Ethanol production	M.Tons	34,494	30,956
Liquidified Carbon Dioxide (CO₂)			
Days of operation		308	236
Liquidified Carbon Dioxide (CO ₂) production	M. Tons	10,825	7,825

Textile Division

The division earned operating profit of Rs. 40.27 million during the year under review (2022: loss of Rs. 22.26 million). The improvement in results was mainly attributable to better selling prices and devaluation of Pakistani Rupee against foreign currencies.

The comparative statistics of the division's operations are given below:

		2022-23	2021-22
Days of operation		326	313
Yarn consumed	Kgs	506,863	514,355
Finished goods production	Kgs	420,936	461,114



Trading Division

The Trading division earned operating profit of Rs. 259.00 million (2022: Rs. 131.50 million).

In addition to the above profits from the various divisions of the Company, the Company also earned dividend income of Rs. 568.51 million (2022: 347.02 million).

Super Tax

The Super Tax was levied vide Finance Act, 2022. Subsequently, through the Finance Act, 2023, the rates of Super Tax had been revised upwards retrospectively w.e.f. Tax Year 2023 (September 30, 2022) from 4% to 10%. As a prudent approach, the Company has provided Super Tax amounted to Rs. 245.5 million (including Rs.55 million related to the prior year) in the financial statements for the year ended September 30, 2023 besides contesting the levy of Super Tax before the higher courts in line with other companies, where the matter is currently pending.

Future Prospects

The deteriorating economic conditions and reduction in Pakistan's forex reserves continue to put inflationary pressure on the economy and it is therefore expected that the Company's operating environment will remain challenging. Going forward, the Country's economic outlook is expected to be shaped by its relationship with the IMF, including IMF programs, restoration of political stability and support from friendly countries along with the willingness of the Government to continue to implement reforms aimed at stabilizing the economy on a sustainable basis. Given these challenges, the Company is focusing on strategies to reduce the negative impacts of interest rates, low economic growth and dollar rupee parity.

Sugar Division

The sugar division of the Company commenced crushing operations on November 15, 2023, and up to December 22, 2023, crushed 382,710 M. Tons of sugarcane with average sucrose recovery of 9.90% and sugar production of 37,893 M. Tons including stock in process.

The Government of Sindh on August 16, 2023, issued a notification fixing the minimum sugarcane support price at Rs. 425 per 40 kgs for the crushing season 2023 - 2024 as against Rs. 302 per 40 kgs for the crushing season 2022-2023. In addition, the sugar mills are also required to pay quality premium at the rate of paisas fifty for every 0.1 percent sucrose recovery more than the benchmark of 8.7%.

The increase in Minimum Sugarcane Support Price in the crushing season of 2023-2024 from Rs. 302 to Rs. 425 (representing an increase of 40.73%) would result in increased cost of production and may affect the profitability of the division if the prices of sugar remain depressed.

Distillery Division

During the period up to December 22, 2023, the distillery division produced 5,181 M. Tons of ethanol and 1,570 M. Tons of liquidified carbon dioxide.

Textile Division

Efforts are being made to explore additional export markets to achieve better sale volume and to maintain profitability.

Investment in wholly owned subsidiary HSMEL (Bagasse Based Co-Generation Project of 26 MW)

As mentioned in the last Annual Report, the Board of directors of the Company had decided to terminate the project and wind up HSM Energy Limited (HSMEL) due to uncertainty regarding the tariff and dispute over the power purchasing terms with CPPA. During the year ended September 30, 2023, all the assets of HSMEL had been realized and all the liabilities had been settled. All formalities with the SECP with respect to the winding up of the Company under the provisions of the Companies Act, 2017 had been completed before the close of the financial year and as such, HSMEL stands wound up as on the date of balance sheet. Accordingly, considering the advice of the corporate consultant, consolidated financial statements of Habib Sugar Mills Limited has not been prepared for the year ended September 30, 2023.



Investment in Wind Power Project

The Company had made an equity investment of Rs.12.50 million in Uni Energy Limited, unlisted public company incorporated to undertake business activities related to generation and transmission of electric power generation through wind. The Government of Sindh had granted Letter of Intent (LOI) and allotted land for setting up the project at Jhimpir, district Thatta. Presently, the decision for further progress is in abeyance considering the delay in Tariff determination and mechanism for purchase of energy from windmill projects. The future course of action will be decided upon clarification from the government.

Investment in Food Business

UniFood Industries Limited was incorporated in September 2016 with an objective to make and market branded confectionary items and other allied products. The Company had made a total equity investment aggregating to Rs. 366 million in the investee company. The Company in its meeting of Board of Directors held on June 8, 2022 has decided to dispose off its shareholding in UniFood Industries Limited to M/s. Sunridge Foods (Private) Limited.

The above decision was taken collectively by all the shareholders of UniFood Industries Limited to avoid further losses due to immense competition in the market in presence of major competitors and higher cost of raw material and imported packing material.

During the year, the agreed consideration amount was realized against the sale of shares in M/s UniFood industries Limited from M/s Sunridge Foods (Private) Limited.

Board and Management Committees

Audit Committee

The Company has established an Audit Committee as required under the Code of Corporate Governance. The Audit Committee comprises of three members, all of them are independent non-executive directors. The attendance of the meetings was as follows:

		No. of meetings attended
Mr. Farouq Habib Rahimtoola	Chairman/Member	4 (Re-appointed on January 25, 2023)
Mr. Shams Muhammad Haji	Chairman	1 (Tenure completed on January 25, 2023)
Mr. Sohail Hussain Haji	Member	3 (Appointed on January 25, 2023)
Ms. Tyaba Muslim Habib	Member	4 (Re-appointed on January 25, 2023)

Human Resource (HR) and Remuneration Committee

The Company has established an HR and Remuneration Committee as required under the Code of Corporate Governance. The HR and Remuneration Committee comprises of three members, two of whom are non-executive directors. The CEO of the Company is also a member of the Committee. The Chairperson of the Committee is an independent non-executive director. The HR and Remuneration Committee meets once during the year. Attendance of the meeting was as follows:

		No. of meeting attended
Ms. Tyaba Muslim Habib	Chairperson	1
Mr. Hasnain Habib	Member	1
Mr. Khursheed A. Jamal	Member	1



Corporate Social Responsibility

Habib Sugar Mills Limited Corporate Social Responsibility (CSR) programme dates back since its inception in 1962. Responding to the needs of local communities, government bodies and civil society organizations, the Company's CSR portfolio has widened over the years to include social welfare, education, healthcare, infrastructural development and livelihood generation.

Community Investment and Welfare

As part of its core values, the Company places tremendous importance on contributing to the well-being of the communities surrounding the mills. As a responsible corporate citizen, the Company has, on regular basis, undertaken number of welfare activities viz., running of school upto secondary level, holding of eye camps, financial assistance to villagers in the surrounding area of the mills and supply of free ration, medical assistance and educational support to the needy people. The contribution of the Company to the social and economic uplift of the district has been acknowledged at all levels.

The Company has provided employment to persons with physical disabilities in compliance with the Disabled Persons (Employment & Rehabilitation) Ordinance, 1981.

HSM school has been running successfully for many years to impart quality education to the children of HSM employees. The school provides its students with a healthy, safe and conducive environment for learning. The school not only focuses on the academics but also aims at the spiritual, social, moral and physical growth of its students.

During the year, the company continued its support to Family Education Services Foundation (FESF), a non-profitable organization, to run a school for deaf children at Nawabshah. Your Company has donated Rs. 22.0 million during the year and at present, approximately 232 students are enrolled in the school. The campus is the first ever educational facility of its kind for the deaf in Nawabshah and will enable deaf students to receive education in an environment that maximizes their potential and enhances their quality of life.

The Company also donated Rs. 13 million to different recognized charitable institutions which are providing education and financial support to needy persons and establishing positive social trends in society.

Health, Safety and Environment

Being a responsible corporate citizen, the Company is fully committed to meeting all the standards with respect to health, safety and the environment.

The management of HSM believes that protection of the environment is important for the survival of every person and as such the Company attaches utmost importance to providing a healthy atmosphere to its employees and residents of Nawabshah. Your Company continued to be conscious of its social responsibility and the management has taken appropriate steps to achieve pollution free environment.

The fly ash removal systems installed in the boilers of the mills continue to operate satisfactorily and the spread of black soot particles has been eliminated. The Company has installed a sugar factory wastewater treatment plant to remove oil, grease and total suspended solids from the wastewater. The project has since been completed yielding satisfactory results.

The installation of slop treatment plant and carbon dioxide recovery plants are the manifestation of our social responsibility which has helped us to reduce greenhouse gases emission from our operations.

By the grace of Allah, the successful operations of these projects have helped us to achieve a pollution-free environment for the residents of Nawabshah.

Company ensures to provide regular Occupational health Surveillance of employees conducted by Social Security / Peoples Medical Hospital Shaheed Benazirabad and Personnel Protective Equipments provided to specified work to all employees for its proper utilization on the workplace.



Continuing the efforts to contribute to conserving the environment, the tree plantation drive of the Company is continuing in the factory premises and surrounding areas to make the area greener and improve environmental ecology and environmentally friendly. During this activity, people were also briefed about the significance and benefits of tree plantation for mitigation climate change to build safer areas. During the year approximately 5,000 trees were planted by the Company.

Contribution to the National Exchequer

Your Company contributed an amount of Rs. 2,590.33 million to the Government treasury in the shape of taxes, levies, sales-tax and excise duty in addition to precious foreign exchange earned, equivalent to Pak Rupees 7,291.01 million (US\$ 29.12 million) during the year under review from exports of sugar, ethanol and household textiles.

Auditors

The auditors Messrs. Grant Thornton Anjum Rahman, Chartered Accountants, have completed their statutory audit assignment for the year ended on September 30, 2023 and retiring at the conclusion of 62nd Annual General Meeting. The retiring auditors Messrs. Grant Thornton Anjum Rahman, Chartered Accountants have offered themselves for re-appointment for the upcoming year.

The Audit Committee and the Board of Directors has recommended the appointment of Messrs. Grant Thornton Anjum Rahman, Chartered Accountants as auditors of the Company for the ensuing year for the consideration and approval of the members at the forth coming Annual General Meeting.

Statement on Corporate and Financial Reporting Framework

- The financial statements prepared by the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements. Changes, if any have been adequately disclosed and accounting estimates are based on reasonable and prudent judgments.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and deviation there from if any, has been adequately disclosed.
- The system of internal controls is sound in design and has been effectively implemented and monitored regularly.
- There are no significant doubts about the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the Listing Regulations.
- Key operating and financial data for last six years in summarized form is given on page 14.
- Information about the taxes and levies is given in the notes to the financial statements.

Value of investments including profit accrued thereon and balances in deposit / current accounts of Provident Fund and Gratuity Fund as at September 30, 2023, were as follows:

	Rs.'000
Provident Fund	326,960
Gratuity Fund	139,857



During the year five meetings were held and the attendance by each Director was as follows :

Name of Director	Number of meetings attended
Mr. Asghar D. Habib	4 (Re-elected on January 25, 2023)
Mr. Ali Raza D. Habib	– (Tenure completed on January 25, 2023)
Mr. Murtaza Habib	5 (Re-elected on January 25, 2023)
Mr. Hasnain Habib	2 (Elected on January 25, 2023)
Mr. Shams Muhammad Haji	1 (Tenure completed on January 25, 2023)
Mr. Sohail Hussain Haji	3 (Elected on January 25, 2023)
Mr. Farouq Habib Rahimtoola	5 (Re-elected on January 25, 2023)
Ms. Tyaba Muslim Habib	5 (Re-elected on January 25, 2023)
Mr. Sheikh Asim Rafiq	1 (Tenure completed on January 25, 2023)
Mr. Muhammad Salman Husain Chawala	4 (Elected on January 25, 2023)
Mr. Khursheed A. Jamal	5 (Re-appointed on January 25, 2023)

The pattern of shareholding and additional information regarding pattern of shareholding is given on page 79 and 81.

Change in shareholding of the Directors, CEO, CFO, Company Secretary and their spouses and minor children is given in Pattern of Shareholding on Page 81.

Acknowledgement

The Directors of the Company would like to thank all the staff, shareholders, financial institutions and other stakeholders of the Company for their continued support and cooperation.

On behalf of the Board of Directors

Khursheed A. Jamal
Chief Executive

Murtaza Habib
Director

Karachi: December 23, 2023



Statement of Compliance with Listed Companies Code of Corporate Governance Regulations, 2019

Year ended September 30, 2023

The Company has complied with the requirement of the Regulations in the following manner:

1. The total numbers of Directors are Eight (8) as per the following:
 - a. Male: Seven (7)
 - b. Female: One (1)
2. The Composition of the Board is as follows:
 - a. Independent Directors
Mr. Farouq Habib Rahimtoola
Mr. Sohail Hussain Haji
Ms. Tyaba Muslim Habib
 - b. Non-Executive Directors
Mr. Asghar D. Habib
Mr. Hasnain Habib
Mr. Muhammad Salman Husain Chawala
 - c. Executive Directors
Mr. Murtaza Habib
Mr. Khursheed A. Jamal
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 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. A complete record of particulars of the significant policies along with the dates on which these were approved or amended have been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of Board.
8. The Board 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 certificates of Directors' Training Program or are exempted from the requirement of Directors' Training Program as per the Listed Companies Code of Corporate Governance Regulations, 2019:
Mr. Asghar D. Habib
Mr. Murtaza Habib
Mr. Sohail Hussain Haji
Mr. Farouq Habib Rahimtoola
Mr. Muhammad Salman Husain Chawala
Ms. Tyaba Muslim Habib
Mr. Khursheed A. Jamal



10. The Board has approved appointment of Chief Executive Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit, 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 Committees comprising of members given below:

Audit Committee	HR and Remuneration Committee
Mr. Farouq Habib Rahimtoola (Chairman)	Ms. Tyaba Muslim Habib (Chairperson)
Mr. Sohail Hussain Haji	Mr. Hasnain Habib
Ms. Tyaba Muslim Habib	Mr. Khursheed A. Jamal

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 (quarterly/half yearly/yearly) of the committees were as per following:
 - a. Audit Committee: four (4) meetings held during the year ended September 30, 2023
 - b. HR and Remuneration Committee: one (1) meeting held during the year ended September 30, 2023
15. The Board has set up an effective internal audit function supervised by a person who was an associate member of the Institute of Chartered Certified Accountants (ACCA) – UK and who is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures 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 (ICAP) 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 the 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, these Regulations or any other regulatory requirements and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Asghar D. Habib
Chairman

Karachi: December 23, 2023

Independent Auditors' Review Report

To the members of Habib Sugar Mills Limited

Review Report on the Statement of Compliance contained in the Listed Companies Code of Corporate Governance Regulations, 2019

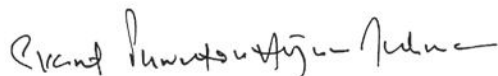
We have reviewed the enclosed Statement of Compliance with the Listed Companies Code of Corporate Governance Regulations, 2019 (the Regulations), prepared by the Board of Directors of **Habib Sugar Mills Limited** (the Company) for the year ended 30 September 2023 in accordance with the requirements 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 2023.



Chartered Accountants

Place: Karachi

Date: 01 January 2024

UDIN: CR202310093FEhkJ0P9A

INDEPENDENT AUDITORS' REPORT

To the members of Habib Sugar Mills Limited Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Habib Sugar Mills Limited (the Company), which comprise the statement of financial position as at 30 September 2023, the statement of profit or loss, the statement of other 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 a summary of significant 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 2023 and of the profit, other comprehensive loss, 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 are the Key audit matters:

Key audit matters	How the matter was addressed in our audit
1. Investments	
<p>As disclosed in notes 5 and 13 to the financial statements, the Company has investments carried at fair value through other comprehensive income (FVOCI) and amortized cost amounting to Rs. 8,320 million which comprise of 47% of total assets of the Company.</p> <p>In view of the significance of the investments, we have identified the existence and valuation of Company's investments as a key audit matter.</p>	<p>Our key procedures amongst others included the following:</p> <ul style="list-style-type: none"> - assessed the design and operating effectiveness of the financial reporting controls over acquisition, disposals and periodic valuation of investments; - evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 'Financial Instruments'; - In relation to investments in quoted equity instruments, we reviewed custodian's statement together with related reconciliation and recalculated investment valuations based on quoted market prices at the Pakistan Stock Exchange as at 30 September 2023;

Key audit matters	How the matter was addressed in our audit
	<ul style="list-style-type: none"> - In relation to investments in unquoted equity Instruments, we assessed the valuation methodology used by an independent professional valuer to estimate the fair value of the investments and considered whether the application of methodologies is consistent with generally accepted valuation methodologies and prior periods; - In relation to investment in government securities, we obtained purchase documents to trace key inputs including acquisition cost, face value, issue date and settlement date driving computation of amortized cost recognized as of the reporting date; - In relation to investment in units of mutual funds, we assessed whether investments were valued at fair value based on the last quoted market price by Mutual Fund Association of Pakistan (MUFAP) along with obtaining direct confirmations from investment managers regarding the units and net asset value of such investments; - assessed the adequacy and appropriateness of disclosures for compliance with the requirements of applicable financial reporting framework.
<p>2. Stock-in-trade</p> <p>As disclosed in the note 8 to the financial statements, stock-in-trade amounts to Rs. 3,957 million which constitutes 22.35% of total assets of the Company. The stock is measured at lower of weighted average cost and net realizable value. There is an element of judgement involved in determining an appropriate costing basis and assessing its valuation.</p> <p>Given the significance of stock-in-trade to the Company's total assets and the level of judgements and estimates involved, we have identified valuation of stock-in-trade as a key audit matter.</p>	<p>Our key procedures amongst others included the following:</p> <ul style="list-style-type: none"> - obtained an understanding of controls over purchases and valuation of stock-in-trade and tested, on a sample basis, their design, implementation and operating effectiveness; - performed observation of inventory counts and physical inspection of the stock held at the premises of the Company; - assessed net realizable value (NRV) by comparing management's estimation of future selling prices for the products with the selling prices achieved subsequent to the reporting period; - assessed the adequacy and appropriateness of disclosures for compliance with the requirements of applicable financial reporting framework.

Information Other than the Unconsolidated 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.

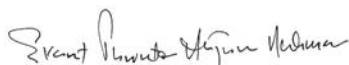
From the matters communicated with the Board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes 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 and 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: 01 January 2024


UDIN: AR202310093364GEQOUj




Statement of Financial Position as at September 30, 2023

	Note	2023 (Rupees in thousands)	2022
Assets			
Non-Current Assets			
Property, plant and equipment	3	2,284,432	2,357,465
Right-of-use assets	4	7,237	14,474
Long-term investments	5	1,908,277	2,155,805
Long-term loans	6	17,529	14,828
Long-term deposits		3,972	3,972
		<u>4,221,447</u>	<u>4,546,544</u>
Current Assets			
Stores and spare parts	7	387,261	274,960
Stock-in-trade	8	3,957,133	5,004,293
Trade debts	9	1,160,742	324,143
Loans and advances	10	186,108	76,069
Trade deposits and short-term prepayments	11	64,087	20,483
Profit accrued		32,793	23,964
Other receivables	12	12,753	11,277
Short-term investments	13	6,412,471	2,705,738
Cash and bank balances	14	1,274,264	545,972
		<u>13,487,612</u>	<u>8,986,899</u>
Total Assets		<u><u>17,709,059</u></u>	<u><u>13,533,443</u></u>
Equity and Liabilities			
Share Capital and Reserves			
Share Capital			
Authorised			
150,000,000 (2022: 150,000,000) Ordinary shares of Rs. 5/- each		750,000	750,000
Issued, subscribed and paid-up capital	15	750,000	750,000
Reserves	16	10,565,406	8,770,002
Total Equity		<u>11,315,406</u>	<u>9,520,002</u>
Non-Current Liabilities			
Deferred taxation	17	180,500	92,000
Gas Infrastructure Development cess	18	71,432	76,822
Lease Liability	19	—	9,573
		<u>251,932</u>	<u>178,395</u>
Current Liabilities			
Trade and other payables	20	2,956,821	1,890,513
Advance from customers	21	1,615,781	1,810,835
Short term borrowings	22	1,156,626	—
Unclaimed dividends		195,425	105,162
Accrued mark-up		5,440	—
Taxation		202,055	20,607
Current portion of lease Liability	19	9,573	7,929
		<u>6,141,721</u>	<u>3,835,046</u>
Contingencies and Commitments	23		
Total Equity and Liabilities		<u><u>17,709,059</u></u>	<u><u>13,533,443</u></u>

The annexed notes 1 to 41 form an integral part of these financial statements.


Amir Bashir Ahmed
Chief Financial Officer


Khursheed A. Jamal
Chief Executive


Murtaza Habib
Director



Statement of Profit or Loss for the year ended September 30, 2023

	Note	2023	2022
(Rupees in thousands)			
Net sales and services	24	19,985,028	13,006,818
Cost of sales	25	(16,044,162)	(10,796,106)
Gross Profit		3,940,866	2,210,712
Selling and distribution expenses	26	(424,392)	(283,144)
Administrative expenses	27	(303,889)	(255,040)
Other operating expenses	28	(529,751)	(375,186)
Other income	29	612,041	393,920
		(645,991)	(519,450)
Operating Profit		3,294,875	1,691,262
Finance cost - net	30	(28,397)	(66,501)
Profit before taxation		3,266,478	1,624,761
Taxation	31	(725,000)	(335,000)
Profit after taxation		2,541,478	1,289,761
Earnings per share - Basic and diluted (Rupees)	32	16.94	8.60

The annexed notes 1 to 41 form an integral part of these financial statements.

Amir Bashir Ahmed
Chief Financial Officer

Khurshed A. Jamal
Chief Executive

Murtaza Habib
Director



Statement of Comprehensive Income for the year ended September 30, 2023

	2023	2022
	(Rupees in thousands)	
Profit for the year	2,541,478	1,289,761
Other comprehensive income :		
Items that will not be reclassified subsequently to the statement of profit or loss:		
Actuarial loss on defined benefit plan - net	(4,481)	(1,573)
Unrealised loss on re-measurement of equity investments classified as fair value through other comprehensive income (FVOCI) - net of tax	(216,593)	(578,280)
Other comprehensive loss for the year	(221,074)	(579,853)
Total comprehensive income for the year	<u>2,320,404</u>	<u>709,908</u>

The annexed notes 1 to 41 form an integral part of these financial statements.

Amir Bashir Ahmed
Chief Financial Officer

Khursheed A. Jamal
Chief Executive

Murtaza Habib
Director



Statement of Changes in Equity for the year ended September 30, 2023

	Issued, subscribed and paid-up Capital	Revenue Reserves			Unrealised gain / (loss) on re-measurement of FVOCI investment	Total Reserves	Total Equity
		Capital Reserve	General Reserve	Unappro- priated profit			
(Rupees in thousands)							
Balance as on October 01, 2021	750,000	34,000	5,748,500	1,115,111	1,612,483	8,510,094	9,260,094
Cash dividend for the year ended September 30, 2021 @ 60%	-	-	-	(450,000)	-	(450,000)	(450,000)
Realised gain on sale of investment	-	-	-	46,886	(46,886)	-	-
Transfer to general reserve	-	-	660,000	(660,000)	-	-	-
Profit for the year	-	-	-	1,289,761	-	1,289,761	1,289,761
Items that will not be reclassified subsequently to the statement of profit & loss	-	-	-	(1,573)	(578,280)	(579,853)	(579,853)
Total comprehensive income for the year ended September 30, 2022	-	-	-	1,288,188	(578,280)	709,908	709,908
Balance as on September 30, 2022	750,000	34,000	6,408,500	1,340,185	987,317	8,770,002	9,520,002
Cash dividend for the year ended September 30, 2022 @ 70%	-	-	-	(525,000)	-	(525,000)	(525,000)
Realised loss on sale of investment	-	-	-	(227,642)	227,642	-	-
Transfer to general reserve	-	-	810,000	(810,000)	-	-	-
Profit for the year	-	-	-	2,541,478	-	2,541,478	2,541,478
Items that will not be reclassified subsequently to the statement of profit & loss	-	-	-	(4,481)	(216,593)	(221,074)	(221,074)
Total comprehensive income for the year ended September 30, 2023	-	-	-	2,536,997	(216,593)	2,320,404	2,320,404
Balance as on September 30, 2023	750,000	34,000	7,218,500	2,314,540	998,366	10,565,406	11,315,406

The annexed notes 1 to 41 form an integral part of these financial statements.

Amir Bashir Ahmed
Chief Financial Officer

Khursheed A. Jamal
Chief Executive

Murtaza Habib
Director



Statement of Cash Flows for the year ended September 30, 2023

	Note	2023 (Rupees in thousands)	2022
Cash flows from operating activities			
Cash generated / (used in) operations	33	3,750,591	(148,785)
Finance cost paid - net	30.1	(31,786)	(68,744)
Income tax paid		(447,053)	(214,895)
Long-term loans		(2,701)	(7,385)
Long-term deposits		—	(24)
Net cash generated from / (used in) operating activities		3,269,051	(439,833)
Cash flows from investing activities			
Fixed capital expenditure		(145,130)	(105,944)
Redemption / sale proceeds of investments		7,509,083	9,945,593
Dividend received		569,643	349,190
Purchase of investments		(11,192,881)	(9,040,605)
Sale proceeds of fixed assets		4,566	7,724
Net cash (used in) / generated from investing activities		(3,254,719)	1,155,958
Cash flows from financing activities			
Lease rental paid		(7,929)	3,553
Dividend paid		(434,737)	(442,569)
Net cash used in financing activities		(442,666)	(439,016)
Net (decrease) / increase in cash and cash equivalents		(428,334)	277,109
Cash and cash equivalents at the beginning of the year		545,972	268,863
Cash and cash equivalents at the end of the year		117,638	545,972
Cash and cash Equivalents			
Cash and bank balances	14	1,274,264	545,972
Short-term borrowings	22	(1,156,626)	—
		117,638	545,972

The annexed notes 1 to 41 form an integral part of these financial statements.

Amir Bashir Ahmed
Chief Financial Officer

Khursheed A. Jamal
Chief Executive

Murtaza Habib
Director



Notes to the Financial Statements for the year ended September 30, 2023

1 THE COMPANY AND ITS OPERATIONS

Habib Sugar Mills Limited is a public limited company incorporated in Pakistan on 08 February 1962, with its shares quoted on the Pakistan Stock Exchange Limited. The Company is engaged in the manufacturing and marketing of refined sugar, ethanol, liquidified carbon dioxide (CO₂), household textiles, providing bulk storage facilities and trading of commodities.

1.1 Business Units

Registered office -

3rd Floor, Imperial Court Building, Dr. Ziauddin Ahmed Road, Karachi.

Mills / Factory -

Sugar and Distillery plants are located at District Shaheed Benazirabad, Nawabshah and Textile Division is located at D-140/B-1, Manghopir Road, S.I.T.E. Karachi.

Terminal -

60/1-B, Oil Installation Area, Keamari, Karachi.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards 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 provisions of and directives issued under the Act differ from the IFRSs / IFAS, the provisions of and directives issued under the Act have been followed.

2.2 Basis of preparation

These financial statements have been prepared under historical cost convention, except for:

- staff retirement benefit plan which is carried at present value of defined benefit obligation net of fair value of plan assets as prescribed in IAS 19 "Employees Benefits". and
- investments which have been recognised at fair value in accordance with the requirements of IFRS-9 "Financial Instruments".

2.3 Significant accounting judgments, assumption 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, assumption and judgments which are significant to the financial statements:



- a) Determining the residual values and useful lives of property, plant and equipment (Note 2.5.1);
- b) Classification and valuation of investments (Note 2.6);
- c) Impairment / adjustment of inventories to their net realizable value (Notes 2.9);
- d) Accounting for staff retirement benefits (Note 2.12);
- e) Recognition of taxation and deferred tax (Note 2.19);
- f) Impairment of financial and non financial assets (Note 2.26); and
- g) Contingencies and commitments (Note 23).

2.4 New Accounting Standards

2.4.1 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 2022, but are considered either to be not relevant or do not have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

2.4.2 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 2023. However, the Company expects that these standards will not have any material impact on the future financial statements of the Company.

2.5 Fixed Assets

2.5.1 Property, Plant and Equipment

Freehold land is stated at cost. Other operating fixed assets, except for freehold land, are stated at cost less accumulated depreciation / amortization / impairment (if any).

Depreciation is charged to statement of profit or loss applying 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. Assets residual values and useful lives are reviewed, and adjusted, if appropriate at each date of the statement of financial position date.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalised.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected from its use. Gain or loss on disposal of assets is included in statement of profit or loss in the year the assets is derecognised.

2.5.2 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment losses, if any. Items are transferred to the respective assets when available for intended use.

Significant borrowing costs related to acquisition, construction and commissioning of a qualifying asset are capitalised.

2.5.3 Major stores and spare parts

Major stores and spare parts qualify for recognition as property, plant and equipment when the Company expects to use these for more than one year. Transfers are made to relevant operating fixed assets category as and when such items are issued for use.

Major stores and spare parts are valued at cost less accumulated impairment, if any.



2.5.4 Right-of-use assets

The Company recognises 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 recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentive received. Right-of-use assets are depreciated on straight-line basis over the period of lease term.

2.6 Investments

Investments acquired with the intention to be held for over one year are classified as long term investments. However, these can be sold earlier due to liquidity requirements. Short term investments are those which are acquired for a short period.

Investments are classified as follows:

2.6.1 Fair value through other comprehensive income

Equity investments are initially recognised at cost, being the fair value of the consideration paid including transaction cost. Subsequent to initial recognition, these investments are re-measured at fair value (quoted market price).

All gains or losses from change in the fair value of equity investments are recognised directly in other comprehensive income.

2.6.2 Amortised cost

Investments in government securities are initially recognised at cost, excluding transaction cost. It represents the cost to purchase the security, adjusted for the accretion or amortization of discounts or premiums paid below or above par value, and accrued interest.

2.7 Deposits, advances, prepayments and other receivables

These are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

2.8 Stores and spare parts

These are valued at the lower of moving average cost and net realisable value except for items in transit which are valued at cost. Provision is made for obsolescence and slow moving items.

2.9 Stock-in-trade

These are valued as follows:

Raw materials	At the lower of average cost and net realisable value
Work-in-process	At the lower of average cost and net realisable value
Finished goods	At the lower of average cost and net realisable value
Fertilizers	At the lower of cost on FIFO basis and net realisable value
Bagasse	At the lower of average cost and net realisable value

2.10 Trade debts

These are recognised and carried at the original invoice amounts, being the fair value, less an allowance for uncollectible amounts, if any. The Company applies the IFRS 9 simplified approach to measure the expected credited losses (ECL) which uses the life time expected loss allowance for trade debts.



2.11 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise of cash in hand, with banks on current, savings, treasury call and deposit accounts, net of short term borrowings under mark-up arrangements, if any.

2.12 Staff retirement benefits

2.12.1 Staff gratuity

The Company operates an approved defined benefit gratuity scheme for all permanent employees. Minimum qualifying period for entitlement to gratuity is five years continuous service with the Company. The scheme is funded and contributions to the fund are made in accordance with the recommendations of the actuary.

The latest actuarial valuation of the gratuity scheme was carried out as at 30 September 2023. The projected unit credit method, using the following significant assumptions, have been used for actuarial valuation.

Discount rate	16.75% per annum
Expected rate of increase in salaries	16.50% per annum

Based on the actuarial valuation of gratuity scheme as of September 30, 2023, the fair value of gratuity scheme assets and present value of liabilities were Rs.139.85 million and Rs.144.33 million respectively. The Company recognises the total actuarial gains and losses in the year in which they arise.

	2023	2022
	(Rupees in thousands)	
Net Employee Defined Benefit Obligation		
Present value of defined benefit obligation	144,334	119,666
Fair value of plan assets	(139,853)	(118,093)
Liability recognised in the statement of financial position	<u>4,481</u>	<u>1,573</u>
The movement in net defined benefit obligation is as follows:		
Opening balance	1,573	809
Net charge for the year	5,906	5,275
Contribution	(7,479)	(6,084)
Remeasurement recognized in OCI during the year	4,481	1,573
Closing balance	<u>4,481</u>	<u>1,573</u>



	2023	2022
	(Rupees in thousands)	
Amount recognized in profit or loss:		
Current service cost	571	5,194
Interest cost	15,573	12,988
Expected return on plan assets	(15,378)	(12,907)
	<u>766</u>	<u>5,275</u>
Amount recognised in OCI:		
Actuarial gain on obligation	8,001	(1,186)
Actuarial loss on plan asset	(3,520)	2,759
	<u>4,481</u>	<u>1,573</u>
The movement in present value of defined benefit obligation is as follows:		
Present value of defined benefit obligation at the beginning of the year	119,666	124,275
Current service cost	5,711	5,194
Interest cost	15,573	12,988
Benefits paid	(4,617)	(21,605)
Actuarial gain	8,001	(1,186)
Present value of defined benefit obligation at the end of the year	<u>144,334</u>	<u>119,666</u>
The movement in fair value of plan assets is as follows:		
Fair value of plan assets at the beginning of the year	118,093	123,466
Expected return on assets	15,377	12,907
Contributions	7,480	6,084
Benefits paid	(4,617)	(21,605)
Actuarial loss	3,520	(2,760)
Fair value of plan assets at the end of the year	<u>139,853</u>	<u>118,092</u>
Actual return on plan assets	<u>18,897</u>	<u>10,147</u>
Plan assets comprise:		
Term deposit receipts	111,000	111,000
Term Finance Certificates	146	192
Balance with Banks	28,438	6,035
Accrued interest	269	865
	<u>139,853</u>	<u>118,092</u>

Comparison of present value of defined benefit obligation, the fair value of plan assets and the surplus or deficit of gratuity fund is as follows:

As at September 30,	2023	2022	2021	2020	2019
	(Rupees in thousands)				
Present value of defined benefit					
Obligation	144,334	119,666	124,275	120,325	110,118
Fair value of plan assets	(139,853)	(118,093)	(123,466)	(120,167)	(110,358)
(Surplus) / Deficit	<u>4,481</u>	<u>1,573</u>	<u>809</u>	<u>158</u>	<u>(240)</u>
Experience adjustment on obligation	<u>(2,177)</u>	<u>(3,518)</u>	<u>(8,148)</u>	<u>(3,627)</u>	<u>(2,464)</u>
Experience adjustment on plan assets	<u>(3,519)</u>	<u>2,759</u>	<u>4,775</u>	<u>2,517</u>	<u>824</u>



Sensitivity analysis

Significant assumption for the determination of the defined obligation are discount rate and expected salary increase. The possible changes in defined obligation due to change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant are as follows:
(Rupees in thousand)

Discount Rate +1 %	135,080
Discount Rate -1 %	144,726
Long Term Salary Increases +1 %	144,990
Long Term Salary Increases -1 %	134,753

2.12.2 Provident fund

The Company operates a recognised provident fund scheme for all its permanent employees. Equal monthly contributions are made by the Company and the employees at the rate of 8.33% of basic salary plus applicable cost of living allowance.

2.13 Leases

Lease liability is initially measured at present value of the lease payments over the period of lease term, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payment.

The lease liability is remeasured when the Company reassess the reasonable certainty of exercise of extension or termination option upon occurrence of either a significant event or a significant change in circumstance, or when there is a change in assessment of an option to purchase underlying asset, or when there is a change in amount expected to be payable under a residual value guarantee, or when there is a change in future lease payments resulting from a change in an index or rate used to determine those payment. The corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in profit or loss if the carrying amount of right to-use asset has been reduced to zero.

A change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increase the scope of lease adding the right-to-use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right of-use asset.

2.14 Borrowings and their cost

Borrowings are recorded at the proceeds received.

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction and commissioning of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset.



2.15 Trade and other payables

Liabilities for trade and other payables 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.

2.16 Advance from customers

Advance from customers (contract liability) is an obligation of the Company to transfer goods and services to a customer for which the Company has received consideration from the customer. If the customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when payment is made. Contract liabilities are recognised in revenue when Company fulfils the performance obligation under the contract.

2.17 Ijarah

Leased assets which are obtained under Ijarah agreement are not recognized in the Company's financial statements and are treated as operating lease based on IFAS 2 issued by the ICAP and notified by the SECP vide S.R.O. 43(1) / 2007 dated 22 May 2007. Ijarah payments made under an Ijarah are charged to the profit or loss account on a straight line basis over the Ijarah term unless another systematic basis is representative of time pattern of the user's benefit even if the payment are not on that basis.

2.18 Unclaimed dividend

The Company recognises unclaimed dividend which was declared and remained unclaimed from the date it was due and payable. The dividend declared and remained unpaid from the date it was due and payable is recognised as unpaid dividend.

2.19 Taxation

2.19.1 Current

Provision for current taxation is computed in accordance with the provisions of the applicable income tax laws.

2.19.2 Deferred

Deferred tax is recognised using the statement of financial position liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts appearing in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each date of the statement of financial position and reduced 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 utilised.

As the provision for taxation has been made partially under the normal basis and partially under the final tax regime, therefore, the deferred tax liability has been recognised on a proportionate basis in accordance with TR 27 issued by the Institute of Chartered Accountants of Pakistan.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the statement of financial position date.



2.20 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed periodically and adjusted to reflect the current best estimate.

2.21 Contingencies

Contingencies are disclosed when Company has possible obligation that arises from past event and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of entity, or a present obligation that arises from past event but is not recognised because it is not probable that an outflow of recourse embodying economic benefit will be required to settle the obligation or, when amount of obligation cannot be measured with sufficient reliability.

2.22 Foreign currencies

Transactions in foreign currencies are translated into Pak Rupees which is the Company's functional and presentation currency, at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the exchange rates ruling on the statement of financial position date. Exchange gains and losses are included in statement of profit or loss.

2.23 Revenue recognition

Revenue 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 is upto 90 days.
- Storage income is recorded when services are rendered.
- Profit on bank accounts / investments is recognised on accrual basis.
- Dividend income is recognised when the right to receive such payment is established.
- Other revenues are accounted when performance obligations are met.

2.24 Segment reporting

Segment reporting is based on operating (business) segments of the Company. These business segments are engaged in providing product or services which are subject to risks and rewards that are different from the risks and rewards of other segments.

2.25 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.

2.25.1 Financial assets

Initial recognition and measurement

Financial assets are classified at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price determined under IFRS 15.



In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, the Company classifies its financial assets into following categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets designated at fair value through Other Comprehensive Income (FVOCI) with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss (FVPL).

Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.



Financial assets at FVPL

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category also includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognised as other income in profit or loss when the right of payment has been established. The Company has not designated any financial asset as at FVPL.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.25.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as financial liabilities at FVPL, loans and borrowings, trade payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities at FVPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at FVPL.



Financial liabilities at amortized cost

After initial recognition, borrowings and payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 amortisation is included as finance costs in profit or loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. Exchange gains and losses arising in respect of borrowings in foreign currency are added to the carrying amount of the borrowing.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

2.26 Impairment

2.26.1 Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. 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, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For financial assets other than trade debts, the Company applies general approach in calculating ECL. It is based on difference between the contractual cashflows due in accordance with the contract and all the cashflows that the Company expect to receive discounted at the approximation of the original effective interest rate. The expected cashflows will include cash flows from sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade debts, the Company applies a simplified approach where applicable in calculating ECL. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Company has established a provision matrix for large portfolio of customer having similar characteristics and default rates based on the credit rating of customers from which receivables are due that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.



The Company considers a financial asset in default when contractual payments are 90 days past due. 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 enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.26.2 Impairment of non-financial assets

The carrying amounts of the Company's non financial assets are reviewed annually to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and impairment losses are recognised in the statement of profit or loss. The recoverable is the higher of an asset's fair value less cost to disposals and value in use.

2.27 Offsetting

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset or settle the liability simultaneously.

2.28 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved.

2.29 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data 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. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2.30 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency.

	Note	2023 (Rupees in thousands)	2022
3. Property, plant and equipment:			
Operating fixed assets	3.1	2,220,789	2,333,899
Capital work-in-progress	3.5	63,643	23,566
		<u>2,284,432</u>	<u>2,357,465</u>



3.1 Operating fixed assets for 2023:

	COST			DEPRECIATION / AMORTIZATION			WRITTEN DOWN VALUE	
	As at Oct. 1, 2022	Additions / (deletions)	As at Sept. 30, 2023	As at Oct. 1, 2022	charge for the year/ on deletions	As at Sept. 30, 2023	As at Sept. 30, 2023	Rate of depreciation / amortization
(Rupees in thousands)								
Land								
Freehold - Sugar / Distillery division	237,119	82,850	319,969	-	-	-	319,969	-
Leasehold - Textile division	489	-	489	266	5	271	218	1.01
Buildings on freehold land								
Sugar division	115,143	-	115,143	87,045	2,810	89,855	25,288	10
Distillery division	21,243	-	21,243	19,116	213	19,329	1,914	10
Non-factory buildings	30,228	-	30,228	24,937	264	25,201	5,027	5
Buildings on leasehold land								
Textile division	19,335	-	19,335	17,856	147	18,003	1,332	10
Plant and machinery								
Sugar division	3,087,527	11,328	3,098,855	1,593,150	150,236	1,743,386	1,355,469	10
Distillery division - Note 3.1.1	1,384,341	-	1,384,341	895,588	48,876	944,464	439,877	10
Textile division	131,743	328	132,071	100,945	3,082	104,027	28,044	10
Railway siding - Sugar division	468	-	468	468	-	468	-	10
Electric, gas and water installations								
Sugar / Distillery division	8,808	-	8,808	8,520	29	8,549	259	10
Textile division	3,601	-	3,601	3,217	38	3,255	346	10
Furniture, fittings, electrical and office equipment								
Sugar / Distillery division	111,721	7,551 (91)	119,181	85,175	8,044 (63)	93,156	26,025	25
Textile division	11,287	355	11,642	10,223	340	10,563	1,079	25
Tractors / trolleys and agriculture implements								
Sugar division	2,765	2,356	5,121	2,749	437	3,186	1,935	20
Motor cars / vehicles								
Sugar / Distillery division	51,241	285 (525)	51,001	33,998	3,381 (309)	37,070	13,931	20
Textile division	873	-	873	780	17	797	76	20
Total	5,217,932	105,053 (616)	5,322,369	2,884,033	217,919 (372)	3,101,580	2,220,789	



3.1.1 Plant and machinery of distillery division include storage tanks of the CO₂ unit having written down value of Rs. 9.07 (2022: Rs.10.08) million installed at Coca Cola Beverages Pakistan Limited and Pakistan Beverages Limited premises for storage of Liquidified Carbondioxide.

3.1.2 Particulars of land in the name of the Company are as follows:

<u>Particulars</u>	<u>Location</u>	<u>Total Area</u>
Land	Nawabshah, District Shaheed Benazirabad	349.95 Acre
Land	D-140/B-1, Mangopir Road, S.I.T.E. Karachi	1.12 Acre
Land	60/1-B Oil Installation Area, Keamari, Karachi	4000 Sqm

3.1.3 Reconciliation of carrying values for 2023

	<u>Written down value as at Oct. 1, 2022</u>	<u>Additions / (deletions)</u>	<u>Depreciation / amortization charge for the year & accumulated depreciation on deletions</u>	<u>Written down value as at Sept. 30, 2023</u>
	(Rupees in thousands)			
Land	237,342	82,850	5	320,187
Buildings on freehold land	35,516	–	3,287	32,229
Buildings on leasehold land	1,479	–	147	1,332
Plant and machinery	2,013,928	11,656	202,194	1,823,390
Electric, gas and water installations	672	–	67	605
Furniture, fittings, electrical and office equipment	27,610	7,906 (91)	8,384 (63)	27,104
Tractors / trolleys and agriculture implements	16	2,356	437	1,935
Motor cars / vehicles	17,336	285 (525)	3,398 (309)	14,007
	<u>2,333,899</u>	<u>105,053</u>	<u>217,919</u>	<u>2,220,789</u>
		<u>(616)</u>	<u>(372)</u>	



3.2 Operating fixed assets for 2022:

	COST			DEPRECIATION / AMORTIZATION			WRITTEN DOWN VALUE	
	As at Oct. 1, 2021	Additions / (deletions)	As at Sept. 30, 2022	As at Oct. 1, 2021	charge for the year/ on deletions	As at Sept. 30, 2022	As at Sept. 30, 2022	Rate of depreciation / amortization
(Rupees in thousands)								
Land								
Freehold - Sugar / Distillery division	220,102	17,017	237,119	-	-	-	237,119	-
Leasehold - Textile division	489	-	489	261	5	266	223	1.01
Buildings on freehold land								
Sugar division	115,143	-	115,143	83,923	3,122	87,045	28,098	10
Distillery division	21,243	-	21,243	18,880	236	19,116	2,127	10
Non-factory buildings	30,228	-	30,228	24,659	278	24,937	5,291	5
Buildings on leasehold land								
Textile division	19,335	-	19,335	17,692	164	17,856	1,479	10
Plant and machinery								
Sugar division	2,871,958	215,569	3,087,527	1,431,493	161,657	1,593,150	1,494,377	10
Distillery division	1,383,591	750	1,384,341	841,309	54,279	895,588	488,753	10
Textile division	131,568	175	131,743	97,526	3,419	100,945	30,798	10
Railway siding - Sugar division	468	-	468	468	-	468	-	10
Electric, gas and water installations								
Sugar / Distillery division	8,808	-	8,808	8,488	32	8,520	288	10
Textile division	3,601	-	3,601	3,174	43	3,217	384	10
Furniture, fittings, electrical and office equipment								
Sugar / Distillery division	100,837	12,824 (1,940)	111,721	79,483	7,610 (1,918)	85,175	26,546	25
Textile division	11,287	-	11,287	9,868	355	10,223	1,064	25
Tractors / trolleys and agriculture implements								
Sugar division	2,765	-	2,765	2,745	4	2,749	16	20
Motor cars / vehicles								
Sugar / Distillery division	48,633	2,825 (217)	51,241	30,405	3,718 (125)	33,998	17,243	20
Textile division	873	-	873	757	23	780	93	20
Total	4,970,929	249,160 (2,157)	5,217,932	2,651,131	234,945 (2,043)	2,884,033	2,333,899	



3.2.1 Reconciliation of carrying values for 2022

	Written down value as at Oct. 1, 2021	Additions / (deletions)	Depreciation / amortization charge for the year & accumulated depreciation on deletions	Written down value as at Sept. 30, 2022
		(Rupees in thousands)		
Land	220,330	17,017	5	237,342
Buildings on freehold land	39,152	–	3,636	35,516
Buildings on leasehold land	1,643	–	164	1,479
Plant and machinery	2,016,789	216,494	219,355	2,013,928
Electric, gas and water installations	747	–	75	672
Furniture, fittings, electrical and office equipment	22,773	12,824 (1,940)	7,965 (1,918)	27,610
Tractors / trolleys and agriculture implements	20	–	4	16
Motor cars / vehicles	18,344	2,825 (217)	3,741 (125)	17,336
	<u>2,319,798</u>	<u>249,160</u> <u>(2,157)</u>	<u>234,945</u> <u>(2,043)</u>	<u>2,333,899</u>

3.3 Allocation of depreciation / amortization charge for the year:

	Note	2023 (Rupees in thousands)	2022 (Rupees in thousands)
Cost of Sales			
Sugar division	25	158,138	169,098
Distillery division	25	52,277	58,189
Textile division	25	3,274	3,631
		213,689	230,918
Administrative expenses			
Sugar division	27	3,258	3,020
Distillery division	27	279	259
Textile division	27	357	378
Terminal	24.1	335	370
		4,229	4,027
		<u>217,918</u>	<u>234,945</u>

3.4 Details of operating fixed assets disposed off:

	Cost	Accumulated depreciation	written down value	Sale proceeds	Gain on disposal	Mode of disposal	Particulars of purchasers	Relationship with purchaser
	(Rupees in thousands)							
Furniture, fittings, electrical and office equipment	91	63	28	62	34	Negotiation	Various	None
Motor cars / vehicles	525	309	216	4,504	4,288	Tender	Various	None
2023	<u>616</u>	<u>372</u>	<u>244</u>	<u>4,566</u>	<u>4,322</u>			
2022	<u>2,157</u>	<u>2,043</u>	<u>114</u>	<u>7,724</u>	<u>7,610</u>			



	Note	2023 (Rupees in thousands)	2022
3.5 Capital work-in-progress - plant and machinery			
Balance at the beginning of the year		23,566	166,699
Cost incurred during the year - net		40,077	62,300
Transfer from Major stores and spare parts		—	10,136
Transfer to operating fixed assets		—	(215,569)
		40,077	(143,133)
Balance at the end of the year	3.5.1	63,643	23,566
4 RIGHT-OF-USE ASSETS		7,237	14,474
Office Premises			
As at October 01			
Cost		14,474	17,488
Additions		—	10,052
Accumulated depreciation		(7,237)	(13,066)
Net book value		7,237	14,474
Net carrying value basis			
Opening net book value		14,474	11,659
Additions during the year		—	10,052
Depreciation charged during the year	4.1	(7,237)	(7,237)
Closing net book value		7,237	14,474
As at September 30			
Cost		14,474	33,369
Accumulated depreciation		(7,237)	(18,895)
Net book value		7,237	14,474
Depreciation % per annum		25%	25%
4.1 Allocation of depreciation charge for the year			
Administrative expenses			
Sugar division		7,237	7,237
5. Long-term investments			
Investments in subsidiary company - at cost	5.1	—	—
At FVOCI			
Investments in related parties- Quoted	5.2.1	1,113,694	1,335,617
Investments in related parties- Un-Quoted	5.2.2	13,125	12,788
Investments in other companies - Quoted	5.2.3	781,458	807,400
		1,908,277	2,155,805
Number of shares			
2023			
2022			
Face value			
Rs.			
Company's Name			
5.1 Investments in subsidiary company - at cost			
—		5,000,000	10
HSM Energy Limited	5.1.1	—	50,000
Provision for impairment		—	(50,000)
		—	—
5.1.1			
During the year, HSM Energy limited was liquidated and the company has written off its investment in the subsidiary. Accordingly, the company has not prepared consolidated financial statements for the current year.			



	Number of shares		Face value Rs.	Company's Name	2023	2022
	2023	2022			(Rupees in thousands)	
5.2 Fair Value through Other Comprehensive Income						
5.2.1 Investments in related parties - Quoted						
	24,136,691	24,136,691	10	Bank AL Habib Limited	1,086,875	1,303,381
	5,363,772	5,363,772	5	Habib Insurance Company Limited	26,819	32,236
					1,113,694	1,335,617
5.2.2 Investments in related parties - Unquoted						
	1,249,999	1,249,999	10	UniEnergy Limited	5.3 13,125	12,788
5.2.3 Investments in other companies - Quoted						
	340,000	340,000	10	Amreli Steels Limited	6,763	9,166
	257,500	257,500	10	Agha Steels Limited	2,644	4,115
	114,000	114,000	10	AirLink Communication	2,692	4,123
	50,000	50,000	10	Bank Alfalah Limited	1,924	1,557
	607,176	607,176	10	Cherat Cement Company Limited	78,435	70,171
	43,890	38,000	10	Cherat Packaging Limited	3,906	4,083
	26,478	26,478	10	Dawood Lawrencepur Limited	6,620	5,296
	517,500	517,500	10	D.G. Khan Cement Company Limited	22,470	31,371
	68,000	68,000	10	Engro Corporation Limited	16,330	15,743
				FrieslandCampina Engro Pakistan Limited (formerly Engro Food Limited)	695	823
	12,500	12,500	10	Engro Fertilizer Limited	17,401	17,882
	229,200	229,200	10	Engro Polymer & Chemical Limited	17,340	24,185
	441,098	441,098	10	Engro Polymer & Chemical Limited	17,340	24,185
	90,600	90,600	10	Faran Sugar Mills Limited	5,527	4,757
	100,885	100,885	10	Fauji Fertilizer Company Limited	9,366	10,220
	200,000	200,000	10	Fauji Fertilizer Bin Qasim Limited	2,748	3,884
	157,759	157,759	10	Fauji Foods Limited	1,016	1,000
	12,100	12,100	10	GlaxoSmithKline Pakistan Limited	895	1,441
	54,000	45,000	10	Gul Ahmed Textile Mills Limited	955	1,355
	3,630	3,630	10	Haleon Pakistan Limited	517	714
	882,500	882,500	10	Habib Metropolitan Bank Limited	31,973	30,067
	421,213	421,213	10	Habib Bank Limited	38,095	29,363
	12,350	12,350	10	Indus Motors Company Limited	11,053	11,646
	126,100	126,100	10	International Industries Limited	11,068	12,691
	1,083,481	1,083,481	10	International Steels Limited	46,059	59,732
	384,500	384,500	10	Javedan Corporation Limited	16,141	19,610
	1,810,000	1,810,000	10	K-Electric Limited	3,548	5,394
	153,800	153,800	10	Lucky Cement Limited	89,617	78,854
	250,000	250,000	10	Maple Leaf Cement Factory Limited	7,485	6,965
	185,837	185,837	10	MCB Bank Limited	24,038	22,209
	423,506	342,228	10	Mehran Sugar Mills Limited	18,253	12,303
	189,405	54,900	10	Mirpurkhas Sugar Mills Limited	7,197	7,110
	30,468	30,468	5	National Foods Limited	3,335	4,154
	285,000	285,000	10	OGDCL	27,491	21,580
	25,000	25,000	10	Packages Limited	9,209	10,201
	200,000	200,000	10	Pakistan International Bulk Terminal Limited	772	1,148
	30,000	30,000	10	Pakistan Oil Fields Limited	11,693	10,474
	230,000	230,000	10	Power Cement Limited	931	1,118
	711,503	711,503	5	Thal Limited	160,857	195,030
	435,458	435,458	10	The Hub Power Company Limited	38,464	30,443
	81,083	60,062	10	TPL Insurance Limited	1,407	1,539
	125,736	76,710	10	The Searle Company Limited	4,424	7,798
	140,000	140,000	10	United Bank Limited	20,104	16,085
					781,458	807,400
					1,908,277	2,155,805



	2023	2022
	(Rupees in thousands)	
5.3 UniEnergy Limited (UEL)		
Movement of Investment in UEL		
Balance at the beginning of the year	12,788	12,611
Unrealised gain on remeasurement recognised in other comprehensive income	337	177
Balance at the end of the year	<u>13,125</u>	<u>12,788</u>

The fair value of the investments in UniEnergy Limited has been determined on the net assets value due to the limited financial information available.

5.4. The aggregate cost of the above investments is Rs.950.57 (2022: Rs.1,315.53) million.

	Note	2023	2022
		(Rupees in thousands)	
6. Long-term loans			
Secured - considered good			
Executives		18,897	25,605
Other Employees	6.1	15,054	13,646
		33,951	39,251
Receivable within next twelve months shown under current asset:			
Executives	10	(5,462)	(6,723)
Other Employees		(10,960)	(17,700)
		(16,422)	(24,423)
		<u>17,529</u>	<u>14,828</u>

6.1 Long-term loans include loans of Rs.3.28 (2022: Rs.5.09) million to workers which carry no interest as per Company policy and CBA agreement. The balance amount of loan carries interest @ 7% (2022: 7%) per annum. These are secured against property documents and retirements benefits. These loans are carried at cost due to materiality of amounts involved.

	Note	2023	2022
		(Rupees in thousands)	
7. Stores and spare parts			
Stores		222,536	186,346
Provision for obsolescence and slow moving stores	7.1	(28,718)	(19,718)
		193,818	166,628
Spare parts		221,549	136,438
Provision for obsolescence and slow moving spare parts		(28,106)	(28,106)
		193,443	108,332
		<u>387,261</u>	<u>274,960</u>



	Note	2023 (Rupees in thousands)	2022
7.1 Provision for obsolescence and slow moving stores			
Balance at the beginning of the year		19,718	17,394
Provision made during the year		9,000	3,500
Utilised during the year		–	(1,176)
Balance at the end of the year		<u>28,718</u>	<u>19,718</u>
8. Stock-in-trade			
Raw materials			
Distillery division		620,335	947,014
Textile division		22,680	19,334
		<u>643,015</u>	<u>966,348</u>
Work-in-process			
Sugar division		1,826	1,223
Textile division		79,539	77,144
		<u>81,365</u>	<u>78,367</u>
Finished goods			
Sugar division		2,253,241	3,638,427
Distillery division		954,983	267,360
Textile division		19,446	16,894
		<u>3,227,670</u>	<u>3,922,681</u>
Bagasse		5,083	36,897
		<u>3,957,133</u>	<u>5,004,293</u>
9. Trade debts - considered good			
Export – Secured against export documents		318,740	46,005
Local – Unsecured		842,002	278,138
	9.1	<u>1,160,742</u>	<u>324,143</u>
9.1 The aging of trade debts at September 30, is as follows :			
Not yet due		743,388	46,733
up to 90 days		414,624	159,179
91 to 180 days		2,730	118,231
		<u>1,160,742</u>	<u>324,143</u>
10. Loans and advances - considered good			
Loans - secured			
Current maturity of long-term loans			
Executives	6	5,462	6,723
Other Employees		10,960	17,700
		<u>16,422</u>	<u>24,423</u>
Advances - unsecured			
Suppliers		169,686	51,646
		<u>186,108</u>	<u>76,069</u>



	Note	2023 (Rupees in thousands)	2022 (Rupees in thousands)
14. Cash and bank balances			
Cash in hand		770	392
Balances with banks in:			
Current accounts		120,118	52,386
Treasury call accounts	14.1	1,105,376	243,194
Term Deposit Receipts	14.2	48,000	250,000
	14.3	1,273,494	545,580
		<u>1,274,264</u>	<u>545,972</u>
14.1	Profit rates on treasury call accounts ranged between 14.50% to 20.60% (2022: 6.50% to 13.75%) per annum.		
14.2	Profit rates on term deposit receipts is 19.50% (2022: 6.70% to 14.50%) per annum. Maturity of these term deposit receipts are one month.		
14.3	Includes Rs.1,104.27 (2022: Rs.244.30) million kept with Bank AL Habib Limited - a related party.		
		2023 (Rupees in thousands)	2022 (Rupees in thousands)
15. Issued, subscribed and paid-up capital			
		2023	2022
		Number of shares	
		10,136,700	10,136,700
			Ordinary shares of Rs. 5/- each fully paid in cash
			50,684
		139,863,300	139,863,300
			Ordinary shares of Rs. 5/- each issued as bonus shares
			699,316
		<u>150,000,000</u>	<u>150,000,000</u>
		<u>750,000</u>	<u>750,000</u>
15.1	Issued, subscribed and paid-up capital of the Company includes 14,896,001 (2022: 14,896,001) ordinary shares of Rs.5/- each held by related parties at the end of the year.		
15.2	Voting rights, Board Selection, right of first refusal and block voting are in proportion to the shareholding.		
		2023 (Rupees in thousands)	2022 (Rupees in thousands)
16. Reserves			
Capital			
Share premium		34,000	34,000
Revenue			
General Reserve	16.1	7,218,500	6,408,500
Unappropriated profit		2,314,540	1,340,185
Unrealised gain on re-measurement of FVOCI investments		998,366	987,317
		10,531,406	8,736,002
		<u>10,565,406</u>	<u>8,770,002</u>



	Note	2023 (Rupees in thousands)	2022
16.1 At the beginning of the year		6,408,500	5,748,500
Transferred from unappropriated profit		810,000	660,000
		<u>7,218,500</u>	<u>6,408,500</u>
17. Deferred taxation			
Deferred tax liability on taxable temporary differences:			
- accelerated tax depreciation		228,000	235,000
Deferred tax asset on deductible temporary differences:			
- provisions		(31,500)	(28,500)
- lease liability		(3,000)	(6,000)
- unused tax losses		—	(103,500)
- re-measurement of investments		(13,000)	(5,000)
		<u>(47,500)</u>	<u>(143,000)</u>
		<u>180,500</u>	<u>92,000</u>

18. Gas Infrastructure Development Cess

The Honourable Supreme Court of Pakistan on August 13, 2020 decided the Gas Infrastructure Development Cess (GIDC) case and held that the levy of GIDC under the GIDC Act 2015 is constitutional. The Apex Court further stated that all industrial and commercial entities which consume natural gas and pass on the burden to their customers, have to pay the GID Cess that become due upto July 31, 2020 with effect from 2011.

Subsequently to the Order passed by the Apex Court, the SSGC issued GIDC bill of Rs. 5.78 million being the first installment of total GIDC arrears of Rs. 138.68 million which are to be recovered in forty eight monthly installments.

The above demand of the SSGC was not acknowledged as liability as the Company had not passed the burden to their customers/clients. The Company filed an appeal before the Honourable High Court of Sindh ('the Court') on the ground that no burden of GIDC had been passed to its customers/clients and thus the Company is not liable to pay GIDC under GIDC Act 2015. The Court granted stay vide order dated September 22, 2020 against the demand raised by the SSGC and restrained to take any coercive action.

However, as a matter of abundant caution and without prejudice to the suit filed, the Company had made aggregate provision of Rs.138.68 million for GID Cess in the financial statements for the year ended September 30, 2020.

In January 2021, the Institute of Chartered Accountants of Pakistan (ICAP), issued Technical Release (TR) on accounting of GIDC. According to the TR, the provision of GIDC is to be re-measured on present value basis. The provision of GIDC of Rs.138.68 million accounted for in September 30, 2020 was re-measured at the present value which works out to Rs.103.73 million (including current maturity of Rs.32.30 million) as shown below resulting in re-measurement gain on discounting of GIDC of Rs.34.95 million as disclosed in Note 26 of these financial statements.



	Note	2023 (Rupees in thousands)	2022
Provision for GIDC as on October 01		109,573	117,408
Less: Gain on re-measurement on discounting of GIDC	29	5,839	7,835
Provision for GIDC as on September 30		<u>103,734</u>	<u>109,573</u>
Provision for GIDC as on September 30		103,734	109,573
GIDC shown under Non-current liabilities		71,432	76,822
Payable within next twelve months shown under trade and other payable		<u>32,302</u>	<u>32,751</u>
19. Lease Liability			
Balance at the beginning of the year		17,502	13,948
Additions		–	10,052
Mark-up on lease liability		1,216	2,008
Less: Lease rentals paid		(9,145)	(8,506)
Balance at the end of the year		<u>9,573</u>	<u>17,502</u>
Current portion of long-term lease liability		<u>9,573</u>	<u>7,929</u>
Long-term lease liability		<u>–</u>	<u>9,573</u>
20. Trade and other payables			
Creditors		2,054,357	1,305,142
Accrued liabilities		483,306	394,003
Sales tax		173,146	41,382
Payable to Employees Gratuity Fund		4,481	1,573
Gas Infrastructure Development Cess	18	32,302	32,751
Workers' Profit Participation Fund (WPPF)	20.1	161,518	88,508
Workers Welfare Fund		43,231	23,799
Income-tax deducted as source		4,480	3,355
		<u>2,956,821</u>	<u>1,890,513</u>
20.1 Workers' Profit Participation Fund (WPPF)			
Balance at the beginning of the year		88,508	70,244
Interest on funds utilized in the Company's business		1,176	1,218
		89,684	71,462
Amount paid to the WPPF		(89,684)	(71,462)
		–	–
Allocation for the year	28	161,518	88,508
Balance at the end of the year		<u>161,518</u>	<u>88,508</u>



21 ADVANCE FROM CUSTOMERS

During the year, an amount of Rs. 1,758.72 recognised as revenue from Rs. 1,810.84 million of advance from customer at the beginning of the year.

2023	2022
(Rupees in thousands)	

22. SHORT-TERM BORROWINGS - SECURED

<u>1,156,626</u>	<u>—</u>
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The aggregate financing facility available from commercial banks amounted to Rs.9,562 (September 2022: Rs.7,898) million. These financing facilities are secured by way of registered charge against hypothecation of stock-in-trade, stores and spares, assignment of trade debts and other receivables. The rate of mark-up charged during the year was 2.00% to 21.73% (2022: 3.00% to 13.14%) per annum.

23 CONTINGENCIES AND COMMITMENTS

The Competition Commission of Pakistan (CCP) has passed a consolidated order on August 6, 2021 whereby penalties had been levied on 84 sugar mills (First Opinion) under the Competition Act, 2010 on account of alleged 'anti-competitive activities in the sugar industry'. The proceedings were heard by a four-member bench of CCP and the two members differed with the First Opinion and gave a second/opposite opinion on August 12, 2021 however, the Chairperson vide order dated August 13, 2021 confirmed the first opinion (whereby the penalties were levied) as a view of the CCP by giving a casting vote.

Under the above-referred order dated August 6, 2021, penalty of Rs. 493.66 million had been levied on the Company equivalent to 5% of the total turnover of Rs. 9,873.13 million as per the audited financial statements for the year ended September 30, 2019. The penalty had been levied on account of alleged 'collective decision of export quantities' by fixing/controlling the supply of sugar and maintaining the desired price levels in the market during the period from the year 2012 to 2020.

The Company alongwith 17 other sugar mills had filed a suit against the above-referred order dated August 6, 2021 before the Sindh High Court who vide its order No. 2273 of 2021 dated October 07, 2021 had suspended the operation of above impugned order dated August 06, 2021 and August 13, 2021.

However, the CCP in contravention of the above restraining order of the High Court has issued a show-cause notice under section 30 of the Competition Act, 2010 on October 08, 2021 wherein identical issues were raised. The Company alongwith 18 other sugar mills has filed a suit against the above show-cause notice and the Sindh High Court vide its order No. 2381 dated October 14, 2021 had suspended the operation of the above show-cause notice.

The Sindh High Court had given an interim favorable order on June 13, 2022 whereby the Sindh High Court had granted injunction whereunder the casting vote of the Chairperson had been suspended till the final decision of the Suit and subject to deposit of bank guarantees equivalent to 50% of amount of penalty with the Nazir of the SHC. In light of the Court's order, the Company deposited the bank guarantees with the Nazir of the Court on July 22, 2022.

In the meantime, the Company alongwith other sugar mills filed an appeal before the Sindh High Court against the requirement of furnishing bank guarantees as directed in the Sindh High Court's order dated June 13, 2022. The aforesaid appeal was disposed off vide order dated August 25, 2022 in terms of joint statement filed by sugar mills and the CCP with the Court.



In terms of the above joint statement, it was agreed between the parties that the interim order dated June 13, 2022 shall set aside and the bank guarantees already submitted by sugar mills with the Nazir of the Court shall be returned back to sugar mills. It was further agreed under the joint statement that the CCP shall not initiate any recovery proceedings until the final decision in appeals which are pending before the Competition Appellate Tribunal. Further, the single judge of the Sindh High Court shall also decide the pending suits expeditiously.

The bank guarantees submitted by the Company with the Nazir of the Court on July 22, 2022 had been returned back to the Company. The case is presently pending before the Sindh High Court and Competition Appellate Tribunal.

The legal counsel of the Company is of the view that in light of the observation of the Sindh High Court in its order dated June 13, 2022 that the casting was not lawfully exercised by the Chairperson, the favourable outcome is expected from the Sindh High Court as well as Competition Appellate Tribunal. The Company has therefore, not made any provision in these financial statements in respect of the penalty levied by CCP vide its order dated August 06, 2021.

- 23.1** The Company has provided counter guarantees to Bank AL Habib Limited, a related party, amounting to Rs.500.00 (2022: Rs.500.00) million against agriculture finance facilities to the growers supplying sugarcane to the mills and counter guarantees to other banks amounting to Rs.2,411.54 (2022: Rs.1,529.25) million against guarantees issued by banks in favour of third parties on behalf of the Company. These guarantees are secured by way of registered charge against hypothecation of stores and spares, stock-in-trade, assignment of trade debts and other receivables.
- 23.2** Commitments for capital expenditure amounted to Rs.1.43 (2022: Rs.3.67) million.
- 23.3** Lease rentals under Ijarah agreements in respect of vehicles, payable over the following next four years, are as follows:

	2023 (Rupees in thousands)	2022 (Rupees in thousands)
Year ending September 30		
2023	–	46,167
2024	49,905	42,520
2025	44,268	36,883
2026	30,383	22,998
2027	615	–
	<u>125,171</u>	<u>148,568</u>

24. Segment operating results and related information

(Rupees in thousands)



	Note	Sugar Division		Distillery Division		Textile Division		Trading Division		Total	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net sales and services											
Local sales		11,862,850	7,317,625	975,114	735,621	3,451	6,358	1,267,970	7,562	14,109,385	8,067,166
Less: Sales tax / Federal excise duty		1,732,700	1,018,510	150,304	106,686	593	1,060	192,419	1,099	2,076,016	1,127,355
		10,130,150	6,299,115	824,810	628,935	2,858	5,298	1,075,551	6,463	12,033,369	6,939,811
Export sales		405,572	–	6,996,826	5,149,638	659,232	436,432	–	554,115	8,061,630	6,140,185
Less: Export duty, freight and commission		–	–	49,209	32,511	65,612	–	–	52,411	114,821	84,922
		405,572	–	6,947,617	5,117,127	593,620	436,432	–	501,704	7,946,809	6,055,263
Net sales		10,535,722	6,299,115	7,772,427	5,746,062	596,478	441,730	1,075,551	508,167	19,980,178	12,995,074
Services											
Terminal Storage income - net 24.1		–	–	4,850	11,744	–	–	–	–	4,850	11,744
		10,535,722	6,299,115	7,777,277	5,757,806	596,478	441,730	1,075,551	508,167	19,985,028	13,006,818
Less: Cost of sales	25	9,278,788	5,628,732	5,425,615	4,349,785	525,902	442,181	813,857	375,408	16,044,162	10,796,106
Gross profit / (loss)		1,256,934	670,383	2,351,662	1,408,021	70,576	(451)	261,694	132,759	3,940,866	2,210,712
Selling and distribution expenses	26	125,094	77,676	275,522	190,217	21,848	14,757	1,928	494	424,392	283,144
Administrative expenses	27	274,126	229,917	20,538	17,303	8,458	7,050	767	770	303,889	255,040
		399,220	307,593	296,060	207,520	30,306	21,807	2,695	1,264	728,281	538,184
Profit / (loss) before other operating expenses and other income		857,714	362,790	2,055,602	1,200,501	40,270	(22,258)	258,999	131,495	3,212,585	1,672,528
Other operating expenses	28									(529,751)	(375,186)
Other income	29									612,041	393,920
Operating profit										3,294,875	1,691,262

- Sugar division is engaged in manufacturing of refined sugar.
- Distillery division is engaged in manufacturing of ethanol, liquidified carbon dioxide (CO₂) and providing bulk storage facilities.
- Textile division is engaged in manufacturing of household textiles.
- Trading division is engaged in trading of commodities viz sugar / molasses / bagasse / liquidified carbon dioxide (CO₂) as and when opportunity occurs.

(Rupees in thousands)



	Sugar Division		Distillery Division		Textile Division		Trading Division		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
24.1 Services										
Terminal storage income - net	-	-	19,767	24,521	-	-	-	-	19,767	24,521
Less: Terminal expenses										
Salaries, wages and other benefits - note 24.1.1	-	-	7,322	7,324	-	-	-	-	7,322	7,324
Repairs and maintenance	-	-	3,266	1,878	-	-	-	-	3,266	1,878
Water, electricity and gas	-	-	749	631	-	-	-	-	749	631
Rent, rates and taxes	-	-	1,856	1,749	-	-	-	-	1,856	1,749
Depreciation - note 3.3	-	-	335	370	-	-	-	-	335	370
Travelling and vehicle running expenses	-	-	480	207	-	-	-	-	480	207
Insurance	-	-	72	126	-	-	-	-	72	126
Other expenses	-	-	837	492	-	-	-	-	837	492
	-	-	14,917	12,777	-	-	-	-	14,917	12,777
	-	-	4,850	11,744	-	-	-	-	4,850	11,744

24.1.1 Salaries, wages and other benefits include a sum of Rs. 0.76 (2022: Rs. 0.53) million in respect of staff retirement benefits.

24.2 Geographical Information of customers

Revenues from customers (Country wise)

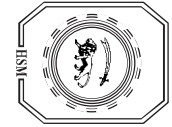
	2023	2022
	(Rupees in thousands)	
Pakistan	12,038,219	6,951,555
South Korea	–	30,933
UAE	557,026	853,369
United kingdom	453,942	232,353
Thailand	21,635	–
Switzerland	2,134,959	–
Portugal	735,351	–
Saudia Arabia	15,753	–
Ireland	–	179,912
Italy	2,111,023	1,428,518
Netherland	360,793	2,262,821
South Africa	530,985	224,487
Taiwan	602,729	801,733
Afghanistan	405,572	–
Holland	17,041	41,137
	<u>19,985,028</u>	<u>13,006,818</u>

The above revenue information above is based on the location of customers

24.3 Of the Company's total revenue, three customer accounts for more than 10%.



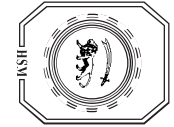
(Rupees in thousands)



	Sugar Division		Distillery Division		Textile Division		Trading Division		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
25. Cost of sales										
Raw material consumed	7,532,041	7,855,798	5,371,029	3,624,649	372,575	340,190	-	-	13,275,645	11,820,637
Salaries, wages and other benefits - note 25.1	455,537	409,950	145,572	121,650	23,446	17,611	-	-	624,555	549,211
Process chemicals	114,041	109,148	62,022	47,325	-	-	-	-	176,063	156,473
Packing material	99,045	119,283	-	-	28,678	19,881	-	-	127,723	139,164
Dyeing, weaving and other charges	-	-	-	-	61,831	38,172	-	-	61,831	38,172
Stores and spare parts consumed	155,919	134,278	59,479	50,883	-	-	-	-	215,398	185,161
Provision for obsolescence and slow moving stores & spares -note 7.1	6,000	3,500	3,000	500	-	-	-	-	9,000	4,000
Rent, rates, taxes and lease rentals	27,669	10,878	17,429	14,135	765	1,058	-	-	45,863	26,071
Water, fuel and power	114,676	94,794	164,014	129,147	44,875	40,924	-	-	323,565	264,865
Repairs and maintenance	292,870	271,866	208,131	130,896	5,046	2,876	-	-	506,047	405,638
Legal and professional charges	3,996	4,465	-	-	-	-	-	-	3,996	4,465
Insurance	11,757	9,050	10,963	10,080	821	691	-	-	23,541	19,821
Postage, telephone and stationery	5,386	9,593	-	-	-	-	-	-	5,386	9,593
Depreciation / amortization - note 3.3	158,138	169,098	52,277	58,189	3,274	3,631	-	-	213,689	230,918
Other manufacturing expenses	59,581	59,515	19,322	14,637	191	228	-	-	79,094	74,380
Duty drawback / Rebate	-	-	-	-	(10,653)	(8,407)	-	-	(10,653)	(8,407)
Bagasse sale	(52,254)	(29,021)	-	-	-	-	-	-	(52,254)	(29,021)
Bagasse transferred to distillery division	(91,353)	(121,131)	-	-	-	-	-	-	(91,353)	(121,131)
Molasses transferred to distillery division	(998,844)	(856,558)	-	-	-	-	-	-	(998,844)	(856,558)
	362,164	398,708	742,209	577,442	158,274	116,665	-	-	1,262,647	1,092,815
Manufacturing cost	7,894,205	8,254,506	6,113,238	4,202,091	530,849	456,855	-	-	14,538,292	12,913,452
Opening stock of work-in-process	1,223	629	-	-	77,144	50,081	-	-	78,367	50,710
Closing stock of work-in-process	(1,826)	(1,223)	-	-	(79,539)	(77,144)	-	-	(81,365)	(78,367)
	(603)	(594)	-	-	(2,395)	(27,063)	-	-	(2,998)	(27,657)
Cost of goods manufactured	7,893,602	8,253,912	6,113,238	4,202,091	528,454	429,792	-	-	14,535,294	12,885,795
Opening stock of finished goods	3,638,427	1,013,247	267,360	415,054	16,894	29,283	-	-	3,922,681	1,457,584
Purchases	-	-	-	-	-	-	813,857	375,408	813,857	375,408
Closing stock of finished goods	(2,253,241)	(3,638,427)	(954,983)	(267,360)	(19,446)	(16,894)	-	-	(3,227,670)	(3,922,681)
	1,385,186	(2,625,180)	(687,623)	147,694	(2,552)	12,389	813,857	375,408	1,508,868	(2,089,689)
	9,278,788	5,628,732	5,425,615	4,349,785	525,902	442,181	813,857	375,408	16,044,162	10,796,106

25.1 Salaries, wages and other benefits include a sum of Rs. 13.14 (2022: Rs. 12.97) million in respect of staff retirement benefits.

(Rupees in thousands)



	Sugar Division		Distillery Division		Textile Division		Trading Division		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
26. Selling and distribution expenses										
Salaries, wages and other benefits - note 26.1	10,198	7,866	10,575	8,507	7,390	6,318	-	-	28,163	22,691
Insurance	5,111	4,963	2,675	2,732	46	48	-	-	7,832	7,743
Rent, rates, taxes and lease rentals	4,935	2,042	3,473	1,142	-	-	-	-	8,408	3,184
Transport, freight, handling and forwarding expenses	104,850	62,805	255,016	170,953	6,882	4,230	1,928	494	368,676	238,482
Other expenses	-	-	3,783	6,883	7,530	4,161	-	-	11,313	11,044
	<u>125,094</u>	<u>77,676</u>	<u>275,522</u>	<u>190,217</u>	<u>21,848</u>	<u>14,757</u>	<u>1,928</u>	<u>494</u>	<u>424,392</u>	<u>283,144</u>
26.1 Salaries, wages and other benefits include a sum of Rs. 1.65 (2022: Rs. 1.43) million in respect of staff retirement benefits.										
	Sugar Division		Distillery Division		Textile Division		Trading Division		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
27. Administrative expenses										
Salaries, wages and other benefits - note 27.1	132,394	121,786	10,820	8,750	6,404	4,971	516	605	150,134	136,112
Insurance	2,826	2,036	43	63	2	-	-	3	2,871	2,102
Repairs and maintenance	2,542	5,255	616	721	242	742	-	-	3,400	6,718
Postage, telephone and stationery	6,368	6,625	746	763	604	288	-	-	7,718	7,676
Travelling and vehicle running expenses	46,184	26,104	1,089	339	-	-	98	52	47,371	26,495
Rent, rates, taxes and lease rentals	4,965	2,471	3,532	3,449	-	-	-	-	8,497	5,920
Water, electricity and gas	6,113	5,111	449	316	101	83	-	-	6,663	5,510
Fees, subscription and periodicals	4,483	3,319	48	18	44	34	-	-	4,575	3,371
Legal and professional charges	5,103	5,856	76	1,106	6	13	10	15	5,195	6,990
Directors' meeting fee	755	755	-	-	-	-	-	-	755	755
Depreciation - note 3.3	3,258	3,020	279	259	357	378	-	-	3,894	3,657
Depreciation on Right-of-use assets - note 4.1	7,237	7,237	-	-	-	-	-	-	7,237	7,237
Auditors' remuneration - note 27.2	1,396	1,182	1,031	1,081	79	83	143	95	2,649	2,441
Other expenses - note 27.3	50,502	39,160	1,809	438	619	458	-	-	52,930	40,056
	<u>274,126</u>	<u>229,917</u>	<u>20,538</u>	<u>17,303</u>	<u>8,458</u>	<u>7,050</u>	<u>767</u>	<u>770</u>	<u>303,889</u>	<u>255,040</u>
27.1 Salaries, wages and other benefits include a sum of Rs. 7.10 (2022: Rs. 4.31) million in respect of staff retirement benefits.										
	Sugar Division		Distillery Division		Textile Division		Trading Division		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
27.2 Auditors' remuneration										
Statutory audit fee	903	769	667	719	51	52	92	64	1,713	1,604
Code of corporate governance	129	94	95	69	7	9	13	5	245	178
Half yearly review fee	261	236	193	216	15	17	27	19	495	487
Out of pocket expenses	103	83	76	76	6	6	11	7	196	172
	<u>1,396</u>	<u>1,182</u>	<u>1,031</u>	<u>1,081</u>	<u>79</u>	<u>83</u>	<u>143</u>	<u>95</u>	<u>2,649</u>	<u>2,441</u>

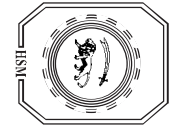
27.3 Other expenses of sugar division include donation of Rs.35.00 (2022: Rs. 28.80) million as per details below:

Name of Institution	2023	2022
	(Rupees in thousands)	
Al-Sayyeda Benevolent Trust	3,000	3,000
Rehmat Bai Widows & Orphanage Trust	3,000	3,000
Habib Medical Trust	3,000	3,000
Habib Poor Fund	3,000	3,000
Family Education Services Foundation	22,000	16,000
Markaz-e-umeed	1,000	800
	<u>35,000</u>	<u>28,800</u>

None of the Directors or their spouses had any interest in the above donee's fund.

27.4 Information on assets, liabilities and capital expenditure by segment is as follows:

	(Rupees in thousands)									
	Sugar Division		Distillery Division		Textile Division		Trading Division		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
27.4.1 Segment assets	4,782,121	5,705,958	2,480,973	1,864,553	372,363	481,842	-	-	7,635,457	8,052,353
Unallocated assets									10,073,602	5,481,090
									<u>17,709,059</u>	<u>13,533,443</u>
27.4.2 Segment liabilities	3,754,107	2,776,528	1,663,144	563,563	204,559	112,500	25,901	7,344	5,647,711	3,459,935
Unallocated liabilities									745,942	553,506
									<u>6,393,653</u>	<u>4,013,441</u>
27.4.3 Capital expenditure	145,130	105,019	-	750	-	175	-	-	145,130	105,944





	Note	2023	2022
(Rupees in thousands)			
28. Other operating expenses			
Workers' Profit Participation Fund	20.1	161,518	88,508
Workers' Welfare Fund		30,000	10,000
Rain Relief Expenses		—	61,611
Exchange loss - net		338,233	215,067
		<u>529,751</u>	<u>375,186</u>
29. Other income			
Income from financial assets			
Dividend income	29.1	568,510	347,015
Income from non financial assets			
Gain on disposal of fixed assets		4,322	7,610
Remeasurement gain on discounting of provision for GIDC		5,838	7,835
Agriculture income		3,476	2,077
Scrap sale		29,895	29,383
		43,531	46,905
		<u>612,041</u>	<u>393,920</u>
29.1 Dividend income includes dividend received from the following related parties:			
	Note	2023	2022
(Rupees in thousands)			
Bank AL Habib Limited		277,572	168,957
Habib Insurance Company Limited		3,352	3,352
		<u>280,924</u>	<u>172,309</u>
30. Finance cost - net			
Profit on treasury call accounts	14.1	262,001	26,655
Profit on term deposits receipts	14.2	24,263	22,460
Income on Government Securities		55,717	71,874
Interest on loan to employees		1,926	2,377
		343,907	123,366
Less: Mark-up / interest on:			
Short-term borrowings		(341,765)	(160,158)
Workers' Profit Participation Fund		(1,176)	(1,218)
Lease Liability		(1,216)	(2,008)
Bank charges		(28,147)	(26,483)
		(372,304)	(189,867)
		<u>(28,397)</u>	<u>(66,501)</u>



	Note	2023	2022
		(Rupees in thousands)	
30.1			
Finance income received		335,078	121,123
Finance charges paid		(366,864)	(189,867)
Finance cost paid - net		<u>(31,786)</u>	<u>(68,744)</u>
31. Taxation			
Income tax - current		573,500	242,000
- prior years		55,000	80,000
		<u>628,500</u>	<u>322,000</u>
Deferred tax		96,500	13,000
	31.1	<u>725,000</u>	<u>335,000</u>
31.1 Reconciliation of tax charge for the year			
Accounting profit		<u>3,266,478</u>	<u>1,624,761</u>
Corporate tax rate		<u>29%</u>	<u>29%</u>
Tax on accounting profit at applicable rate		947,279	471,181
Tax effect of timing differences		96,500	13,000
Tax effect of income at lower tax rates		(513,225)	(306,851)
Tax effect of income exempt from tax / tax credit and unused tax losses		(103,955)	(2,874)
Tax effect of Super Tax		245,500	117,000
Tax effect of inadmissible expenses		52,901	43,544
		<u>(222,279)</u>	<u>(136,181)</u>
		<u>725,000</u>	<u>335,000</u>

31.2 The income tax return for the Tax year 2023 (financial year ended September 30, 2022) has been filed.



	Note	2023 (Rupees in thousands)	2022
32. Earnings per share - Basic and diluted			
Profit after taxation		2,541,478	1,289,761
		Number of shares	
Number of ordinary shares of Rs. 5/- each		150,000,000	150,000,000
Earnings per share - Basic and diluted (Rupees)		16.94	8.60
33. Cash generated / (used in) from operations			
Profit before taxation		3,266,478	1,624,761
Adjustment for non-cash charges and other items			
Depreciation / amortization	3.1 & 4.1	225,156	242,184
Provision for obsolescence and slow moving stores and spares	7.1	(9,000)	(4,000)
Gain on disposal of operating fixed assets	29	(4,322)	(7,610)
Finance cost - net	30	28,397	66,501
Dividend income	29.1	(568,510)	(347,015)
Remeasurement gain on discounting of provision for GIDC	29	(5,838)	(7,835)
		(334,117)	(57,775)
Working capital changes	33.1	818,230	(1,715,771)
		3,750,591	(148,785)
33.1 Working capital changes			
(Increase) / decrease in current assets			
Stores and spare parts		(103,301)	(75,936)
Stock-in-trade		1,047,160	(3,109,722)
Trade debts		(836,599)	83,310
Loans and advances		(110,039)	(25,639)
Trade deposits and short-term prepayments		(43,604)	(4,247)
Other receivables		(2,609)	12,389
		(48,992)	(3,119,845)
Increase / (decrease) in current liabilities			
Trade and other payables		1,066,757	75,703
Advance from customers		(199,535)	1,328,371
		867,222	1,404,074
		818,230	(1,715,771)



34. Remuneration of Chief Executive, Directors and Executives

	2023				2022			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	(Rupees in thousands)							
Managerial remuneration	22,868	11,880	91,085	125,833	18,400	10,800	99,440	128,640
Perquisites								
Telephone	37	26	208	271	61	15	398	474
Bonus	1,097	–	13,103	14,200	3,290	–	16,444	19,734
Medical	393	129	2,036	2,558	713	175	3,719	4,607
Utilities	–	1,899	–	1,899	–	1,466	–	1,466
Entertainment	–	345	–	345	–	280	741	1,021
Retirement benefits	1,586	881	6,853	9,320	1,302	809	7,370	9,481
	<u>25,981</u>	<u>15,160</u>	<u>113,285</u>	<u>154,426</u>	<u>23,766</u>	<u>13,545</u>	<u>128,112</u>	<u>165,423</u>
Number of persons	<u>1</u>	<u>1</u>	<u>22</u>	<u>24</u>	<u>1</u>	<u>1</u>	<u>28</u>	<u>30</u>

34.1 Chief Executive, Directors and certain Executives are also provided with the Company maintained cars.

34.2 Five non-executive directors (2022: Five) have been paid fees of Rs.0.76 (2022: Rs.0.76) million for attending board and other meetings.

35. Financial Risk Management Objectives and Policies

The main risks arising from the Company's financial instruments are credit risk, market risk, liquidity risk, equity price risk and operational risk. The Board of Directors reviews and decides policies for managing each of these risks which are summarised below.

35.1 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 credit worthiness of counter parties.

Concentrations of credit risk arise when a number of counter parties 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. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company is exposed to credit risk on loans, deposits, trade debts, other receivables and bank balances and profit accrued thereon. The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk at the reporting date is as follows:



	2023	2022
	(Rupees in thousands)	
Long-term loans	33,951	14,828
Long-term deposits	3,972	3,972
Trade debts	1,160,742	324,143
Advances	169,686	51,646
Trade deposits	851	751
Profit accrued	32,793	23,964
Other receivables	12,753	11,277
Bank balances	1,273,494	545,580
	<u>2,688,242</u>	<u>976,161</u>

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 the historical information about counter party default rates as shown below:

	2023	2022
	(Rupees in thousands)	
35.1.1 Trade debts		
Customers with no defaults in the past one year	<u>1,160,742</u>	<u>324,143</u>
35.1.2 Bank Balances		
A1+	1,268,543	542,187
A2	4,951	3,393
	<u>1,273,494</u>	<u>545,580</u>

35.2 Market Risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. There has been no change in the Company's exposure to market risk or the manner in which this risk is managed and measured except for the fair valuation of the Company's Investments carried at fair value through other comprehensive income. Under market risk the Company is exposed to interest rate risk, currency risk and equity price risk.



35.2.1 Interest rate risk

This represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market interest rates.

At the date of the statement of financial position, the bank balances of Rs. 1,153.38 (2022: Rs.493.19) million are subject to interest rate risk. Applicable interest rates have been indicated in Note 14 to these financial statements. Company's profit after tax for the year would have been Rs. 8.82 (2022: Rs.3.51) million higher / lower if interest rates have been 1% higher / lower while holding all other variables constant.

35.2.2 Foreign currency risk

Foreign currency risk is the risk that the value of financial assets or a financial liability will fluctuate due to change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in foreign currency. The Company's exposure to foreign currency risk is as follows:

		2023 (Respective Currency)	2022
Trade debts	\$	761,635	154,703
“	£	280,905	42,232
Advance from customers	\$	395,124	1,274,040

The following significant exchange rates have been applied at the reporting dates:

Exchange rates	buying \$	281.70	227.80
	selling \$	282.20	228.30
	buying £	359.03	253.04
	selling £	359.66	253.60

The foreign currency exposure is partly covered as the outstanding balance at the year end is determined in respective currency which is converted into rupees at the exchange rate prevailing at the date of the statement of financial position.

Sensitivity analysis:

The following table demonstrates the sensitivity of the Company's profit before tax and the Company's equity to a reasonably possible change in the foreign currency exchange rate, with all other variables held constant.

	Change in Foreign Currency rate (%)	Effect on profit (Rupees in thousands)	Effect on equity
September 30, 2023	+10	(20,392)	(19,965)
	-10	20,392	19,965
September 30, 2022	+10	(24,486)	(24,241)
	-10	24,486	24,241

35.2.3 Equity price risk

The Company's investments are susceptible to market price risk arising from uncertainties about future values of investment securities. The Company manages the equity price risk through diversification and placing limits on individual and total investments. Reports on the investment portfolio are submitted to the Company's senior management on a regular basis. The Investment Committee of the Company reviews and approves policy decisions.



At the date of the statement of financial position, the exposure to investment at fair value through other comprehensive was 7,999.04 (2022: Rs.4,510.93) million.

35.3 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 continually monitors its liquidity position and ensures availability of funds by maintaining flexibility by keeping committed credit lines available.

Year ended September 30, 2023	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
(Rupees in thousands)						
Trade and other payables	–	1,115,446	1,841,375	–	–	2,956,821
Advance from customers	–	1,615,781	–	–	–	1,615,781
Lease Liability	–	9,573	–	–	–	9,573
Short term borrowings	–	1,156,626	–	–	–	1,156,626
	–	3,897,426	1,841,375	–	–	5,738,801
(Rupees in thousands)						
Year ended September 30, 2022	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
(Rupees in thousands)						
Trade and other payables	–	725,845	1,164,668	–	–	1,890,513
Advance from customers	–	1,810,835	–	–	–	1,810,835
Lease Liability	–	7,929	–	9,573	–	17,502
	–	2,544,609	1,164,668	9,573	–	3,718,850

35.4 Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's activities, either internally within the Company or externally at the Company's service providers and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of operation behaviour. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation while achieving its business objective and generating returns for investors.

Primary responsibility for the development and implementation of controls over operational risk rests with the management of the Company. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective; and
- operational and qualitative track record of the plant and equipment supplier and related service providers.



35.5 Capital risk management

The company finances its investments portfolio through management of its working capital and equity with a view to maintaining an appropriate mix between various sources of finance to minimise risk. The primary objective of the Company's capital management is to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholder value and reduce the cost of capital. The Company monitors capital using a debt equity ratio as follows:

2023 2022
(Rupees in thousands)

35.6 FINANCIAL INSTRUMENTS BY CATEGORY

35.6.1 Financial assets as per statement of financial position

Fair value through other comprehensive income

Investments in related parties - Quoted	1,113,694	1,335,617
Investments in related parties - Unquoted	13,125	129,179
Investments in other companies - Quoted	781,458	807,400
Investments in units of mutual funds	6,090,765	2,238,732
	<u>7,999,042</u>	<u>4,510,928</u>

At amortised cost

- Loans and advances	15,054	13,646
- Deposits	4,823	4,723
- Trade debts	1,160,742	324,143
- Profit accrued	32,793	23,964
- Other receivables	12,753	11,277
- Investment in Government Securities	321,706	350,615
- Cash and bank balance	1,274,264	545,972
	<u>2,822,135</u>	<u>1,274,340</u>
	<u>10,821,177</u>	<u>5,785,267</u>

35.6.2 Financial liabilities as per statement of financial position

At amortised cost

- Trade and other payables	2,956,821	1,890,513
- Unclaimed dividend	195,425	105,162
	<u>3,152,246</u>	<u>1,995,675</u>



35.6.3 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Financial assets which are tradeable in an open market are revalued at the market prices prevailing on the date of the statement of financial position. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

The Company uses the following hierarchy for disclosure of the fair value of financial instruments by valuation techniques:

Level 1: Quoted prices in active markets for identical assets.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset either directly or indirectly.

Level 3: inputs for the asset that are not based on observable market data.

	2023			
	Level 1	Level 2	Level 3	Total
	(Rupees in thousands)			
Long-term investments	1,895,152	–	13,125	1,908,277
Short-term investments: units of mutual funds	–	6,090,765	–	6,090,765
	<u>1,895,152</u>	<u>6,090,765</u>	<u>13,125</u>	<u>7,999,042</u>

	2022			
	Level 1	Level 2	Level 3	Total
	(Rupees in thousands)			
Long-term investments	2,143,017	–	12,788	2,155,805
Short-term investments: units of mutual funds / shares	–	2,238,732	116,391	2,355,123
	<u>2,143,017</u>	<u>2,238,732</u>	<u>129,179</u>	<u>4,510,928</u>

During the year, there were no transfers between levels.

The market prices of units of mutual funds are based on the declared Net Asset Values (NAV) on which redemptions can be made. NAVs have been obtained from the website of Mutual Fund Association of Pakistan (MUFAP).

36. Capacity and production

	2023		2022	
	Quantity	Working days	Quantity	Working days
36.1 Sugar division				
Crushing capacity	11,000	M.Tons Per Day	11,000	M. Tons Per Day
Crushing based on actual working days	979,000	M. Tons	1,375,000	M. Tons
Actual crushing	844,841	M. Tons	1,126,516	M. Tons
Sucrose recovery	10.96	%	10.61	%
Sugar production	92,591	M. Tons	119,531	M. Tons

Sugar unit operated below capacity due to lesser availability of sugarcane.



	2023			2022		
	Quantity		Working days	Quantity		Working days
36.2 Distillery division						
a) Ethanol						
Capacity	34,000	M. Tons	300	34,000	M. Tons	300
Actual production	34,494	M. Tons	358	30,956	M. Tons	312
b) Liquidified carbon dioxide (CO₂)						
Capacity	18,000	M. Tons	300	18,000	M. Tons	300
Actual production	10,825	M. Tons	308	7,825	M. Tons	236
36.3 Textile division						
Capacity	560,000	Kgs.	300	560,000	Kgs.	300
Actual production	420,936	Kgs.	326	461,114	Kgs.	313

a) The actual production of textile division is lower due to selective orders

37. Provident Fund related disclosure

The following information is based on un-audited financial statements of the Fund as at 30 September:

	2023	2022
	(Rupees in thousands)	
Size of the fund - Total assets	342,309	330,886
Fair value of investments	326,960	316,776
Percentage of investments made	95.52	95.74

37.1 The cost of above investments amounted to Rs. 320.20 million (2022: Rs. 274.30 million).

37.2 The break-up of fair value of investments is as follows:

	2023	2022	2023	2022
	(Percentage)		(Rupees in thousands)	
National savings scheme	–	90.52	–	286,750
Bank deposits	100.00	9.45	326,960	29,941
Debt securities	–	0.03	–	85
	<u>100.00</u>	<u>100.00</u>	<u>326,960</u>	<u>316,776</u>

37.3 The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.



	2023	2022
	(Number)	
38. Number of Employees		
Number of employees including contractual employees at September 30,	531	524
Average number of employees including contractual employees during the year	527	521

39. Transactions with related parties

Related parties comprise of associated entities with common directorship, retirement benefit funds, directors and key management personnel. Material transactions with related parties during the year, other than those which have been disclosed entities with common directorship, financial statements, are as follows:

Name of related parties and relationship with the Company	Nature of transactions	2023	2022
		(Rupees in thousands)	
Related Parties			
Bank Al Habib Limited	Profit on Treasury call account	104,677	39,394
	Dividend received	277,572	168,957
	Dividend paid	32,954	28,246
	Bank charges	418	271
Al Habib Asset Management Limited subsidiary of Bank Al Habib Limited	Purchase of Units	4,868,126	4,426,000
	Dividend received	102,024	59,352
	Sale of Units	3,295,436	4,390,000
	Capital gain	21,403	35,584
Habib Insurance Company Limited	Insurance premium paid	32,826	32,643
	Insurance claim received	24,200	4,335
	Dividend received	3,352	3,352
	Dividend paid	15,571	13,346
Uni Food Industries Limited	Purchase of shares	-	37,559
	Sale of shares	113,493	-
Habib Mercantile Company Limited	Dividend paid	1,787	1,532
Habib Sons (Pvt.) Limited	Dividend paid	1,822	1,564
Retirement benefit funds	Contribution to retirement funds	19,048	18,507

Transactions with related parties are carried out under normal commercial terms and conditions.



40 DIVIDEND

The Board of Directors of the Company in their meeting held on 23 December 2023 have proposed a final cash dividend of Rs. 6 per share (120%) for the year ended 30 September 2023. The approval of the members for the proposed final cash dividend will be obtained at the Annual General Meeting of the Company to be held on 24 January 2024.

41 GENERAL

41.1 Figures have been rounded off to the nearest thousand rupees.

41.2 These financial statements were authorised for issue on 23 December 2023 by the Board of Directors of the Company.

41.3 Corresponding figures have been reclassified wherever necessary for better presentation.

Amir Bashir Ahmed
Chief Financial Officer

Khursheed A. Jamal
Chief Executive

Murtaza Habib
Director



Pattern of Shareholding as at September 30, 2023

Number of Shareholders	Size of Shareholding		Total Number of Shares held
	From	To	
1,442	1	100	33,001
795	101	500	228,342
445	501	1,000	341,900
1,187	1,001	5,000	2,772,203
226	5,001	10,000	1,660,018
103	10,001	15,000	1,270,534
58	15,001	20,000	1,019,020
45	20,001	25,000	1,008,317
27	25,001	30,000	750,286
16	30,001	35,000	517,136
16	35,001	40,000	604,788
18	40,001	45,000	771,783
13	45,001	50,000	629,859
11	50,001	55,000	582,644
7	55,001	60,000	406,286
8	60,001	65,000	508,548
4	65,001	70,000	268,598
8	70,001	75,000	580,716
4	75,001	80,000	315,274
2	80,001	85,000	165,000
6	85,001	90,000	525,983
5	90,001	95,000	458,769
3	95,001	100,000	294,988
1	100,001	105,000	100,403
1	105,001	110,000	109,877
3	110,001	115,000	338,875
1	125,001	130,000	125,757
3	130,001	135,000	397,174
1	135,001	140,000	138,002
3	140,001	145,000	425,385
2	150,001	155,000	309,348
1	155,001	160,000	159,720
1	165,001	170,000	167,500
2	175,001	180,000	356,120
1	185,001	190,000	185,779
3	200,001	205,000	602,347
1	205,001	210,000	205,156
1	225,001	230,000	226,846
1	245,001	250,000	250,000
1	265,001	270,000	269,803
1	280,001	285,000	283,665
1	285,001	290,000	289,337
2	295,001	300,000	600,000
1	300,001	305,000	304,940
1	305,001	310,000	306,990
1	320,001	325,000	320,446
2	325,001	330,000	657,539
1	355,001	360,000	359,970
1	365,001	370,000	368,825
1	390,001	395,000	390,045
1	395,001	400,000	397,377
1	405,001	401,000	409,546
1	415,001	420,000	416,500
1	420,001	425,000	421,146
2	445,001	450,000	895,536
2	460,001	465,000	926,233
1	510,001	515,000	510,668
2	520,001	525,000	1,046,263
1	540,001	545,000	543,500
1	570,001	575,000	572,918
1	580,001	585,000	584,000
2	595,001	600,000	1,195,532
1	735,001	740,000	740,000
1	750,001	755,000	754,500
1	845,001	850,000	850,000
3	865,001	870,000	2,598,556
1	880,001	885,000	880,825
1	970,001	975,000	970,127
1	990,001	995,000	992,368
1	1,125,001	1,130,000	1,122,697



Pattern of Shareholding as at September 30, 2023

Number of Shareholders	Size of Shareholding		Total Number of Shares held
	From	To	
1	1,030,001	1,035,000	1,032,293
1	1,080,001	1,085,000	1,080,889
3	1,180,001	1,185,000	3,544,978
1	1,245,001	1,250,000	1,250,000
1	1,265,001	1,270,000	1,266,939
2	1,285,001	1,290,000	2,577,784
1	1,415,001	1,420,000	1,418,565
1	1,440,001	1,445,000	1,440,330
2	1,455,001	1,460,000	2,916,402
1	1,520,001	1,525,000	1,523,450
1	1,525,001	1,530,000	1,528,168
1	1,685,001	1,690,000	1,688,251
1	1,825,001	1,830,000	1,827,819
1	1,865,001	1,870,000	1,866,906
1	2,025,001	2,030,000	2,029,070
1	2,545,001	2,550,000	2,548,671
1	2,945,001	2,950,000	2,949,500
1	2,995,001	3,000,000	2,997,000
1	3,580,001	3,585,000	3,581,018
1	3,820,001	3,825,000	3,821,357
1	4,445,001	4,450,000	4,448,758
1	5,825,001	5,830,000	5,825,357
1	6,555,001	6,560,000	6,554,075
1	6,630,001	6,635,000	6,631,596
1	6,930,001	6,935,000	6,930,253
1	9,415,001	9,420,000	9,415,312
1	26,510,001	26,515,000	26,513,125
4,545			150,000,000

Shareholders' Category	Number of Shareholders	Number of Shares held	Percentage
General Public (Local)	4,349	54,359,434	36.22
General Public (Forigen)	119	7,406,939	4.94
Insurance Companies	3	10,274,285	6.85
Joint Stock Companies	47	40,556,003	27.04
Financial Institutions	7	22,974,040	15.32
Modaraba Companies	1	10,400	0.01
Charitable Trusts	16	14,408,922	9.61
Societies	2	9,976	0.01
Corporate Law Authority	1	1	0.00
	4,545	150,000,000	100.00



Pattern of Shareholding as at September 30, 2023

Additional Information

Shareholders' Category	Number of Shareholders	Number of Shares Held	
Associated Companies, undertakings and related parties			
Habib Mercantile Company (Pvt) Limited	1	510,668	
Habib & Sons (Pvt) Limited	1	521,263	
Bank AL Habib Limited	1	9,415,312	
Habib Insurance Co. Ltd.	1	4,448,758	
NIT and ICP			
National Investment (Unit) Trust (NIT)	1	6,930,253	
Investment Corporation of Pakistan	1	731	
Directors, CEO and their spouses and minor children			
Asgar D. Habib	Chairman	1	3,821,357
Murtaza Habib	Director	1	3,581,018
Hasnain Habib	"	1	5,000
Farouq Habib Rahimtoola	"	1	5,000
Sohail Hussain Haji	"	1	5,000
Muhammad Salman Husain Chawala (NIT Nominee)	"	—	—
Tyaba Muslim Habib	"	1	10,000
Khursheed A. Jamal	Chief Executive	1	1,000
Mrs. Tahira Asghar D. Habib w/o Mr. Asghar D. Habib		1	2,548,671
Executives		1	49
Public Sector Companies and Corporations		45	39,524,072
Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Takaful Modarabas and Pension Funds		7	12,463,671
General Public			
a) Local	4,340		44,382,339
b) Foreign	119		7,406,939
Others			
Charitable & Other Trusts	16		14,408,922
Societies	2		9,976
Government Institution	1		1
	4,545		150,000,000

Shareholders holding 10% or more voting rights

ICOM Industrie Und Handels, Schaan Principality of Liechtenstein 26,513,125

The detail of transactions by the Company's Directors, Executives and their Spouses during the year:

Name	Date	Sale	No. of Shares Purchased
Mr. Khursheed A. Jamal	12.01.2023	—	1,000
Mr. Hasnain Habib	13.04.2023	—	5,000
Mrs. Tahira Asghar D. Habib - Spouse of Chairman	17.04.2023	—	195,000
Mrs. Tahira Asghar D. Habib - Spouse of Chairman	13.09.2023	—	50,000
Mrs. Tahira Asghar D. Habib - Spouse of Chairman	19.09.2023	—	50,000



۱۰۔ سرمایہ کاری کی ویلیویشن سول حاصل کردہ منافع اور پروویڈنٹ فنڈ اور گریجویٹ کا ڈیپازٹ / کرنٹ اکاؤنٹ میں بیننس 30 ستمبر 2023 کو درج ذیل ہے۔

(روپے ہزاروں میں)

326,960

پروویڈنٹ فنڈ

139,857

گریجویٹ فنڈ

سال کے دوران بورڈ کے پانچ اجلاس منعقد کئے گئے اور ہر ڈائریکٹر کی حاضری کی تفصیلات درج ذیل ہیں:

ڈائریکٹر کا نام	اجلاس میں شرکت کی تعداد
جناب اصغر ڈی حبیب	4 (25 جنوری 2023 کو دوبارہ منتخب ہوئے)
جناب علی رضا ڈی حبیب	- (25 جنوری 2023 کو مدت مکمل ہوئی)
جناب مرتضیٰ حبیب	5 (25 جنوری 2023 کو دوبارہ منتخب ہوئے)
جناب حسنین حبیب	2 (25 جنوری 2023 کو منتخب ہوئے)
جناب شمس محمد حاجی	1 (25 جنوری 2023 کو مدت مکمل ہوئی)
جناب سہیل حسین حاجی	3 (25 جنوری 2023 کو منتخب ہوئے)
جناب فاروق حبیب رحیم تولا	5 (25 جنوری 2023 کو دوبارہ منتخب ہوئے)
محترمہ طیبہ مسلم حبیب	5 (25 جنوری 2023 کو دوبارہ منتخب ہوئیں)
جناب شیخ عامر رفیق	1 (25 جنوری 2023 کو مدت مکمل ہوئی)
جناب محمد سلمان حسین چاؤلہ	4 (25 جنوری 2023 کو منتخب ہوئے)
جناب خورشیداے۔ جمال	5 (25 جنوری 2023 کو دوبارہ نامزد ہوئے)

شیئر ہولڈنگ کے طریقہ اور اس سے متعلق اضافی معلومات صفحہ نمبر 79 اور 81 پر دی گئی ہے۔

ڈائریکٹرز CEO، CFO، کمپنی سیکریٹری اور ان کی فیملیز کے شیئر ہولڈنگ میں تبدیلی جو کہ شیئر ہولڈنگ کی نوعیت صفحہ نمبر 81 پر دی گئی ہے۔

اظہار تشکر:

ڈائریکٹران اپنے تمام عملے، سروسز خدمات اور سخت محنت سے کام کرنے کا اعتراف کرتے ہیں جس میں کمپنی کے آفیسر، اسٹاف اور ورکرز شامل ہیں اور ان مالیاتی اداروں کا شکریہ بھی ادا کیا ہے جن کے ساتھ ہمارے کاروباری تعلقات اور ہمارے کسٹمرز کا بھی جن کی سپورٹ اور تعاون حاصل رہا۔

بورڈ آف ڈائریکٹرز کی جانب سے

مرتضیٰ حبیب
ڈائریکٹر

خورشیداے۔ جمال
چیف ایگزیکٹو

کراچی مورخہ 23 دسمبر 2023ء



ملز کے بواکرم میں راکھ دور کرنے کے لئے سسٹم نصب کیا گیا ہے جو کہ مستقل طور پر کامیابی سے چل رہا ہے اور کالے ذرے مکمل طور پر غائب ہو گئے ہیں۔ کمپنی نے شوگر فیکٹری میں ایک آلودہ پانی کا ٹریٹمنٹ پلانٹ بھی لگایا ہے تاکہ آئل گریس اور دیگر سیال مادے کو اس پانی سے خارج کیا جاسکے۔ یہ پروجیکٹ مکمل ہونے کے بعد کامیابی سے اطمینان بخش نتائج حاصل کر رہا ہے۔

SLOP ٹریٹمنٹ پلانٹ اور کاربن ڈائی آکسائیڈ ریکوری پلانٹس کی تنصیب ہماری معاشرتی ذمہ داری ہے جو کہ ہمارے نکاسی کے عمل سے ہمارے ڈسٹری کے آپریشن سے گرین ہاؤس گیسز کو کم کرنے میں مددگار ہے۔

اللہ تعالیٰ کے کرم سے ان پروجیکٹس کے کامیاب آپریشن کے تحت نواب شاہ کے لوگوں کے لئے آلودگی سے پاک ماحول فراہم کرنے میں مدد ملی ہے۔ کمپنی سوشل سیکورٹی / پیپلز میڈیکل ہسپتال شہید بینظیر آباد کے ذریعے ملازمین کی باقاعدہ پیشہ ورانہ صحت کی نگرانی اور کام کی جگہ پر اس کے مناسب استعمال کے لیے تمام ملازمین کو مخصوص کام کے لیے فراہم کردہ پرسنل پروٹیکو آلات فراہم کرنے کو یقینی بناتی ہے۔

ماحولیات کے تحفظ میں اپنا حصہ ڈالنے کی کوششوں کو جاری رکھتے ہوئے، کمپنی کی جانب سے فیکٹری کے احاطے اور آس پاس کے علاقوں میں درخت لگانے کی مہم جاری ہے تاکہ علاقے کو سرسبز و شاداب بنایا جاسکے اور ماحولیاتی ماحولیات کو بہتر بنایا جاسکے اور ماحول دوست بنایا جاسکے۔ اس سرگرمی کے دوران لوگوں کو محفوظ علاقوں کی تعمیر کے لیے موسمیاتی تبدیلیوں کو کم کرنے کے لیے درخت لگانے کی اہمیت اور فوائد کے بارے میں بھی آگاہ کیا گیا۔ سال کے دوران کمپنی کی طرف سے 4,000 سے 5,000 درخت لگائے گئے۔

قومی خزانے میں حصہ داری:

زیرہ جائزہ سال کے دوران آپ کی کمپنی نے ٹیکسز، محصولات، سٹیکس اور ایکسائز کی مد میں 2590.33 ملین روپے خزانے میں جمع کرائے ہیں اس کے علاوہ قیمتی زر مبادلہ بھی ایتھانول اور گھریلو ٹیکسٹائل کی ایکسپورٹ سے حاصل کیا جو کہ ملین 7,291.01 روپے (US \$ 29.12 ملین) کے مساوی ہیں۔

آڈیٹرز:

آڈیٹرز میسرز گرانٹ تھورنٹن انٹرمیڈیٹ چارٹرڈ اکاؤنٹنٹس نے اپنا پہلا قانونی آڈٹ کی ذمہ داری 30 ستمبر 2023 کو ختم ہونے والے سال مکمل کر لیا اور 62 واں سالانہ اجلاس عام کے ختم ہونے پر ریٹائر ہو رہے ہیں۔ ریٹائر ہونے والے گرانٹ تھورنٹن انٹرمیڈیٹ چارٹرڈ اکاؤنٹنٹس نے آئندہ سال اپنی تقرری کے لئے پیشکش کی ہے۔ آڈٹ کمیٹی کی سفارش پر پورٹل میسرز گرانٹ تھورنٹن انٹرمیڈیٹ چارٹرڈ اکاؤنٹنٹس کو آئندہ سال کے لئے کمپنی کے آڈیٹرز کے طور پر تقرری آئندہ ہونے والے اجلاس عام میں منظوری کی سفارش کی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک سے متعلق اسٹیٹمنٹ:

- مالیاتی حسابات جو کہ کمپنی نے مرتب کئے ہیں یہ شفاف انداز میں کمپنی کی ضروری امور اور آپریشنز کے نتائج اور کیش فلو اور آپریشنز کے نتائج اور کیش فلو اور ایکویٹی میں تبدیلی کو ظاہر کرتے ہیں۔
- کمپنی کی بکس آف اکاؤنٹ مناسبت طریقے سے ترتیب دیئے جاتے ہیں۔
- مالیاتی حسابات کی تیاری کے سلسلے میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور کسی بھی تبدیلی اور تخمینہ کو مناسب اور واضح طور پر ظاہر کیا جاتا ہے۔
- انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز جو کہ پاکستان میں نافذ العمل ہے اس پر مالیاتی حسابات کی تیاری پر لاگو کیا گیا ہے اور کسی بھی تبدیلی اور تخمینہ کو مناسب طور پر وضاحت کی گئی ہے۔
- داخلی کنٹرول کا نظام مستحکم ہے اور موثر طور پر اس پر عمل درآمد اور نگرانی کی جاتی ہے۔
- کمپنی کی صلاحیت بطور چلتے ہوئے کاروبار پر کسی قسم کا شک نہیں ہے۔
- کارپوریٹ گورننس کے طریقے کا جیسا کہ لسٹنگ ریگولیشنز میں تفصیل دی گئی ہے جس کی کوئی خلاف ورزی نہیں کی گئی۔
- چھ سال کے مالیاتی اعداد و شمار اور آپریشن کے متعلق معلومات صفحہ نمبر 14 پر دی گئی ہے۔
- ٹیکسز اور محصولات سے متعلق معلومات مالیاتی اسٹیٹمنٹ کے نوٹس میں دی گئی ہے۔



HR اور معاوضہ کمیٹی:

کمیٹی نے نظم و ضبط کے تحت HR اور معاوضہ کمیٹی کو رڈ آف کارپوریٹ کے تحت قائم کی ہے۔ HR اور معاوضہ کمیٹی تین ممبران پر مشتمل ہے جن میں دو نان ایگزیکٹو ڈائریکٹران ہیں اور CEO بھی کمیٹی کے ممبر ہیں۔ کمیٹی کی چیئر پرسن جو کہ انڈینڈینٹ نان ایگزیکٹو ڈائریکٹر ہے۔ یہ کمیٹی سال کے دوران ایک میٹنگ کرتی ہے۔ اس میٹنگ میں شرکت کی تفصیل درج ذیل ہے:

اجلاس میں شرکت کی تعداد

1	چیئر پرسن	مترجمہ طیبہ مسلم حبیب
1	ممبر	جناب حسنین حبیب
1	ممبر	جناب خورشید اے جمال

کارپوریٹ معاشرتی ذمہ داری:

حبیب شوگر ملز کارپوریٹ معاشرتی ذمہ داری (CSR) جو کہ 1962ء میں قائم ہونے کے سال سے ہی پروگرام مرتب کرتی ہے۔ مقامی کمیونٹیز، گورنمنٹ باڈیز اور سوسائٹی آرگنائزیشن کی ضروریات پر توجہ دیتی ہے۔ کمیٹی کا CSR رپورٹ فولیوسالوں پر محیط ہے جس میں سوشل ویلفیئر، تعلیم، صحت کی حفاظت، انفراسٹرکچر کی ترقی اور ذریعہ معاش کے دیگر امور شامل ہیں۔

کیونٹی کی سرمایہ کاری اور ویلفیئر اسکیم:

کمیٹی نے اپنی بنیادی اقدار کے حصے کے طور پر مل کے آس پاس کے رہنے والے لوگوں کی فلاح و بہبود میں اپنا حصہ ڈالنے کو بہت اہمیت دی ہے۔ ایک ذمہ دار کارپوریٹ شہری کی حیثیت سے اور اس حوالے سے سیکنڈری سطح تک اسکول چلانا، آنکھوں کے کھپ کا قیام، ملز کے آس پاس ایریا میں رہنے والوں کو مالی تعاون اور مفت راشن اور میڈیکل اور تعلیم کی معاونت ضرورت مند افراد کو کی جاتی ہے۔ معاشرتی اور اقتصادی امور میں کمیٹی اپنا کردار ادا کرتی ہے اور ضلع میں تمام سطح پر سر اہا جاتا ہے۔ کمیٹی نے جسمانی طور پر معذور افراد کو ملازمت فراہم کی ہیں جو کہ معذور افراد (تقریری اور آباد کاری) آرڈیننس 1981 پر عمل کرتے ہوئے کیا ہے۔

گزشتہ کئی سالوں سے HSML اسکول اپنے ملازمین کے بچوں کو بہترین تعلیم فراہم کر رہا ہے۔ اسکول میں بہت صحت مند، محفوظ اور تعلیمی فروغ کا ماحول ہے۔ اسکول میں طالب علموں کو نہ صرف تعلیم پر زور دیا جاتا ہے بلکہ معاشرتی تہذیب اور جسمانی افزائش کی بھی تربیت ہوتی ہے۔

اس سال کے دوران کمیٹی نے فیملی ایجوکیشن سروسز فاؤنڈیشن (FESF) جو کہ ایک غیر منافع بخش ادارہ ہے اس کی مستقل معاونت کر رہا ہے جو کہ نواب شاہ میں بہروں کا اسکول چلا رہے ہیں۔ آپ کی کمیٹی نے اس سال کے دوران مبلغ 22.0 ملین روپے کا عطیہ دیا ہے۔ اس وقت اسکول میں 232 طالب علم داخل ہیں اور یہ واحد ادارہ ہے جو کہ نواب شاہ میں بہرے افراد کے لئے بہترین تعلیمی سہولت فراہم کرتا ہے تاکہ ان کی طرز زندگی میں بہتری آئے اور تعلیمی ماحول سے اپنی اہلیت کو بڑھائیں۔

اس سال کے دوران کمیٹی نے مزید 13 ملین روپے کا بھی عطیہ مختلف رجسٹرڈ خیراتی اداروں کو دیا۔ جو کہ تعلیم اور مالی تعاون اور ضرورت مند لوگوں کو مہیا کرتے ہیں جو کہ معاشرے میں خدمات کا مثبت رجحان ہے۔

صحت، حفاظت اور ماحولیات:

ایک ذمہ دار کارپوریٹ شہری ہوتے ہوئے صحت، حفاظت اور ماحولیاتی آلودگی کے تمام معیاری اقدامات کرنے کا عزم رکھتی ہے۔

HSML کی انتظامیہ اس بات پر یقین رکھتی ہے کہ ماحولیاتی آلودگی سے محفوظ رہنا ہر آدمی کے لئے ضروری ہے اور اس کے لئے کمیٹی ضروری سمجھتی ہوئے اپنے ملازمین اور نواب شاہ کے رہائشی افراد کو صحت مند ماحول فراہم کرتی ہے اور آپ کی کمیٹی مسلسل اس بات کو اپنی معاشرتی ذمہ داری سمجھتی ہوئے ضروری اقدامات کرتی ہے تاکہ اس بات کو یقینی بنایا جائے کہ آلودگی سے پاک ماحول فراہم کیا جائے۔



ٹیکسٹائل ڈویژن:

اضافی برآمدات کی نئی منڈی تلاش کی جارہی ہے تاکہ فروخت کا حجم اور منافع برقرار رکھا جائے۔

بگاس پرائیویٹ لیمیٹڈ (ایم ڈیو) منصوبہ میں سرمایہ کاری:

جیسا کہ پچھلی سالانہ رپورٹ میں ذکر کیا گیا، کمپنی کے بورڈ آف ڈائریکٹرز نے ٹیفر کے حوالے سے غیر یقینی صورتحال اور CPPA کے ساتھ بجلی کی خریداری کی شرائط پر تنازعہ کی وجہ سے پروڈیکٹ کو ختم کرنے اور HSM Energy Limited (HSMEL) کو سٹیٹ کا فیصلہ کیا تھا۔ 30 ستمبر 2023 کو ختم ہونے والے سال کے دوران، HSMEL کے تمام اثاثوں کی وصولی ہو چکی تھی اور تمام واجبات کا تصفیہ ہو چکا تھا۔ کمپنی نے 2017 کی دفعات کے تحت کمپنی کو ختم کرنے کے حوالے سے ایس ای سی پی کے ساتھ تمام رسمی کارروائیاں مالی سال کے اختتام سے پہلے مکمل کر لی گئی تھیں اور یوں، HSMEL سٹینڈلینس کی تاریخ کے مطابق ختم ہو گیا ہے۔ اس کے مطابق، کارپوریٹ کنسلٹنٹ کے مشورے پر غور کرتے ہوئے، 30 ستمبر 2023 کو ختم ہونے والے سال کے لیے حبیب شوگر ملز لیمیٹڈ کے مجموعی مالیاتی گوشوارے تیار نہیں کیے گئے۔

ونڈ پاور پروڈیکٹ میں سرمایہ کاری:

کمپنی نے یونی انرجی لیمیٹڈ میں 12.5 ملین روپے کی سرمایہ کاری کی ہے اور یہ ایک غیر درج شدہ پبلک کمپنی ہے۔ جو کہ ہوا کو استعمال کرتے ہوئے بجلی پیدا کرے گی اور قومی گریڈ کو بیچے گی۔ اور متعلقہ کاروباری سرگرمیوں کو انجام دے گی۔ حکومت سندھ نے لیٹرائف انیٹنٹ (LOI) جاری کیا ہے اور جھمپیر ضلع ٹھٹھہ میں پروڈیکٹ لگانے کے لئے زمین الاٹ کی ہے۔ حکومت حالیہ طور پر ٹیفر کی بنیاد اور بجلی خریدنے کے طریقہ کار پر نظر ثانی کر رہی ہے۔ آئندہ کالانچ عمل حکومت کی وضاحت کے بعد کیا جائے گا۔

فوڈ برانس میں سرمایہ کاری:

یونی فوڈ انڈسٹریز سینس 2016 کو قائم ہوئی۔ کمپنی کا مقصد کنفیویشنری آٹمز اور دیگر متعلقہ پروڈکٹس کی برانڈ اور اس کی مینوفیکچرنگ ہے۔ کمپنی کے اثاثہ میں مجموعی سرمایہ کاری 366 ملین روپے کی ہوئی۔ کمپنی کے بورڈ آف ڈائریکٹرز کی 8 جون 2022 کی میٹنگ میں یہ فیصلہ ہوا کہ یونی فوڈ انڈسٹریز میں ہونے والے سرمایہ کو سرنج فوڈ (پرائیویٹ) لیمیٹڈ کو بیچ دیے۔ اوپر بتایا ہوا فیصلہ یونی فوڈ لیمیٹڈ کے تمام شیئرز ہولڈرز کے متفقہ طور پر لیا تا کہ مزید نقصان اور مارکیٹ کے مد مقابل کی موجودگی میں مقابلے اور خام مال کی مہنگی قیمت اور درآمد پیکنگ میٹیریل کی وجہ سے کیا گیا۔

سال کے دوران یونی فوڈ انڈسٹریز کے حصص کی متفقہ فروخت کی رقم سرنج فوڈ (پرائیویٹ) لیمیٹڈ سے مل گئے۔

بورڈ اینڈ مینجمنٹ کمیٹی:

آڈٹ کمیٹی:

کمپنی نے کوڈ آف کارپوریٹ گورننس (تبدیل شدہ) کے تحت آڈٹ کمیٹی تشکیل دی ہے۔ یہ آڈٹ کمیٹی تین ممبران پر مشتمل ہے اور یہ سب انڈیپنڈینٹ نان ایکزیکیوٹو ڈائریکٹرز ہیں۔ آڈٹ کمیٹی سال کے دوران چار اجلاس منعقد کرتی ہے۔ ان اجلاسوں میں شرکت کی تعداد درج ذیل ہے:

اجلاس میں شرکت کی تعداد

جناب فاروق حبیب رحیم تولا	چیئرمین / ممبر	4 (دوبارہ نامزدگی 25 جنوری 2023 کو ہوئی)
جناب شمس محمد حاجی	ممبر	1 (25 جنوری 2023 کو مدت مکمل ہوئی)
جناب سہیل حسین حاجی	ممبر	3 (25 جنوری 2023 کی نامزدگی ہوئی)
محترمہ طیبہ مسلم حبیب	ممبر	4 (دوبارہ نامزدگی 25 جنوری 2023 کو ہوئی)



2021-22	2022-23	ڈویژن کے آپریشن کی تفصیلات کا موازنہ درج ذیل ہے:
313	326	آپریشن کے دن
514,355	506,863	سوت کی مقدار کلوگرام
461,114	420,936	تیار مال کی پیداوار "

ٹریڈنگ ڈویژن:

ٹریڈنگ ڈویژن کا آپریشن منافع 259 ملین روپے (30 ستمبر 2022 131.5 ملین روپے) ہوا۔
اوپر بتائے ہوئے مختلف ڈویژن کے منافع کے علاوہ کمپنی نے ڈیویڈنڈ انکم کی مدد میں 568.51 ملین روپے (2022 : 347.02 ملین روپے) کمایا۔

سپرنیکس:

سپرنیکس کا اطلاق فنانس ایکٹ 2022 کے ذریعہ ہوا بعد ازاں فنانس ایکٹ 2023 کے ذریعہ اس کی شرح %4 سے بڑھا کر %10 کر دیا جس کا اطلاق گزشتہ ٹیکس سال 2023 (30 ستمبر، 2022) سے کر دیا۔ کمپنی نے محتاط طور پر 245.5 ملین روپے اپنے 30 ستمبر 2023 کے ختم ہونے والے مالی سال میں فراہم کر دیا ہے۔ اس کے علاوہ کمپنی نے دوسری کمپنیوں کی طرح اعلیٰ عدالتوں میں سپرنیکس کے لاگو ہونے پر رجوع کیا ہے جہاں مقدمہ زیر سماعت ہے۔

مستقبل کا پروگرام:

بگڑتے ہوئے معاشی حالات اور پاکستان کے زرمبادلہ کے ذخائر میں کمی معیشت پر افراط زر کا دباؤ ڈال رہی ہے اور اس لئے توقع کی جاتی ہے کہ کمپنی کا آپریشن ماحول بدستور چیلنج رکھے گا۔ آگے بڑھتے ہوئے، توقع ہے کہ ملک کا معاشی نقطہ نظر آئی ایم ایف کے ساتھ تعلقات، بشمول آئی ایم ایف پروگرام، سیاسی استحکام کی بحالی، اور دوست ممالک کی حمایت کے ساتھ ساتھ معیشت کو مستحکم کرنے کے مقصد سے اصلاحات پر عمل درآمد جاری رکھنے کے لئے حکومت کی رضامندی سے ایک پائیدار بنیاد پر تشکیل پائے گا۔ ان چیلنجوں کے پیش نظر، کمپنی سود کی شرح، کم اقتصادی ترقی اور ڈالر کی برابری کے منفی اثرات کو کم کرنے کے لئے حکمت عملیوں پر توجہ مرکوز کر رہی ہے۔

شوگر ڈویژن:

کمپنی کے شوگر ڈویژن نے کرشنگ 15 نومبر 2023 سے شروع کر دی اور 22 دسمبر 2023 تک گنے کی کل کرشنگ 382,710 میٹرک ٹن تھی جبکہ اوسط ریکوری کا تناسب 9.90 فیصد اور شکر کی پیداوار 37,893 میٹرک ٹن بشمول شکران پروسیس تھی۔

حکومت سندھ نے 16 اگست 2023ء کو گنے کی کم از کم سپورٹ پرائس برائے سیزن 2023-24 کے نوٹیفیکیشن کا اجراء کیا جس میں گنے کی قیمت 425 روپے فی 40 کلوگرام مقرر کی گئی۔ اس کے مقابلاً سیزن 2022-23 کے 302 روپے فی 40 کلوگرام تھی۔ علاوہ ازیں ملز کو الٹی پریمنیم شکر کی اوسط ریکوری کے بیچ مارک 8.70 فیصد سے زائد ہر 0.10 فیصد پر 0.50 پیسے فی 40 کلوگرام ادا کرے گی۔

کم از کم سپورٹ پرائس سیزن 2023-24 میں 302 روپے سے 425 روپے (%40.73 اضافہ ظاہر کرتا ہے) اضافہ کے باعث پیداواری لاگت میں اضافہ ہوگا اور اگرچہ کمپنی کی قیمتیں کم رہیں تو منافع پر اثر ہوگا۔

ڈسٹری ڈویژن:

ڈسٹری ڈویژن میں 22 دسمبر 2023 تک اسٹھانول کی پیداوار 5,181 میٹرک ٹن ہوئی اور لیکو نیٹو فائڈ کا ربن ڈائی آکسائیڈ کی پیداوار 1,570 میٹرک ٹن ہوئی۔



2021-22	2022-23	ڈویژن کے آپریشن کی تفصیلات کا موازنہ درج ذیل ہے:
125	89	ایام
1,126,516	844,841	میکٹر ٹن
10.61	10.96	%
119,531	92,591	میکٹر ٹن
		کرشنگ کی مدت
		گنے کی کرشنگ
		شکر کی اوسط ریکوری
		شکر کی پیداوار

ڈویژن نے 857.71 ملین روپے کا منافع کیا (30 ستمبر، 2022: 362.79 ملین روپے)۔ گزشتہ سال کے مقابلے میں منافع میں اضافہ چینی کی بہتر اوسط ریکوری اور بہتر قیمت فروخت کی وجہ سے ہوا۔

سال کے دوران ملک میں چینی کی زیادہ مقدار کو مد نظر رکھتے ہوئے اکنامک کوآرڈینیشن کمیٹی (ای سی سی) نے 250,000 ٹن چینی درآمد کرنے کی اجازت دے دی بعد ازاں کمشنر سندھ نے 25 جنوری 2023 کو ایک خط کے ذریعے سندھ کے 32 آپریشنل شکر کی ملوں کو ان کی کرشنگ کی صلاحیت پر غور کئے بغیر ہر ایک مل کو شکر کی درآمد کے لئے 2500 ٹن کا مساوی کوٹہ (یعنی ای سی سی کی جانب سے 250,000 ٹن میں سے سندھ کو 80,000 ٹن کو جو کہ 32% حصہ کو ظاہر کرتی ہے مختص کیا تھا)۔

اوپر مختص کئے گئے کوٹے کو کچھ ملوں نے جن کی کرشنگ کی صلاحیت زیادہ تھی سندھ ہائی کورٹ میں چیلنج کر دیا۔ بعد میں سندھ ہائی کورٹ کی روشنی میں کمپنی نے 1500 ٹن اور 1000 ٹن مجموعی طور پر 2500 ٹن چینی کچھ شرائط کے ساتھ کورٹ کے آرڈر کے مطابق درآمد کر دیں۔ مقدمہ ابھی تک زیر التواء ہے۔

ڈسٹری ڈویژن:

اس ڈویژن نے مبلغ 2055.60 ملین روپے منافع حاصل کیا (2022: 1200.50 ملین روپے)۔ 30 ستمبر 2023 کو ختم ہونے والے سال کے دوران منافع میں 855.10 ملین روپے کے اضافے کی بنیادی وجہ بین الاقوامی منڈی میں ایتھانول کی بہتر قیمت فروخت اور غیر ملکی زرمبادلہ کے مقابلے میں پاکستانی روپے کی قدر میں کمی کی وجہ سے ہوا۔

لیکویٹیڈ فائڈ کاربن ڈائی آکسائیڈ پونٹ کا حاصل کردہ آپرینٹ منافع ڈویژن کے منافع میں شامل ہے۔

2021-22	2022-23	ڈویژن کے آپریشن کی تفصیلات کا موازنہ درج ذیل ہے:
		ایتھانول
312	358	آپریشن کے دن
163,346	191,525	میکٹر ٹن
18.95	18.01	%
30,956	34,494	میکٹر ٹن
		ایتھانول کی پیداوار
		لیکویٹیڈ فائڈ کاربن ڈائی آکسائیڈ (CO2)
236	308	ایام
7,825	10,825	میکٹر ٹن
		آپریشن کی مدت
		لیکویٹیڈ فائڈ کاربن ڈائی آکسائیڈ (CO2) کی پیداوار

ٹیکسٹائل ڈویژن:

زیر جائزہ سال کے دوران ڈویژن نے 40.27 ملین روپے کا منافع کیا (2022: خسارہ 22.26 ملین روپے) کیا۔ نتائج میں بہتری اچھی قیمت فروخت اور پاکستانی روپے کی قدر میں کمی کی وجہ سے ہوا۔



ڈائریکٹرز کی رپورٹ

محترم ممبران۔ السلام علیکم

بورڈ آف ڈائریکٹرز خوشی سے 30 ستمبر 2023ء کو ختم ہونے والے سال کیلئے آپ کی کمپنی کی سالانہ آڈٹ شدہ مالیاتی حسابات پیش کرتے ہیں۔

اللہ کے فضل و کرم سے زیر جائزہ سال کے دوران آپ کی کمپنی کے آپریشن کی وجہ سے منافع بعد از ٹیکس کی رقم مبلغ 2541.48 ملین روپے رہا۔ (ستمبر 30، 2022: 1289.76 ملین روپے) کمپنی کی کارکردگی کے نتائج اور بورڈ کی سفارش کے مطابق تصرفات درج ذیل ہیں۔

اضافہ / (کمی)	30 ستمبر 2022	30 ستمبر 2023
(روپے ملین میں)		
1641.72	1,624.76	3266.48
(390.00)	(335.00)	(725.00)
1251.72	1,289.76	2541.48
(2.91)	(1.57)	(4.48)
(274.53)	46.89	(227.64)
(277.44)	45.32	232.12
0.08	5.11	5.19
974.36	1,340.19	2314.55
375.00	525.00	900.00
600.00	810.00	1410.00
975.00	1,335.00	2310.00
(0.64)	5.19	4.55
8.34	8.60	16.94

منافع قبل از ٹیکس

ٹیکس کی فراہمی

منافع بعد از ٹیکس

ایڈجسٹمنٹس

ایکپور ریکل خسارے گریجویٹ فنڈ کے تخمینہ پر

سرمایہ کاری کی فروخت پر (نقصان) / منافع حاصل کیا

غیر منقسمہ منافع براڈ فارورڈ

تصرف کیلئے دستیاب منافع

کیش ڈویڈنڈ بحساب 120% (30 ستمبر 2022: 70%)

جنرل ریزرو کو منتقلی

غیر منقسمہ منافع گیری فارورڈ

آمدنی فی شیئر۔ بنیادی اور معتدل (روپیہ)

شکر ڈویژن

گنے کی کرشنگ کا سیزن 2022-2023 29 نومبر، 2022ء کو شروع ہوا اور 26 فروری، 2023ء تک 89 دن پلانٹ کو چلایا گیا۔ جبکہ گزشتہ سیزن 125 دن کا تھا۔ حکومت سندھ نے 23 نومبر، 2022ء کو گنے کی کم از کم سپورٹ پرائس برائے سیزن 2022-2023 کے نوٹیفکیشن کا اجراء کیا جس میں گنے کی قیمت 302/ روپے فی 40 کلوگرام مقرر کی گئی۔ اس کے مقابلے میں سیزن 2021-2022 میں 250 روپے تھے علاوہ ازیں ملز کو الٹی پریمنیم شکر کی اوسط ریکوری کے ٹینچ مارک 8.70 فیصد سے زائد ہر 0.10 فیصد پر 0.50 روپے فی 40 کلوگرام ادا کرے گی۔



چیرمین کی رپورٹ

میں بخوشی کمپنی کے چیئر ہولڈرز کو بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی اور انکی کمپنی کے مقصد اور نتائج حاصل کرنے میں رہنمائی کی رپورٹ پیش کر رہا ہوں۔
حبیب شوگر ملز نے ایک مضبوط اور منظم لائحہ عمل وضع کیا ہے جسکی وجہ سے انتظامیہ کمپنی کے معاملات بہتر طور پر انجام دینے میں مدد ملتی ہے اور کمپنی کی طویل المدت ترقی ممکن ہے۔
مالی سال 2022-23 کے دوران بورڈ نے چار (5) دفعہ ملاقات کی۔ بورڈ نے تمام ریگولیٹری ضروریات کے مطابق اور قابل اطلاق قوانین کو مدنظر رکھتے ہوئے بہترین طریقوں کے مطابق عمل کیا۔

کارپوریٹ گورننس (سی سی جی) کے تحت کمپنی کے بورڈ کا سالانہ جائزہ لیا گیا ہے۔ اس جائزے کا مقصد اس بات کو یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور اسکے منوٹر ہونے کو جانچا جائے اور کمپنی کے مقاصد کے تناظر میں توقعات کو پورا کیا جائے۔

بورڈ اپنے اور اپنی کمیٹیوں میں سی سی جی کے تحت نان ایگزیکٹو اور انڈیپنڈینٹ ڈائریکٹرز کی مناسب نمائندگی کو یقینی بناتا ہے۔ بورڈ کے ارکان اور اس کی متعلقہ کمیٹیاں اپنی ذمہ داریوں کو سر انجام دینے کے لئے ضروری صلاحیت اور تجربہ رکھتی ہے۔

بورڈ نے اسٹریٹجک منصوبہ بندی، خطروں کی تشخیص اور پالیسی بنانے کے عمل میں فعال طور پر حصہ لیا ہے۔ بورڈ نے اس بات کو یقینی بنایا کہ تمام پالیسیوں کو کمپنی کے وژن اور مشن کے تناظر میں بنایا جائے۔ بورڈ انتظامیہ کے لئے سالانہ بجٹ، مقاصد اور اہداف مقرر کرتا ہے۔

بورڈ اور اس کی کمیٹیوں نے اپنے فرائض تندی کے ساتھ سر انجام دیئے اور انتظامیہ کے ذریعے کمپنی کے مقاصد، حکمت عملی اور مالیاتی اہداف کے حصول کے متعلق مکمل آگاہی رکھی۔ بورڈ نے فیصلوں پر پہنچنے کے لئے وسیع اور مفید بحث کی اور بروقت نگرانی کے ساتھ انتظامیہ کو مناسب ہدایات فراہم کیں۔ جن معاملات میں بہتری کی ضرورت تھی اسکو مدنظر رکھتے ہوئے لائحہ عمل اختیار کیا۔

بورڈ نے خود تشخیص کے طریقہ کار اور اندرونی آڈٹ کی سرگرمیوں کے ذریعے منوٹر اندرونی کنٹرول سسٹم تشکیل کیا اور گورننس کے مضبوط اور شفاف ماحول کو برقرار رکھا۔ اس کے علاوہ بورڈ نے کارپوریٹ گورننس کے بہترین اصولوں پر عمل کیا۔

آخر میں، میں اپنے ساتھی ڈائریکٹرز، ایگزیکٹو ٹیم اور کمپنی کے تمام ملازمین کی کمپنی کی ترقی کے لئے کی گئی سخت محنت اور عزم کے لئے انکا مشکور ہوں۔

کراچی مورخہ 23 دسمبر 2023ء

اصغر ڈی حبیب
چیرمین



Form of Proxy

The Company Secretary
Habib Sugar Mills Limited
Imperial Court, 3rd Floor
Dr. Ziauddin Ahmed Road
KARACHI – 75530

I/We of
a member(s) of HABIB SUGAR MILLS LIMITED and holding
ordinary shares, as per Folio No. and /or CDC Participant's
I.D. Numbers
and Account / Sub-Account No.
hereby appoint of
or failing him..... of
another member of the Company to vote for me / us and on my / our behalf at the
62nd Annual General Meeting of the Company to be held on Wednesday, January 24, 2024
and at any adjournment thereof.

As witness my / our hand this.....day of.....2024

Rs. Five
Revenue
Stamp

.....
SIGNATURE OF MEMBER(S)

1. Witness Signature: _____
Name: _____
Address: _____
CNIC/Passport No: _____

2. Witness Signature: _____
Name: _____
Address: _____
CNIC/Passport No: _____

A member entitled to attend and vote at this meeting is entitled to appoint another member of the Company as a proxy to attend and vote on his / her behalf.

Any individual beneficial owner of CDC, entitled to attend and vote at this meeting must bring his / her National Identity Card, Account and Participant's ID Numbers to prove his / her identity, and in case of proxy, must enclose attested copies of his / her National Identity Card, Account and Participant's ID Numbers. Representatives of corporate members should bring the usual documents as required for such purpose.

The instrument appointing a proxy should be signed by the member or by his attorney duly authorised in writing. If the member is a corporation its common seal (if any) should be affixed to the instrument.

The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed or a notarially certified copy thereof, should be deposited at the registered office of the Company at least 48 hours before the time of the meeting.



پراکسی فارم

کمپنی سیکریٹری

حبیب شوگر ملز لمیٹڈ

ایمپیریل کورٹ، تیسری منزل،

ڈاکٹر ضیاء الدین روڈ، کراچی۔ ۷۵۵۳۰

میں / ہم

ساکن

میں بحیثیت ممبر حبیب شوگر ملز لمیٹڈ

عام شیئرز جن کے شیئرز رجسٹر فوئیو نمبر _____ اور ایسی ڈی سی پارٹیشنس آئی ڈی نمبر _____

اور ذیلی اکاؤنٹ نمبر _____ بذریعہ ہذا

ساکن

اور اگر ان کے لئے ممکن نہ ہو تو _____ ساکن

کو بطور اپنا / ہمارا پراکسی مقرر کرتا / کرتی ہوں تاکہ وہ ۲۴ جنوری ۲۰۲۲ء کو منعقد کئے جانے والے کمپنی کے ۶۲ ویں سالانہ اجلاس عام میں میری / ہماری جگہ ووٹ دے سکیں۔

ممبر کے دستخط

دستخط
مبلغ ۵ روپے
کے ڈاک ٹکٹ

دستخط مورخہ _____

گواہان:

دستخط _____

نام _____

پتہ _____

شناختی کارڈ نمبر _____

پاسپورٹ نمبر _____

دستخط _____

نام _____

پتہ _____

شناختی کارڈ نمبر _____

پاسپورٹ نمبر _____

نوٹ:

(۱) ہر وہ ممبر جسے اجلاس ہذا میں شرکت کرنے اور ووٹ دینے کا حق حاصل ہے اپنے بجائے شرکت کرنے اور ووٹ دینے کے لئے کسی دوسرے ممبر کو اپنا پراکسی مقرر کر سکتا / کر سکتی ہے

(۲) سی ڈی سی شیئرز ہولڈرز اور ان کے پراکسیز لازمی طور پر اس پراکسی فارم کے ساتھ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل منسلک کریں۔

(۳) موثر العمل ہونے کے لئے پراکسیز اجلاس کے وقت انعقاد سے کم از کم ۴۸ گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں لازماً وصول ہو جائیں۔ پراکسی کو کمپنی کارکن ہونا ضروری ہے۔

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





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