



Habib Sugar Mills Limited

**Report and Condensed Interim
Financial Statements
for the Quarter ended
December 31, 2020
(Unaudited)**



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Company Information

Board of Directors	Asghar D. Habib Ali Raza D. Habib Adnan Afridi Murtaza Habib Tyaba Muslim Habib Shams Muhammad Haji Farouq Habib Rahimtoola Raeesul Hasan	<i>Chairman</i> <i>Chief Executive</i>
Audit Committee	Shams Muhammad Haji Farouq Habib Rahimtoola Tyaba Muslim Habib	Chairman Member Member
Human Resource & Remuneration Committee	Tyaba Muslim Habib Shams Muhammad Haji Raeesul Hasan	Chairperson Member Member
COO & Company Secretary	Khursheed Anwer Jamal	
Chief Financial Officer	Amir Bashir Ahmed	
Registered Office	3rd Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi-75530 Phones : (+92-21) 35680036 - 5 Lines Fax : (+92-21) 35684086 www : habibsugar.com 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	EY Ford Rhodes 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	



Directors' Report

Dear Members – Assalam-o-Alekum

On behalf of the Board of Directors, we are pleased to present you the unaudited condensed unconsolidated and consolidated financial statements of the Company for the first quarter ended on December 31, 2020.

Financial Results

During the period under review the operations of the Company resulted in pre-tax profit of Rs. 458.93 million. The financial results for the quarter are as follows :

	(Rupees in thousands)
Profit before taxation	458,932
Taxation	35,000
Profit after taxation	423,932
Add: Realized gain on sale of investment	81,895
Unappropriated profit brought forward	1,592
Unappropriated profit carried forward	507,419
Earnings per share – Basic and diluted	Rs. 2.83

Performance Review

Sugar Division

The crushing season 2020-21 commenced on November 10, 2020 and upto December 31, 2020 operated for 52 days as against 36 days during the corresponding period of previous year. During the period under review, 311,774 M. Tons of sugarcane was crushed with average sucrose recovery of 9.62 % and sugar production of 30,000 M.Tons as compared with crushing of 199,734 M. Tons with average sucrose recovery of 9.22 % and sugar production of 18,427 M. Tons during the corresponding quarter of the previous year.

The Government of Sindh on November 23, 2020 issued notification fixing the minimum support price of sugarcane for the crushing season 2020-21 at Rs.202 per 40 kgs as against Rs. 192 per 40 kgs for crushing season 2019-20. In addition, mills are also required to pay quality premium at the rate of paisas fifty for every 0.1 percent recovery in excess of the bench mark of 8.7%.

During the current crushing season, the supply of sugarcane has been erratic and due to reduced availability and hold back in supply of sugarcane by the growers, there was an unhealthy price competition amongst the mills which compelled the mills to purchase sugarcane at higher rates.

The sugar division earned operating profit of Rs.7.14 million as against operating loss of Rs. 75.65 million during the corresponding quarter of the previous year. The improvement in operating results was on account of better sugar selling price and better absorption of overheads due to increased quantum of crushing and production during the quarter.



Distillery Division

The ethanol production during the quarter ended December 31, 2020 was 4,620 M. Tons as compared with 5,304 M. Tons during the corresponding period of the previous year. The division earned operating profit of Rs.382.13 million as compared with Rs.113.53 million during the corresponding quarter of previous year. The increase in operating profit was on account of better ethanol prices in the international market.

The liquidified carbon dioxide (CO₂) unit produced 988 M. Tons as compared with 1,438 M. Tons during the corresponding period of the previous year. The operating profit earned by the unit is included in the profit of the division.

Textile Division

The division earned operating profit of Rs.10.41 million during the quarter under review, as against operating profit of Rs.8.14 million during the corresponding period of previous year. The increase in operating profit was due to higher sale volume.

Trading Division

During the quarter, the division earned operating profit of Rs.1.50 million on account of trading of sugar.

General

The Directors are pleased to place on record their appreciation of the devoted and dedicated services of the officers, staff and workers of the Company.

On behalf of the Board of Directors

Raeesul Hasan
Chief Executive

Murtaza Habib
Director

Karachi: January 27, 2021



Unconsolidated Condensed Interim Statement of Financial Position as at December 31, 2020 (Unaudited)

	Note	Unaudited Dec. 31, 2020	Audited Sept. 30, 2020
Assets			
Non-Current Assets			
(Rupees in thousands)			
Fixed assets			
Property, plant and equipment	4	2,463,230	2,495,847
Long-term investments	5	2,889,953	2,696,602
Long-term loans		6,309	5,474
Long-term deposits		3,928	3,928
		<u>5,363,420</u>	<u>5,201,851</u>
Current Assets			
Stores and spare parts		220,182	189,864
Stock-in-trade	6	2,698,809	876,021
Trade debts		189,687	149,005
Loans and advances	7	377,807	520,580
Trade deposits and short-term prepayments		12,623	9,783
Profit accrued on bank deposits		2,385	14,637
Other receivables	8	45,048	45,961
Taxation - net		34,957	26,682
Short-term investments	9	3,751,622	-
Cash and bank balances	10	723,418	4,071,821
		<u>8,056,538</u>	<u>5,904,354</u>
Total Assets		<u>13,419,958</u>	<u>11,106,205</u>
Equity and Liabilities			
Share Capital and Reserves			
Share Capital			
Authorised			
150,000,000 Ordinary shares of Rs. 5 each		<u>750,000</u>	<u>750,000</u>
Issued, subscribed and paid-up capital			
150,000,000 Ordinary shares of Rs. 5 each		750,000	750,000
Reserves		<u>8,119,408</u>	<u>7,872,962</u>
		<u>8,869,408</u>	<u>8,622,962</u>
Non-Current Liabilities			
Deferred taxation	11	<u>38,500</u>	<u>29,000</u>
Lease liability		<u>10,589</u>	<u>13,948</u>
		<u>49,089</u>	<u>42,948</u>
Current Liabilities			
Trade and other payables	12	<u>2,296,635</u>	<u>2,027,986</u>
Advance from customers		231,704	320,406
Short-term borrowings	13	1,459,150	-
Unclaimed dividends		85,521	86,725
Accrued mark-up on short-term borrowings		10,368	-
Current portion of Lease liability		5,583	5,178
Proposed dividend		412,500	-
		<u>4,501,461</u>	<u>2,440,295</u>
Contingencies and Commitments	14		
Total Equity and Liabilities		<u>13,419,958</u>	<u>11,106,205</u>

The annexed notes 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.


Amir Bashir Ahmed
 Chief Financial Officer


Raeesul Hasan
 Chief Executive


Murtaza Habib
 Director



**Unconsolidated Condensed Interim Statement of Profit or Loss
for the quarter ended December 31, 2020 (Unaudited)**

	Note	Dec. 31, 2020 (Rupees in thousands)	Dec. 31, 2019
Segment operating results	15		
Net sales and services		2,031,875	2,330,101
Cost of sales		(1,541,345)	(2,176,230)
Gross Profit		490,530	153,871
Selling and distribution expenses		(37,435)	(54,358)
Administrative expenses		(51,923)	(53,150)
Other operating expenses	16	(31,201)	(10,769)
Other income	17	19,652	15,930
		(100,907)	(102,347)
Operating Profit		389,623	51,524
Finance income - net	18	69,309	113,086
Profit before taxation		458,932	164,610
Taxation		(35,000)	(20,000)
Profit after taxation		423,932	144,610
Earnings per share - Basic and diluted (Rupee)		2.83	0.96

The annexed notes 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.


Amir Bashir Ahmed
 Chief Financial Officer


Raeesul Hasan
 Chief Executive


Murtaza Habib
 Director



**Unconsolidated Condensed Interim Statement of Comprehensive Income
for the quarter ended December 31, 2020 (Unaudited)**

	Dec. 31, 2020	Dec. 31, 2019
	(Rupees in thousands)	
Profit after taxation	423,932	144,610
Other comprehensive income :		
Items that will not be reclassified subsequently to the statement of profit or loss:		
Gain on re-measurement of equity investments classified as fair value through other comprehensive income (FVOCI)	235,014	428,758
Total Comprehensive gain for the quarter ended December 31, 2020	<u>658,946</u>	<u>573,368</u>

The annexed notes 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.


Amir Bashir Ahmed
Chief Financial Officer


Raeesul Hasan
Chief Executive


Murtaza Habib
Director



Unconsolidated Condensed Interim Statement of Changes in Equity for the quarter ended December 31, 2020 (Unaudited)

	Issued, Subscribed and Paid-up Capital	Capital Reserve	Revenue Reserves			Total Reserves	Total Equity
			General Reserve	Unappro- priated Profit	Unrealised gain on investments available for sale		
(Rupees in thousands)							
Balance as on October 1, 2019	750,000	34,000	4,658,500	1,208,297	1,424,896	7,325,693	8,075,693
Cash dividend for the year ended September 30, 2019 @ 55%	-	-	-	(412,500)	-	(412,500)	(412,500)
Transfer to general reserve	-	-	790,000	(790,000)	-	-	-
Total comprehensive income for the quarter ended December 31, 2019	-	-	-	144,610	428,758	573,368	573,368
Balance as on December 31, 2019	<u>750,000</u>	<u>34,000</u>	<u>5,448,500</u>	<u>150,407</u>	<u>1,853,654</u>	<u>7,486,561</u>	<u>8,236,561</u>
Balance as on October 1, 2020	750,000	34,000	5,448,500	714,092	1,676,370	7,872,962	8,622,962
Proposed cash dividend for the year ended September 30, 2020 @ 55%	-	-	-	(412,500)	-	(412,500)	(412,500)
Proposed transfer to general reserve	-	-	300,000	(300,000)	-	-	-
Realised gain on sale of investment	-	-	-	81,895	(81,895)	-	-
Total comprehensive income for the quarter ended December 31, 2020	-	-	-	423,932	235,014	658,946	658,946
Balance as on December 31, 2020	<u>750,000</u>	<u>34,000</u>	<u>5,748,500</u>	<u>507,419</u>	<u>1,829,489</u>	<u>8,119,408</u>	<u>8,869,408</u>

The annexed notes 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.


Amir Bashir Ahmed
 Chief Financial Officer


Raeesul Hasan
 Chief Executive


Murtaza Habib
 Director



Unconsolidated Condensed Interim Statement of Cash Flows for the quarter ended December 31, 2020 (Unaudited)

	Note	Dec. 31, 2020	Dec. 31, 2019
(Rupees in thousands)			
Cash flows from operating activities			
Cash generated from operations	19	(1,135,694)	(1,060,390)
Finance income received - net		91,929	115,452
Income tax paid		(33,775)	(24,164)
Long-term loans		(835)	(102)
Net cash generated from operating activities		(1,078,375)	(969,204)
Cash flows from investing activities			
Fixed capital expenditure		(25,068)	(93,876)
Sale proceeds of investments		128,089	-
Dividend received		9,965	12,868
Purchase of investments		(3,838,048)	(1,631,842)
Sale proceeds of fixed assets		42	1,530
Net cash used in investing activities		(3,725,020)	(1,711,320)
Cash flows from financing activities			
Lease rental paid		(2,954)	-
Dividend paid		(1,204)	(313)
Net cash used in financing activities		(4,158)	(313)
Net Increase in cash and cash equivalents		(4,807,553)	(2,680,837)
Cash and cash equivalents at the beginning of the quarter		4,071,821	2,464,584
Cash and cash equivalents at the end of the quarter	20	(735,732)	(216,253)

The annexed notes 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.


Amir Bashir Ahmed
 Chief Financial Officer


Raeesul Hasan
 Chief Executive


Murtaza Habib
 Director



Notes to the Unconsolidated Condensed Interim Financial Statements for the quarter ended December 31, 2020 (Unaudited)

1. The Company and its operations

Habib Sugar Mills Limited is a public limited Company incorporated in Pakistan, with its shares quoted on the Pakistan Stock Exchange Limited. The Company is engaged in the manufacturing and marketing of refined sugar, molasses, ethanol, liquidified carbon dioxide (CO₂), household textiles, providing bulk storage facilities and trading of commodities. The registered office of the Company is situated at Imperial Court, 3rd Floor, Dr. Ziauddin Ahmed Road, Karachi.

These are separate unconsolidated financial statements of the Company in which investments in subsidiary is accounted for on the basis of direct equity interest.

2. Statement of compliance

These unconsolidated condensed interim financial statements are unaudited and have been prepared in accordance with the requirements of International Accounting Standard (IAS) - 34, 'Interim Financial Reporting', as applicable in Pakistan and provisions of and directives issued under the Companies Act, 2017 (the Act). In case where requirements differ, the provisions of or directives issued under the Act have been followed.

These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2020.

3. Significant accounting policies and disclosures

The accounting policies and methods of computation followed for the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Company for the year ended September 30, 2020.

	(Unaudited) Dec. 31, 2020	(Audited) Sept. 30, 2020
	(Rupees in thousands)	
4. Fixed assets		
4.1 Property, plant and equipment		
Operating fixed assets	2,428,191	2,325,639
Capital work-in-progress	19,008	151,115
Major stores and spare parts	-	1,605
Right of use assets	16,031	17,488
	<u>2,463,230</u>	<u>2,495,847</u>
4.2 Cost of additions to and written down value of deletions from fixed assets during the quarter ended December 31, 2020 were as follows:		
	Additions	Deletions
	(Rupees in thousands)	
Plant and machinery		
Sugar	22,510	-
Distillery	-	-
Furniture, fittings and office equipment	1,458	23
Accounting Software	983	-
Vehicle	117	16
	<u>25,068</u>	<u>39</u>



	(Unaudited) Dec. 31, 2020	(Audited) Sept. 30, 2020
	(Rupees in thousands)	
5. Long-term investments		
Investments in related parties – Quoted - at fair value	1,727,849	1,610,143
– Un-Quoted - at fair value	127,374	121,587
Investments in other companies – Quoted - at fair value	1,034,730	964,872
	<u>2,889,953</u>	<u>2,696,602</u>
5.1 Investments in associated companies or undertakings have been made in accordance with the requirements under the Act.		
5.2 The aggregate cost of these investments, net of impairment is Rs.1,061.28 (September 30, 2020: Rs.1,020.23) million.		
	(Unaudited) Dec. 31, 2020	(Audited) Sept. 30, 2020
	(Rupees in thousands)	
6. Stock-in-trade		
Raw materials	721,081	187,879
Work-in-process	114,167	30,141
Finished goods	1,854,052	650,228
Bagasse	4,351	7,105
Fertilizers	5,158	668
	<u>2,698,809</u>	<u>876,021</u>
7. Loans and advances		
Loans - secured		
Current maturity of long-term loans		
Employees (Others than Executives)	7,511	6,757
Advances - unsecured		
Suppliers	370,296	513,823
	<u>377,807</u>	<u>520,580</u>
8. Other receivables - Considered good		
Duty drawback and research & development support claim	13,660	9,827
Dividend receivable	820	741
Sales tax refundable / adjustable	28,283	33,537
Others	2,285	1,856
	<u>45,048</u>	<u>45,961</u>
8.1 Includes Rs.Nil (September 2020: Rs.Nil) million from HSM Energy Limited - wholly owned subsidiary. Maximum aggregate amount due from the subsidiary company at the end of any month during the year was Nil (2020: 9.89)million.		
	(Unaudited) Dec. 31, 2020	(Audited) Sept. 30, 2020
	(Rupees in thousands)	
9. Short-term investments		
Investments in units of Mutual Funds		
First Habib Cash Fund - at fair value	2,500,419	–
ABL Cash Fund - at fair value	751,106	–
HBL Cash Fund - at fair value	500,097	–
	<u>3,751,622</u>	<u>–</u>



9.1 The aggregate cost of these investments, is Rs.3,750.81 (September 30, 2020: Nil) million.

(Unaudited) (Audited)
Dec. 31, Sept. 30,
2020 2020
(Rupees in thousands)

10. Cash and bank balances

Cash in hand		6,292	125
Balances with banks in:			
Current accounts		62,472	17,302
Treasury call accounts	10.1	104,654	154,394
Term Deposit Receipts	10.2	550,000	3,900,000
	10.3	717,126	4,071,696
		<u>723,418</u>	<u>4,071,821</u>

10.1 Profit rates on Treasury call accounts ranged between 5.50% to 6.50% (September 2020: 5.50% to 11.75%) per annum.

10.2 Profit rates on Term Deposit Receipts 6.70% (September 2020: 6.70% to 12.75%) per annum. Maturity of these Term Deposit Receipts are one month.

10.3 Includes Rs.658.26 (September 2020: Rs.4,055.68) million kept with Bank AL Habib Limited - a related party.

(Unaudited) (Audited)
Dec. 31, Sept. 30,
2020 2020
(Rupees in thousands)

11. Deferred taxation

Deferred tax liability on taxable temporary differences:			
on accelerated tax depreciation allowance on operating fixed assets		209,000	208,000
Deferred tax asset on deductible temporary differences:			
Provision for obsolescence and slow moving stores & spare parts		(9,000)	(9,000)
Deferred tax assets carry forward on minimum tax under section 113		(9,000)	(9,000)
Deferred tax assets on impairment of investments		(14,500)	(14,500)
Deferred tax assets on lease liability		(5,500)	(5,500)
Deferred tax credit on provision for GIDC		(8,000)	(8,000)
Unabsorbed tax depreciation allowance		(124,500)	(133,000)
		<u>(170,500)</u>	<u>(179,000)</u>
		<u>38,500</u>	<u>29,000</u>

12. Trade and other payables

Creditors		1,717,489	1,508,826
Accrued liabilities		385,625	313,799
Payable to Employees Gratuity Fund		-	158
Gas Infrastructure Development Cess		138,681	138,681
Workers' Profit Participation Fund (WPPF)	12.1	23,601	42,858
Workers' Welfare Fund		26,015	23,416
Income-tax deducted at source		224	248
		<u>2,296,635</u>	<u>2,027,986</u>



12.1 G.I.D.C.

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 pass on the burden to their customers, have to pay the GID Cess that become due upto 31 July 2020 w.e.f 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 by the Company as the company had not passed the burden to their customers/clients. The Company filed an appeal before the Honourable High court of Sindh 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 was pleased to grant 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 full provision of Rs. 138.68 million for GID Cess in the financial statements for the year ended 30 September 2020.

	(Unaudited) Dec. 31, 2020	(Audited) Sept. 30, 2020
	(Rupees in thousands)	
13. Short-term borrowings - secured	<u>1,459,150</u>	<u>—</u>

The aggregate financing facility available from commercial banks amounted to Rs.7,637 (September 2020: Rs.7,637) 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 period was 3% (September 2020: 0.50% to 15.35%) per annum.

14. Contingencies and commitments

14.1 Contingencies

There were no major changes in the status of contingencies as reported in the annual financial statements for the year ended September 30, 2020.

14.2 Commitments

The Company has provided counter guarantees to Bank AL Habib Limited, a related party, amounting to Rs.550 (September 30, 2020: Rs.400.00) million against agriculture finance facilities to the growers supplying sugarcane to the mills and counter guarantees to other banks amounting to Rs.231.86 (September 30, 2020: Rs.588.71) 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.

14.3 Commitments for capital expenditure amounting to Rs.15.036 (September 2020: Rs.32.27) million.

	(Unaudited) Dec. 31, 2020	(Audited) Sept. 30, 2020
	(Rupees in thousands)	
14.4 Rentals payable over next four years under operating lease agreements with First Habib Modaraba in respect of vehicles	<u>32,115</u>	<u>32,615</u>



15. Unconsolidated Segment operating results and related information for the quarter ended December 31, 2020 (Unaudited)

(Rupees in thousands)

	Sugar Division		Distillery Division		Textile Division		Trading Division		Total	
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Net sales and services										
Sales	598,007	1,478,077	115,044	76,092	1,422	59	7,379	4,055	721,852	1,558,283
Local	-	-	1,108,186	608,320	201,053	162,427	-	-	1,309,239	770,747
Export	598,007	1,478,077	1,223,230	684,412	202,475	162,486	7,379	4,055	2,031,091	2,329,030
Services - Storage income - net	-	-	784	1,071	-	-	-	-	784	1,071
	598,007	1,478,077	1,224,014	685,483	202,475	162,486	7,379	4,055	2,031,875	2,330,101
Less: Cost of sales	(539,327)	(1,493,216)	(815,370)	(535,298)	(180,898)	(144,126)	(5,750)	(3,590)	(1,541,345)	(2,176,230)
Gross Profit / (loss)	58,680	(15,139)	408,644	150,185	21,577	18,360	1,629	465	490,530	153,871
Less: Selling and distribution expenses	(8,523)	(15,276)	(19,301)	(30,322)	(9,611)	(8,760)	-	-	(37,435)	(54,358)
Administrative expenses	(43,014)	(45,238)	(7,215)	(6,329)	(1,560)	(1,464)	(134)	(119)	(51,923)	(53,150)
	(51,537)	(60,514)	(26,516)	(36,651)	(11,171)	(10,224)	(134)	(119)	(89,358)	(107,508)
Profit / (loss) before other operating expenses and other income	7,143	(75,653)	382,128	113,534	10,406	8,136	1,495	346	401,172	46,363
Other operating expenses -note 16									(31,201)	(10,769)
Other income - note 17									19,652	15,930
Operating Profit									389,623	51,524



	(Unaudited)	
	Dec. 31, 2020	Dec. 31, 2019
	(Rupees in thousands)	
16. Other operating expenses		
Workers' Profit Participation Fund	28,601	8,769
Workers' Welfare Fund	2,600	2,000
	<u>31,201</u>	<u>10,769</u>
17. Other income		
Income from financial assets		
Dividend income	10,044	9,754
Agriculture Income	656	967
Exchange gain - net	1,129	900
	<u>11,829</u>	<u>11,621</u>
Income from non financial assets		
Gain on disposal of fixed assets	3	1,485
Scrap sale	7,820	2,824
	<u>7,823</u>	<u>4,309</u>
	<u>19,652</u>	<u>15,930</u>
18. Finance income / (cost) - net		
Profit / Interest on :		
Treasury call accounts	2,726	2,835
Term deposit receipts	81,061	99,600
Government Securities	-	27,207
Loan to employees	42	48
	<u>83,829</u>	<u>129,690</u>
Less:		
Mark-up / interest on:		
Short-term borrowings	(10,368)	(10,888)
Lease Liability	(435)	-
Workers' Profit Participation Fund	-	(1,592)
Bank charges	(3,717)	(4,124)
	<u>(14,520)</u>	<u>(16,604)</u>
	<u>69,309</u>	<u>113,086</u>



	(Unaudited)	
	Dec. 31, 2020	Dec. 31, 2019
	(Rupees in thousands)	
19. Cash generated / (used in) from operations		
Profit before taxation	458,932	164,610
Adjustment for non-cash charges and other items		
Depreciation	57,646	57,650
Gain on disposal of fixed assets	(3)	(1,485)
Finance income - net	(69,309)	(113,086)
Dividend income	(10,044)	(9,754)
Working capital changes - note 19.1	(1,572,916)	(1,158,325)
	<u>(1,135,694)</u>	<u>(1,060,390)</u>
19.1 Working capital changes		
(Increase) / decrease in current assets		
Stores and spare parts	(30,318)	(35,322)
Stock-in-trade	(1,822,788)	506,067
Trade debts	(40,682)	(14,925)
Loans and advances	142,773	(1,126,275)
Trade deposits and prepayments	(2,840)	(6,527)
Other receivables	992	(140,004)
	<u>(1,752,863)</u>	<u>(816,986)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	268,649	102,575
Advance from customers	(88,702)	(443,914)
	<u>179,947</u>	<u>(341,339)</u>
Net changes in working capital	<u>(1,572,916)</u>	<u>(1,158,325)</u>
20. Cash and cash equivalents at the end of the quarter		
These comprise of the following:		
Cash and bank balances	723,418	1,263,747
Short-term borrowings	(1,459,150)	(1,480,000)
	<u>(735,732)</u>	<u>(216,253)</u>



21. Transactions with related parties

Related parties comprise of subsidiary, associated entities, entities with common directorship, directors and key management personnel. Material transactions with related parties during the period and balances at the end of the period, other than those which have been disclosed elsewhere in these unconsolidated condensed interim financial statements, are as follows:

	(Unaudited)	
	Dec. 31, 2020	Dec. 31, 2019
	(Rupees in thousands)	
Insurance premium paid	11,283	10,409
Insurance claim received	913	8,700
Profit on treasury call accounts / term deposits	83,700	102,256
Investment in shares / units of mutual funds	2,513,615	4,706
Payment made on behalf of the subsidiary	–	473
Bank charges	43	32
Compensation of Key management personnel	15,281	14,381
Contribution to retirement funds	3,998	3,984

Transactions with related parties are carried out at arm's length.

22. Dividend

The Board of Directors of the Company in their meeting held on December 23, 2020 had proposed a final cash dividend of Rs.2.75 per share (55%) for the year ended September 30, 2020. The cash dividend as proposed by the Board of Directors of the Company was approved by the members at the Annual General Meeting of the Company held on January 27, 2021. The proposed cash dividend has been accounted for in these condensed interim financial statements.

23. General

- Figures presented in these condensed interim financial statements have been rounded off to the nearest thousand rupees.
- These condensed interim financial statements were authorised for issue on January 27, 2021 by the Board of Directors of the Company.

Amir Bashir Ahmed
Chief Financial Officer

Raeesul Hasan
Chief Executive

Murtaza Habib
Director



Consolidated Condensed Interim Statement of Financial Position as at December 31, 2020 (Unaudited)

	Note	Unaudited Dec. 31, 2020 (Rupees in thousands)	Audited Sept. 30, 2020
Assets			
Non-Current Assets			
Fixed assets			
Property, plant and equipment	4	2,463,230	2,495,847
Long-term investments	5	2,889,953	2,696,602
Long-term loans		6,309	5,474
Long-term deposits		3,928	3,928
		<u>5,363,420</u>	<u>5,201,851</u>
Current Assets			
Stores and spare parts		220,182	189,864
Stock-in-trade	6	2,698,809	876,021
Trade debts		189,687	149,005
Loans and advances	7	377,807	520,580
Trade deposits and short-term prepayments		12,623	9,783
Profit accrued on bank deposits		2,385	14,637
Other receivables	8	45,048	45,961
Taxation - net		34,957	26,683
Short-term investments	9	3,751,622	—
Cash and bank balances	10	723,772	4,072,254
		<u>8,056,892</u>	<u>5,904,788</u>
Total Assets		<u>13,420,312</u>	<u>11,106,639</u>
Equity and Liabilities			
Share Capital and Reserves			
Share Capital			
Authorised			
150,000,000 Ordinary shares of Rs. 5 each		<u>750,000</u>	<u>750,000</u>
Issued, subscribed and paid-up capital			
150,000,000 Ordinary shares of Rs. 5 each		<u>750,000</u>	<u>750,000</u>
Reserves		<u>8,119,642</u>	<u>7,873,186</u>
		<u>8,869,642</u>	<u>8,623,186</u>
Non-Current Liabilities			
Deferred taxation	11	38,500	29,000
Lease liabilities		10,589	13,948
		<u>49,089</u>	<u>42,948</u>
Current Liabilities			
Trade and other payables	12	2,296,755	2,028,196
Advance from customers		231,704	320,406
Short-term borrowings	13	1,459,150	—
Unclaimed dividends		85,521	86,725
Accrued mark-up on short-term borrowings		10,368	—
Current portion of Lease liability		5,583	5,178
Proposed dividend		412,500	—
		<u>4,501,581</u>	<u>2,440,505</u>
Contingencies and Commitments	14		
Total Equity and Liabilities		<u>13,420,312</u>	<u>11,106,639</u>

The annexed notes 1 to 23 form an integral part of these consolidated condensed interim financial statements.

Amir Bashir Ahmed
Chief Financial Officer

Raeesul Hasan
Chief Executive

Murtaza Habib
Director



**Consolidated Condensed Interim Statement of Profit or Loss
for the quarter ended December 31, 2020 (Unaudited)**

	Note	Dec. 31, 2020	Dec. 31, 2019
		(Rupees in thousands)	
Segment operating results	15		
Net sales and services		2,031,875	2,330,101
Cost of sales		(1,541,345)	(2,176,230)
Gross Profit		490,530	153,871
Selling and distribution expenses		(37,435)	(54,358)
Administrative expenses		(51,923)	(53,664)
Other operating expenses	16	(31,201)	(10,769)
Other income	17	19,652	15,930
		(100,907)	(102,861)
Operating profit		389,623	51,010
Finance income - net	18	69,321	113,113
Profit before taxation		458,944	164,123
Taxation		(35,002)	(20,007)
Profit after taxation		423,942	144,116
Earnings per share - Basic and diluted (Rupee)		2.83	0.96

The annexed notes 1 to 23 form an integral part of these consolidated condensed interim financial statements.


Amir Bashir Ahmed
 Chief Financial Officer


Raeesul Hasan
 Chief Executive


Murtaza Habib
 Director



**Consolidated Condensed Interim Statement of Comprehensive Income
for the quarter ended December 31, 2020 (Unaudited)**

	Dec. 31, 2020 (Rupees in thousands)	Dec. 31, 2019
Profit after taxation	423,942	144,116
Other comprehensive income :		
Items that will not be reclassified subsequently to the statement of profit or loss:		
Gain on re-measurement of equity investments classified as fair value through other comprehensive income (FVOCI)	<u>235,014</u>	<u>428,758</u>
Total Comprehensive gain for the quarter ended December 31, 2020	<u><u>658,956</u></u>	<u><u>572,874</u></u>

The annexed notes 1 to 23 form an integral part of these consolidated condensed interim financial statements.

Amir Bashir Ahmed
Chief Financial Officer

Raeesul Hasan
Chief Executive

Murtaza Habib
Director



Consolidated Condensed Interim Statement of Changes in Equity for the quarter ended December 31, 2020 (Unaudited)

	Issued, Subscribed and Paid-up Capital	Capital Reserve	Revenue Reserves		Unrealised gain on investments available for sale	Total Reserves	Total Equity
			General Reserve	Unappro- priated Profit			
(Rupees in thousands)							
Balance as on October 1, 2019	750,000	34,000	4,658,500	1,195,655	1,424,896	7,313,051	8,063,051
Cash dividend for the year ended September 30, 2019 @ 55%	-	-	-	(412,500)	-	(412,500)	(412,500)
Transfer to general reserve	-	-	790,000	(790,000)	-	-	-
Total comprehensive income for the quarter ended December 31, 2019	-	-	-	144,116	428,758	572,874	572,874
Balance as on December 31, 2019	<u>750,000</u>	<u>34,000</u>	<u>5,448,500</u>	<u>137,271</u>	<u>1,853,654</u>	<u>7,473,425</u>	<u>8,223,425</u>
Balance as on October 1, 2020	750,000	34,000	5,448,500	714,316	1,676,370	7,873,186	8,623,186
Proposed cash dividend for the year ended September 30, 2020 @ 55%	-	-	-	(412,500)	-	(412,500)	(412,500)
Proposed transfer to general reserve	-	-	300,000	(300,000)	-	-	-
Realised gain on sale of investment	-	-	-	81,895	(81,895)	-	-
Total comprehensive income for the quarter ended December 31, 2020	-	-	-	423,942	235,014	658,956	658,956
Balance as on December 31, 2020	<u>750,000</u>	<u>34,000</u>	<u>5,748,500</u>	<u>507,653</u>	<u>1,829,489</u>	<u>8,119,642</u>	<u>8,869,642</u>

The annexed notes 1 to 23 form an integral part of these consolidated condensed interim financial statements.


Amir Bashir Ahmed
 Chief Financial Officer


Raeesul Hasan
 Chief Executive


Murtaza Habib
 Director



Consolidated Condensed Interim Statement of Cash Flows for the quarter ended December 31, 2020 (Unaudited)

	Note	Dec. 31, 2020	Dec. 31, 2019
(Rupees in thousands)			
Cash flows from operating activities			
Cash generated from operations	19	(1,135,784)	(1,060,390)
Finance income received - net		91,941	115,452
Income tax paid		(33,776)	(24,164)
Long-term loans		(835)	(102)
Net cash generated from operating activities		(1,078,454)	(969,204)
Cash flows from investing activities			
Fixed capital expenditure		(25,068)	(93,876)
Sale proceeds of investments		128,089	-
Dividend received		9,965	12,868
Purchase of investments		(3,838,048)	(1,631,842)
Sale proceeds of fixed assets		42	1,530
Net cash used in investing activities		(3,725,020)	(1,711,320)
Cash flows from financing activities			
Lease rental paid		(2,954)	-
Dividend paid		(1,204)	(313)
Net cash used in financing activities		(4,158)	(313)
Net Increase in cash and cash equivalents		(4,807,632)	(2,680,837)
Cash and cash equivalents at the beginning of the quarter		4,072,254	2,464,979
Cash and cash equivalents at the end of the quarter	20	(735,378)	(215,858)

The annexed notes 1 to 23 form an integral part of these consolidated condensed interim financial statements.


Amir Bashir Ahmed
 Chief Financial Officer


Raeesul Hasan
 Chief Executive


Murtaza Habib
 Director



Notes to the consolidated Condensed Interim Financial Statements for the quarter ended December 31, 2020 (Unaudited)

1. Group and its Operations

The Group consists of Habib Sugar Mills Limited (the Holding company) and HSM Energy Limited - a wholly owned Subsidiary Company (the Subsidiary Company). Brief profiles of Holding company and its subsidiary company are as follows :

1.1. Holding Company

The Holding Company is a public limited company incorporated in Pakistan, with its shares quoted on the Pakistan Stock Exchange Limited. The Holding Company is engaged in the manufacturing and marketing of refined sugar, molasses, ethanol, liquidified carbon dioxide (CO₂), household textiles, providing bulk storage facilities and trading of commodities. The registered office of the Holding Company is situated at Imperial Court, 3rd Floor, Dr. Ziauddin Ahmed Road, Karachi.

1.2. Subsidiary Company

HSM Energy Limited (the Company), a wholly owned subsidiary of Habib Sugar Mills Limited (the Parent Company) was incorporated in Pakistan as a public unlisted company on May 16, 2017. The Registered office of the Company is situated at 3rd Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi.

The Bagasse Based project of the Company was on hold for a long time, due to non-clarity on the policy of the Government for bagasse based energy projects. The Board of Directors of Habib Sugar Mills Limited in their meeting held on July 29, 2020, reviewed the situation of these projects and after considering the uncertainty regarding the tariff and dispute over the power purchasing terms with CPPA, have decided to discontinue the project and wind up HSM Energy Limited.

2. Statement of compliance

These consolidated condensed interim financial statements are unaudited and have been prepared in accordance with the requirements of International Accounting Standard (IAS) - 34, 'Interim Financial Reporting', as applicable in Pakistan and provisions of and directives issued under the Act. In case where requirements differ, the provisions of or directives issued under the Act have been followed.

These consolidated condensed interim financial statements do not include all the information and disclosures required in the consolidated financial statements and should be read in conjunction with the Holding Company's consolidated annual financial statements for the year ended September 30, 2020.

3. Significant accounting policies and disclosures

The accounting policies and methods of computation followed for the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Company for the year ended September 30, 2020.

4. Fixed assets

4.1 Property, plant and equipment

	(Unaudited) Dec. 31, 2020	(Audited) Sept. 30, 2020
	(Rupees in thousands)	
Operating fixed assets	2,428,191	2,325,639
Capital work-in-progress	19,008	151,115
Major stores and spare parts	-	1,605
Right of use Assets	16,031	17,488
	<u>2,463,230</u>	<u>2,495,847</u>



4.2 Cost of additions to and written down value of deletions from fixed assets during the quarter ended December 31, 2020 were as follows:

	Additions (Rupees in thousands)	Deletions (Rupees in thousands)
Plant and machinery		
Sugar	22,510	-
Distillery	-	-
Furniture, fittings and office equipment	1,458	23
Accounting Software	983	-
Vehicle	117	16
	<u>25,068</u>	<u>39</u>
	(Unaudited) Dec. 31, 2020	(Audited) Sept. 30, 2020
	(Rupees in thousands)	
5. Long-term investments		
Investments in related parties	- Quoted - at fair value 1,727,849	1,610,143
	- Un-Quoted - at fair value 127,374	121,587
Investments in other companies	- Quoted - at fair value 1,034,730	964,872
	<u>2,889,953</u>	<u>2,696,602</u>
5.1 Investments in associated companies or undertakings have been made in accordance with the requirements under the Act.		
5.2 The aggregate cost of these investments, net of impairment is Rs.1,061.28 (September 30, 2020: Rs.1,020.23) million.		
	(Unaudited) Dec. 31, 2020	(Audited) Sept. 30, 2020
	(Rupees in thousands)	
6. Stock-in-trade		
Raw materials	721,081	187,879
Work-in-process	114,167	30,141
Finished goods	1,854,052	650,228
Bagasse	4,351	7,105
Fertilizers	5,158	668
	<u>2,698,809</u>	<u>876,021</u>
7. Loans and advances		
Loans - secured		
Current maturity of long-term loans		
Executives	-	-
Other Employees	7,511	6,757
	7,511	6,757
Advances - unsecured		
Suppliers	370,296	513,823
	<u>377,807</u>	<u>520,580</u>
8. Other receivables - Considered good		
Duty drawback and research & development support claim	13,660	9,827
Dividend receivable	820	741
Sales tax refundable / adjustable	28,283	33,537
Others	2,285	1,856
	<u>45,048</u>	<u>45,961</u>



	Note	(Unaudited) Dec. 31, 2020 (Rupees in thousands)	(Audited) Sept. 30, 2020
9. Short-term investments			
First Habib Cash Fund	- at fair value	2,500,419	-
ABL Cash Fund	- at fair value	751,106	-
HBL Cash Fund	- at fair value	500,097	-
		<u>3,751,622</u>	<u>-</u>
9.1 The aggregate cost of these investments, is Rs.3,750.81 (September 30, 2020: Nil) million.			
10. Cash and bank balances			
Cash in hand		6,292	125
Balances with banks in:			
Current accounts		62,472	17,735
Treasury call accounts	10.1	105,008	154,394
Term Deposit Receipts	10.2	550,000	3,900,000
	10.3	717,480	4,072,129
		<u>723,772</u>	<u>4,072,254</u>
10.1 Profit rates on Treasury call accounts ranged between 5.50% to 6.50% (September 2020: 5.50% to 11.75%) per annum.			
10.2 Profit rates on Term Deposit Receipts is 6.70% (September 2020: 6.70% to 12.75%) per annum. Maturity of these Term Deposit Receipts are one month.			
10.3 Includes Rs.658.26 (September 2020: Rs.4,055.68) million kept with Bank AL Habib Limited - a related party.			
11. Deferred taxation			
Deferred tax liability on taxable temporary differences:			
on accelerated tax depreciation allowance on operating fixed assets		209,000	208,000
Deferred tax asset on deductible temporary differences:			
Provision for obsolescence and slow moving stores & spare parts		(9,000)	(9,000)
Deferred tax assets carry forward on minimum tax under section 113		(9,000)	(9,000)
Deferred tax assets on impairment of investments		(14,500)	(14,500)
Deferred tax assets on lease liability		(5,500)	(5,500)
Deferred tax credit on provision for GIDC		(8,000)	(8,000)
Unabsorbed tax depreciation allowance		(124,500)	(133,000)
		<u>(170,500)</u>	<u>(179,000)</u>
		<u>38,500</u>	<u>29,000</u>
12. Trade and other payables			
Creditors		1,718,547	1,508,826
Accrued liabilities		384,687	314,009
payable to Employees Gratuity Fund		-	158
Gas Infrastructure Development Cess	12.1	138,681	138,681
Workers' Profit Participation Fund (WPPF)		28,601	42,858
Workers' Welfare Fund		26,015	23,416
Income-tax deducted at source		224	248
		<u>2,296,755</u>	<u>2,028,196</u>



12.1 G.I.D.C.

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 pass on the burden to their customers, have to pay the GID Cess that become due upto 31 July 2020 w.e.f 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 by the Company as the company had not passed the burden to their customers/clients. The Company filed an appeal before the Honourable High court of Sindh 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 was pleased to grant 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 full provision of Rs. 138.68 million for GID Cess in the financial statements for the year ended 30 September 2020.

	(Unaudited) Dec. 31, 2020	(Audited) Sept. 30, 2020
	(Rupees in thousands)	
13. Short-term borrowings - secured	<u>1,459,150</u>	<u>—</u>
<p>The aggregate financing facility available from commercial banks amounted to Rs.7,637 (September 2020: Rs.7,637) 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 period was 3% (September 2020: 0.50% to 15.35%) per annum.</p>		
14. Contingencies and commitments		
14.1 Contingencies		
<p>There were no major changes in the status of contingencies as reported in the annual financial statements for the year ended September 30, 2020.</p>		
14.2 Commitments		
<p>The Company has provided counter guarantees to Bank AL Habib Limited, a related party, amounting to Rs.550 (September 30, 2020: Rs.400.00) million against agriculture finance facilities to the growers supplying sugarcane to the mills and counter guarantees to other banks amounting to Rs.231.86 (September 30, 2020: Rs.588.71) 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.</p>		
14.3 Commitments for capital expenditure amounting to Rs.15.036 (September 2020: Rs.32.27) million.	(Unaudited) Dec. 31, 2020	(Audited) Sept. 30, 2020
	(Rupees in thousands)	
14.4 Rentals payable over next four years under operating lease agreements with First Habib Modaraba in respect of vehicles	<u>32,115</u>	<u>32,615</u>



15. Consolidated Segment operating results and related information for the quarter ended December 31, 2020 (Unaudited)

		Sugar Division		Distillery Division		Textile Division		Trading Division		Subsidiary Company		(Rupees in thousands) Total	
		Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Net sales and services													
Sales	Local	598,007	1,478,077	115,044	76,092	1,422	59	7,379	4,055	-	-	721,852	1,558,283
	Export	-	-	1,108,186	608,320	201,053	162,427	-	-	-	-	1,309,239	770,747
		598,007	1,478,077	1,223,230	684,412	202,475	162,486	7,379	4,055	-	-	2,031,091	2,329,030
Services - Storage income - net		-	-	784	1,071	-	-	-	-	-	-	784	1,071
		598,007	1,478,077	1,224,014	685,483	202,475	162,486	7,379	4,055	-	-	2,031,875	2,330,101
Less: Cost of sales		(539,327)	(1,493,216)	(815,370)	(535,298)	(180,898)	(144,126)	(5,750)	(3,590)	-	-	(1,541,345)	(2,176,230)
Gross Profit / (loss)		58,580	(15,139)	408,644	150,185	21,577	18,360	1,629	465	-	-	490,530	153,871
Less: Selling and distribution expenses		(8,523)	(15,276)	(19,301)	(30,322)	(9,611)	(8,760)	-	-	-	-	(37,435)	(54,358)
Administrative expenses		(43,014)	(45,238)	(7,215)	(6,329)	(1,560)	(1,464)	(134)	(119)	-	(514)	(51,923)	(53,664)
		(51,537)	(60,514)	(26,516)	(36,651)	(11,171)	(10,224)	(134)	(119)	-	(514)	(89,358)	(108,022)
Profit / (loss) before other operating expenses and other income		7,143	(75,653)	382,128	113,534	10,406	8,136	1,495	346	-	(514)	401,172	45,849
Other operating expenses - note 16												(31,201)	(10,769)
Other income - note 17												19,652	15,930
Operating Profit												389,623	51,010



	(Unaudited)	
	Dec. 31, 2020	Dec. 31, 2019
	(Rupees in thousands)	
16. Other operating expenses		
Workers' Profit Participation Fund	28,601	8,769
Workers' Welfare Fund	2,600	2,000
	<u>31,201</u>	<u>10,769</u>
17. Other income		
Income from financial assets		
Dividend income	10,044	9,754
Agriculture Income	656	967
Exchange gain - net	1,129	900
	<u>11,829</u>	<u>11,621</u>
Income from non financial assets		
Gain on disposal of fixed assets	3	1,485
Scrap sale	7,820	2,824
	<u>7,823</u>	<u>4,309</u>
	<u>19,652</u>	<u>15,930</u>
18. Finance income / (cost) - net		
Profit / Interest on :		
Treasury call accounts	2,738	2,862
Term deposit receipts	81,061	99,600
Government Securities	-	27,207
Loan to employees	42	48
	<u>83,841</u>	<u>129,717</u>
Less:		
Mark-up / interest on:		
Short-term borrowings	(10,368)	(10,888)
Lease Liability	(435)	-
Workers' Profit Participation Fund	-	(1,592)
Bank charges	(3,717)	(4,124)
	<u>(14,520)</u>	<u>(16,604)</u>
	<u>69,321</u>	<u>113,113</u>



	(Unaudited)	
	Dec. 31, 2020	Dec. 31, 2019
	(Rupees in thousands)	
19. Cash generated / (used in) from operations		
Profit before taxation	458,944	164,123
Adjustment for non-cash charges and other items		
Depreciation	57,646	57,667
Gain on disposal of fixed assets	(3)	(1,485)
Finance income - net	(69,321)	(113,113)
Dividend income	(10,044)	(9,754)
Working capital changes - note 19.1	(1,573,006)	(1,157,828)
	<u>(1,135,784)</u>	<u>(1,060,390)</u>
19.1 Working capital changes		
(Increase) / decrease in current assets		
Stores and spare parts	(30,318)	(35,322)
Stock-in-trade	(1,822,788)	506,067
Trade debts	(40,682)	(14,925)
Loans and advances	142,773	(1,126,275)
Trade deposits and prepayments	(2,840)	(6,527)
Other receivables	992	(139,532)
	(1,752,863)	(816,514)
Increase / (decrease) in current liabilities		
Trade and other payables	268,559	102,600
Advance from customers	(88,702)	(443,914)
	179,857	(341,314)
Net changes in working capital	<u>(1,573,006)</u>	<u>(1,157,828)</u>
20. Cash and cash equivalents at the end of the quarter		
These comprise of the following:		
Cash and bank balances	723,772	1,264,142
Short-term borrowings	(1,459,150)	(1,480,000)
	<u>(735,378)</u>	<u>(215,858)</u>



21. Transactions with related parties

Related parties comprise of subsidiary, associated entities, entities with common directorship, directors and key management personnel. Material transactions with related parties during the period and balances at the end of the period, other than those which have been disclosed elsewhere in these consolidated condensed interim financial statements, are as follows:

	(Unaudited)	
	Dec. 31, 2020	Dec. 31, 2019
	(Rupees in thousands)	
Insurance premium paid	11,283	10,409
Insurance claim received	913	8,700
Profit on treasury call accounts / term deposits	83,700	102,256
Investment in shares / units of mutual funds	2,513,615	4,706
Payment made on behalf of the subsidiary	–	473
Bank charges	43	32
Compensation of Key management personnel	15,281	14,381
Contribution to retirement funds	3,998	3,984

Transactions with related parties are carried out at arm's length.

22. Dividend

The Board of Directors of the Company in their meeting held on December 23, 2020 had proposed a final cash dividend of Rs.2.75 per share (55%) for the year ended September 30, 2020. The cash dividend as proposed by the Board of Directors of the Company was approved by the members at the Annual General Meeting of the Company held on January 27, 2021. The proposed cash dividend has been accounted for in these condensed interim financial statements.

23. General

- Figures presented in these condensed interim financial statements have been rounded off to the nearest thousand rupees.
- These condensed interim financial statements were authorised for issue on January 27, 2021 by the Board of Directors of the Company.

Amir Bashir Ahmed
Chief Financial Officer

Raeesul Hasan
Chief Executive

Murtaza Habib
Director



حالیہ سیزن کے دوران گنے کی فراہمی غیر یقینی رہی اور اس کی کم دستیابی کسانوں کی طرف سے گنے کی فراہمی کو روکنے کی وجہ سے ہوئی۔ وہاں پر ملوں میں آپس میں قیمت خرید پر مقابلہ ہوا اور ملوں کو مجبوراً زیادہ قیمت پر گنا خریدنا پڑا۔

شکر ڈویژن نے آپریٹنگ منافع 7.14 ملین کیا اس کے مقابل گزشتہ سال اسی مدت کے سہ ماہی میں 75.65 ملین روپے کا خسارہ کیا تھا۔ آپریٹنگ نتائج میں بہتری اچھی قیمت فروخت اور کرشنگ کے حجم اور پیداوار میں اضافہ سے اخراجات جذب ہو گئے۔

ڈسٹری ڈویژن:

اس سہ ماہی کی ختم ہونے والی مدت میں استھانول کی پیداوار 4,620 میٹرک ٹن ہوئی۔ گزشتہ سال اسی مدت کے دوران 5,304 میٹرک ٹن پیداوار تھی۔ ڈویژن نے 382.13 ملین روپے کا آپریٹنگ منافع حاصل کیا مقابلتاً گزشتہ سال اس مدت کے دوران 113.53 ملین روپے منافع حاصل کیا تھا۔ منافع میں اضافہ عالمی منڈی میں بہتر قیمت فروخت کی وجہ سے ہوا۔

لیکویڈ کاربن ڈائی آکسائیڈ (CO2) یونٹ کی پیداوار 988 میٹرک ٹن رہی مقابلتاً گزشتہ سال اس مدت کے 1,438 میٹرک ٹن تھی۔ یونٹ کا حاصل کردہ آپریٹنگ منافع ڈویژن کے منافع میں شامل ہے۔

ٹیکسٹائل ڈویژن:

ڈویژن نے زیر نظر سہ ماہی کے دوران 10.41 ملین روپے کا آپریٹنگ منافع حاصل کیا اس کے برعکس گزشتہ سال اسی سہ ماہی کے دوران 8.14 ملین روپے کا منافع تھا۔ منافع میں اضافہ فروخت کے حجم میں بہتری کی وجہ سے ہوا۔


ٹریڈنگ ڈویژن:

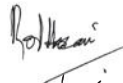
سہ ماہی کے دوران ڈویژن کو 1.50 ملین روپے کا منافع شکر کی تجارت سے ہوا۔

عام امور:

ڈائریکٹرز اس امر پر اپنی خوشی کا اظہار کرتے ہوئے کمپنی کے افسران، اسٹاف اور ورکرز کی بہترین کارکردگی پر خراج تحسین پیش کرتے ہیں۔

از طرف بورڈ آف ڈائریکٹرز


مرتضیٰ حبیب
ڈائریکٹر


رہیس احسن
چیف ایگزیکٹو

کراچی مورخہ 27 جنوری 2021ء



ڈائریکٹرز کی رپورٹ

محترم ممبران۔ السلام علیکم

بورڈ آف ڈائریکٹرز کی جانب سے ہم 31 دسمبر 2020ء کو ختم ہونے والی پہلی سہ ماہی مدت کے لئے کمپنی کی غیر آڈٹ شدہ مجموعی اور غیر مجموعی عبوری مالیاتی حسابات پیش کر رہے ہیں۔

مالیاتی نتائج:

زیر جائزہ مدت کے دوران آپ کی کمپنی کا قبل از ٹیکس منافع کی رقم مبلغ 458.93 ملین روپے رہی۔ پہلی سہ ماہی کے مالیاتی نتائج درج ذیل ہیں:-

(روپے ہزاروں میں)

458,932	منافع قبل از ٹیکس
35,000	ٹیکس
<u>423,932</u>	منافع بعد از ٹیکس
81,895	جمع کریں: سرمایہ کاری کی فروخت پر منافع حاصل کیا
1,592	غیر منقسمہ منافع براڈ فارورڈ
<u>507,419</u>	غیر منقسمہ منافع گیری فارورڈ
<u>2.83</u>	منافع فی شیئر۔ بنیادی اور معتدل۔ روپیہ

کارکردگی کا جائزہ:

شکر ڈویژن

گنے کی کرشنگ کا سیزن 2020-2021 10 نومبر 2020 کو شروع ہوا اور 31 دسمبر 2020 تک 52 دن چلا جبکہ گزشتہ سال اسی عرصے کے دوران 36 دن چلا تھا۔ زیر جائزہ مدت کے دوران گنے کی کرشنگ 311,774 میٹرک ٹن رہی جبکہ شکر کی اوسط ریکوری کا تناسب 9.62 فیصد رہا اور شکر کی پیداوار 30,000 میٹرک ٹن ہوئی۔ مقابلتاً گزشتہ سیزن کی پہلی سہ ماہی میں گنے کی کرشنگ 199,734 میٹرک ٹن رہی جبکہ شکر کی اوسط ریکوری 9.22 فیصد تھی اور شکر کی پیداوار 18,427 میٹرک ٹن تھی۔ حکومت سندھ نے 23 نومبر 2020 کو گنے کی کم از کم سپورٹ پرائس برائے سیزن 2020-2021 کے نوٹفیکیشن کا اجراء کیا جس میں گنے کی قیمت 2021 روپے فی 40 کلوگرام مقرر کی گئی۔ مقابلتاً سیزن 2019-20 روپے فی 40 کلوگرام تھی۔ علاوہ ازیں ملز کوٹھی پری میٹم شکر کی اوسط ریکوری کے بیچ مارک 8.70 فیصد سے زائد ہر 0.10 فیصد پر 0.50 روپے فی 40 کلوگرام ادا کرے گی۔