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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> <i>Chief Executive</i>
Audit Committee	Farouq Habib Rahimtoola Tyaba Muslim Habib Sohail Hussain Haji	<i>Chairman</i> <i>Member</i> <i>Member</i>
Human Resource & Remuneration Committee	Tyaba Muslim Habib Hasnain Habib Khursheed A. Jamal	<i>Chairperson</i> <i>Member</i> <i>Member</i>
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 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	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	



Directors' Report

Dear Members – Assalam-o-Alekum

On behalf of the Board of Directors, we are pleased to present you the unaudited condensed interim financial statements of the Company for the first quarter ended on December 31, 2023. The Company has earned pre-tax profit of Rs. 865.44 million (December 31, 2022: Rs. 354.33 million). The financial results of the Company for the first quarter ended December 31, 2023 are summarized below:

Financial Results

	First Quarter ended December 31, 2023	First Quarter ended December 31, 2022 (Rupees in Million)	Variance
Profit before taxation	865.44	354.33	511.11
Less: Taxation	(270.00)	(70.00)	(200.00)
Profit after taxation	595.44	284.33	311.11
Add: Realized gain on sale of investment	14.69	4.13	10.56
Unappropriated profit brought forward	4.55	5.19	(0.64)
Unappropriated profit carried forward	614.68	293.65	321.03
Earnings per share–Basic and diluted (Rs.)	3.97	1.90	2.07

Sugar Division

The crushing season 2023-24 commenced on November 15, 2023 and upto December 31, 2023, sugarcane of 475,122 M. Tons was crushed with average sucrose recovery of 10.06% and sugar production of 47,778 M. Tons as compared with sugarcane crushing of 314,817 M. Tons with average sucrose recovery of 10.50 % and sugar production of 33,080 M. Tons during the corresponding quarter of the previous year.

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 - 24 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 Re. 0.50 for every 0.1 percent sucrose recovery in excess of the benchmark of 8.7%.

The sugar division earned operating profit of Rs. 188.41 million (December 31, 2022: Rs. 60.77 million). The increase in operating profit was due to increased selling prices of sugar in the local market.



The increase in Minimum sugarcane Support Price in the crushing season of 2023-2024 from Rs. 302 to Rs. 425 represents an increase of 40.73% over the year. The growers are demanding for prices for sugarcane even higher than the minimum support price. This trend would result in increased cost of production and may affect the profitability of the division.

Distillery Division

The ethanol production during the first quarter ended December 31, 2023 was 5,793 M. Tons (December 31, 2022: 8,187 M. Tons). The division earned operating profit of Rs. 194.51 million (December 31, 2022: Rs. 260.76 million). The decrease in profit was due to depressed selling prices in international market and higher cost of production mainly raw materials.

The liquidified carbon dioxide (CO₂) unit produced 1,670 M. Tons (December 31, 2022: 1,952 M. Tons). The contribution of the unit is included in the profit of the division.

Textile Division

The division earned operating profit of Rs. 7.57 million (December 31, 2022: Rs. 4.54 million). During the first quarter under review, the increase in profit was mainly due to better sales volume and devaluation of Pakistani Rupee against foreign currencies.

Trading Division

The Trading division earned operating profit of Rs. 2.44 million (December 31, 2022: Rs. 3.50 million).

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: January 24, 2024




Condensed Interim Statement of Financial Position as at December 31, 2023 (Unaudited)

	Note	Unaudited Dec 31, 2023 (Rupees in thousands)	Audited Sept. 30, 2023
Assets			
Non-Current Assets			
Property, plant and equipment	4	2,245,010	2,284,432
Right-of-use assets		5,428	7,237
Long-term investments	5	3,049,306	1,908,277
Long-term loans		21,227	17,529
Long-term deposits		3,972	3,972
		<u>5,324,943</u>	<u>4,221,447</u>
Current Assets			
Stores and spare parts		406,222	387,261
Stock-in-trade	6	7,170,748	3,957,133
Trade debts		920,038	1,160,742
Loans and advances	7	2,448,653	186,108
Trade deposits and short-term prepayments		91,761	64,087
Accrued Profit		13,975	32,793
Other receivables	8	55,172	12,753
Short-term investments	9	5,953,559	6,412,471
Cash and bank balances	10	1,273,452	1,274,264
		<u>18,333,580</u>	<u>13,487,612</u>
Total Assets		<u><u>23,658,523</u></u>	<u><u>17,709,059</u></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>11,432,345</u>	<u>10,565,406</u>
Total Equity		<u>12,182,345</u>	<u>11,315,406</u>
Non-Current Liabilities			
Deferred taxation	11	193,000	180,500
Gas Infrastructure Development Cess	12	72,988	71,432
		<u>265,988</u>	<u>251,932</u>
Current Liabilities			
Trade and other payables	13	3,781,392	2,956,821
Advance from customers		2,741,788	1,615,781
Short-term borrowings	14	3,181,854	1,156,626
Unclaimed dividends		193,091	195,425
Accrued mark-up on short-term borrowing		62,413	5,440
Taxation - net		342,279	202,055
Current portion of lease liability		7,373	9,573
Proposed dividend		900,000	-
		<u>11,210,190</u>	<u>6,141,721</u>
Contingencies and Commitments	15		
Total Equity and Liabilities		<u><u>23,658,523</u></u>	<u><u>17,709,059</u></u>

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.


Amir Bashir Ahmed
 Chief Financial Officer


Khursheed A. Jamal
 Chief Executive


Murtaza Habib
 Director




**Condensed Interim Statement of Profit or Loss
for the quarter ended December 31, 2023 (Unaudited)**

	Note	Dec. 31, 2023 (Rupees in thousands)	Dec. 31, 2022
Segment operating results	16		
Net sales and services		4,688,066	3,261,404
Cost of sales		(4,120,976)	(2,784,490)
Gross Profit		567,090	476,914
Selling and distribution expenses		(83,948)	(74,673)
Administrative expenses		(90,208)	(72,661)
Other operating expenses	17	(55,796)	(102,567)
Other income	18	478,597	139,832
		248,645	(110,069)
Operating Profit		815,735	366,845
Finance income / (cost) - net	19	49,701	(12,516)
Profit before taxation		865,436	354,329
Taxation		(270,000)	(70,000)
Profit after taxation		595,436	284,329
Earnings per share - Basic and diluted (Rupees)		3.97	1.90

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.


Amir Bashir Ahmed
Chief Financial Officer


Khursheed A. Jamal
Chief Executive


Murtaza Habib
Director



**Condensed Interim Statement of Comprehensive Income
for the quarter ended December 31, 2023 (Unaudited)**

	Dec. 31, 2023	Dec. 31, 2022
	(Rupees in thousands)	
Profit after taxation	595,436	284,329
Other comprehensive income :		
Items that will not be reclassified subsequently to the statement of profit or loss:		
Unrealised Gain / (loss) on re-measurement of equity investments classified as fair value through other comprehensive income (FVOCI)	1,171,503	(74,339)
Total Comprehensive income for the quarter ended December 31,	<u>1,766,939</u>	<u>209,990</u>

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

Amir Bashir Ahmed
Chief Financial Officer

Khursheed A. Jamal
Chief Executive

Murtaza Habib
Director




Condensed Interim Statement of Changes in Equity for the quarter ended December 31, 2023 (Unaudited)

	Issued, Subscribed and Paid-up Capital	Capital Reserve	Revenue Reserves			Total Reserves	Total Equity
			General Reserve	Unappro- priated Profit	Unrealised gain/ (loss) on re-measurement of FVOCI investments		
(Rupees in thousands)							
Balance as on October 1, 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)
Transfer to general reserve	-	-	810,000	(810,000)	-	-	-
Realised gain on sale of investment	-	-	-	4,134	(4,134)	-	-
Total comprehensive income for the quarter ended December 31, 2022	-	-	-	284,329	(74,339)	209,990	209,990
Balance as on December 31, 2022	<u>750,000</u>	<u>34,000</u>	<u>7,218,500</u>	<u>293,648</u>	<u>908,844</u>	<u>8,454,992</u>	<u>9,204,992</u>
Balance as on October 1, 2023	750,000	34,000	7,218,500	2,314,540	998,366	10,565,406	11,315,406
Proposed cash dividend for the year ended September 30, 2023 @ 120%	-	-	-	(900,000)	-	(900,000)	(900,000)
Proposed transfer to general reserve	-	-	1,410,000	(1,410,000)	-	-	-
Realised gain on sale of investment	-	-	-	14,692	(14,692)	-	-
Total comprehensive income for the quarter ended December 31, 2023	-	-	-	595,436	1,171,503	1,766,939	1,766,939
Balance as on December 31, 2023	<u>750,000</u>	<u>34,000</u>	<u>8,628,500</u>	<u>614,668</u>	<u>2,155,177</u>	<u>11,432,345</u>	<u>12,182,345</u>

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.


Amir Bashir Ahmed
 Chief Financial Officer


Khursheed A. Jamal
 Chief Executive


Murtaza Habib
 Director



**Condensed Interim Statement of Cash Flows
for the quarter ended December 31, 2023 (Unaudited)**

	Note	Dec. 31, 2023	Dec. 31, 2022
(Rupees in thousands)			
Cash flows from operating activities			
Cash generated from / (used in) operations	20	(2,921,941)	(1,750,735)
Finance income received - net		130,932	3,758
Income tax paid		(117,275)	(68,000)
Long-term loans		(3,698)	(1,114)
Net cash (used in) / generated from operating activities		(2,911,982)	(1,816,091)
Cash flows from investing activities			
Fixed capital expenditure		(9,691)	(4,428)
Redemption / sale proceeds of investments		2,811,104	3,513,895
Dividend received		417,185	131,530
Purchase of investments		(2,328,186)	(4,841,453)
Sale proceeds of fixed assets		64	662
Net cash generated / (used in) investing activities		890,476	(1,199,794)
Cash flows from financing activities			
Lease rental paid		(2,200)	(2,796)
Dividend paid		(2,334)	-
Net cash used in financing activities		(4,534)	(2,796)
Net decrease in cash and cash equivalents		(2,026,040)	(3,018,681)
Cash and cash equivalents at the beginning of the quarter		117,638	545,972
Cash and cash equivalents at the end of the quarter	21	(1,908,402)	(2,472,709)

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.


Amir Bashir Ahmed
Chief Financial Officer


Khurshed A. Jamal
Chief Executive


Murtaza Habib
Director



Notes to the Condensed Interim Financial Statements for the quarter ended December 31, 2023 (Unaudited)

1. The Company and its operations

Habib Sugar Mills Limited is a public limited Company incorporated in Pakistan, on February 08, 1962 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.

2. Statement of compliance

These 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 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, 2023.

3. Significant accounting policies and disclosures

The accounting policies and methods of computation followed for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended September 30, 2023.

	(Unaudited) Dec. 31, 2023	(Audited) Sept. 30, 2023
	(Rupees in thousands)	
4. Property, plant and equipment		
4.1 Operating fixed assets	2,178,124	2,220,789
Capital work-in-progress	66,886	63,643
	<u>2,245,010</u>	<u>2,284,432</u>
4.2 Cost of additions to and written down value of deletions from fixed assets during the quarter ended December 31, 2023 were as follows:		
	Additions	Deletions
	(Rupees in thousands)	
Furniture, fittings and office equipment	6,448	15
Vehicle	-	14
	<u>6,448</u>	<u>29</u>



	Note	(Unaudited) Dec. 31, 2023 (Rupees in thousands)	(Audited) Sept. 30, 2023
5. Long-term investments			
Investments in related parties – Quoted		1,977,224	1,113,694
– Un-Quoted		13,125	13,125
Investments in other companies – Quoted		1,058,957	781,458
		<u>3,049,306</u>	<u>1,908,277</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.962.51 (September 30, 2023: Rs.950.55) million.			
		(Unaudited) Dec. 31, 2023 (Rupees in thousands)	(Audited) Sept. 30, 2023
6. Stock-in-trade			
Raw materials		1,220,965	643,015
Work-in-process		180,926	81,365
Finished goods		5,698,891	3,227,670
Bagasse		69,966	5,083
		<u>7,170,748</u>	<u>3,957,133</u>
7. Loans and advances			
Loans - secured			
Current maturity of long-term loans			
Executives		18,250	5,462
Other Employees	7.1	6,172	10,960
		24,422	16,422
Advances - unsecured			
Suppliers		2,424,231	169,686
		<u>2,448,653</u>	<u>186,108</u>
7.1 Above loans include of Rs.4.98 (2023. Rs.6.23) million to workers which carry no interest as per Company policy and CBA agreement. The balance amount of loan carries interest @ 7% (September 30, 2023: 7%) per annum.			
8. Other receivables - Considered good			
Duty drawback and research & development support claim		8,222	5,565
Dividend receivable		13,733	6,077
Others		33,217	1,111
		<u>55,172</u>	<u>12,753</u>



	Note	(Unaudited) Dec. 31, 2023 (Rupees in thousands)	(Audited) Sept. 30, 2023
9. Short-term investments			
Governments Securities - at amortised cost			
Market Treasury Bills		–	220,065
Pakistan Investment Bond	9.1	101,641	101,641
		<u>101,641</u>	<u>321,706</u>
Units of Mutual Funds - FVOCI			
	9.2	5,851,918	6,090,765
		<u>5,953,559</u>	<u>6,412,471</u>
9.1 These carry effective yield of 13.23% (September 30, 2023: 13.23%) per annum, having maturity latest by August 2024.			
9.2 The aggregate cost of the units of mutual funds is Rs.5,792.93 (September 30, 2023: Rs.6,063.11) million and included Rs.3,148.41 with a wholly owned Subsidiary of related party.			
10. Cash and bank balances			
Cash in hand		1,508	770
Balances with banks in:			
Current accounts		71,894	120,118
Treasury call accounts	10.1	1,152,050	1,105,376
Term Deposit Receipts	10.2	48,000	48,000
	10.3	<u>1,271,944</u>	<u>1,273,494</u>
		<u>1,273,452</u>	<u>1,274,264</u>
10.1 Profit rates on Treasury call accounts ranged between 19.80% to 20.60% (September 2023: 14.50% to 20.60%) per annum.			
10.2 Profit rates on Term Deposit Receipts is 19.50% (September 2023: 19.50%) per annum. Maturity of these Term Deposit Receipts are one month.			
10.3 Includes Rs.1,149.27 (September 2023: Rs.1,104.27) 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		232,000	228,000
Deferred tax asset on deductible temporary differences:			
- provisions		(31,500)	(31,500)
- lease liability		(2,500)	(3,000)
- re-measurement of investments		(5,000)	(13,000)
		<u>(39,000)</u>	<u>(47,500)</u>
		<u>193,000</u>	<u>180,500</u>



12. Gas Infrastructure Development Cess (GIDC)

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 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.105.42 million (including current maturity of Rs.32.44 million) as shown below resulting in re-measurement gain on discounting of GIDC of Rs.33.26 million.

	(Unaudited) Dec. 31, 2023 (Rupees in thousands)	(Audited) Sept. 30, 2023
Opening balance of provision for GIDC	103,734	109,573
Add: Loss on re-measurement on discounting of GIDC	1,689	5,839
Closing balance of provision for GIDC	<u>105,423</u>	<u>103,734</u>
GIDC shown under Non-current liabilities	72,988	71,432
Payable within next twelve months shown under trade and other payables	13 32,435	32,302
Closing balance of provision GIDC	<u>105,423</u>	<u>103,734</u>



	Note	(Unaudited) Dec. 31, 2023 (Rupees in thousands)	(Audited) Sept. 30, 2023
13. Trade and other payables			
Creditors		2,936,925	2,054,357
Accrued liabilities		688,160	483,306
Sales tax		2,396	173,146
Payable to Employees Gratuity Fund		4,481	4,481
Gas Infrastructure Development Cess	12	32,435	32,302
Workers' Profit Participation Fund (WPPF)		46,796	161,518
Workers' Welfare Fund		44,583	43,231
Income-tax deducted at source		25,616	4,480
		<u>3,781,392</u>	<u>2,956,821</u>
14. Short-term borrowings - secured		<u>3,181,854</u>	<u>1,156,626</u>

The aggregate financing facility available from commercial banks amounted to Rs.10,417.00 (September 2023: Rs.9,562.00) 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 2.00% to 22.15% (September 2022: 2.00% to 21.73%) per annum.

15. Contingencies and commitments
Contingencies

There has been no significant change in the Status of contingencies as reported in Note 23 of the audited annual financial statements of the Company for the year ended 30 September, 2023.

Commitments

15.1 The Company has provided counter guarantees to Bank AL Habib Limited, a related party, amounting to Rs.500.00 (September 30, 2023: 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.2,564.66 (September 30, 2023: Rs.2,411.54) 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.

15.2 Commitments for capital expenditure amounting to Rs.Nil (September 2023: Rs.1.43) million.

	Note	(Unaudited) Dec. 31, 2023 (Rupees in thousands)	(Audited) Sept. 30, 2023
15.3 Lease rentals payable over next four years under Ijarah agreements with First Habib Modraba in respect of vehicles		<u>165,683</u>	<u>125,171</u>



16. Segment operating results for the first quarter (Unaudited)

		(Rupees in thousands)									
		Sugar Division		Distillery Division		Textile Division		Trading Division		Total	
		Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Net sales and services											
Sales	Local	2,179,073	1,926,715	178,817	143,152	2,254	367	26,117	6,558	2,386,261	2,076,792
	Export	–	–	2,060,140	1,043,913	240,968	138,757	–	–	2,301,108	1,182,670
		2,179,073	1,926,715	2,238,957	1,187,065	243,222	139,124	26,117	6,558	4,687,369	3,259,462
Services-Storage income from terminal-net		–	–	697	1,942	–	–	–	–	697	1,942
		2,179,073	1,926,715	2,239,654	1,189,007	243,222	139,124	26,117	6,558	4,688,066	3,261,404
Less: Cost of sales		(1,887,200)	(1,781,031)	(1,987,012)	(875,276)	(223,270)	(125,265)	(23,494)	(2,918)	(4,120,976)	(2,784,490)
Gross Profit		291,873	145,684	252,642	313,731	19,952	13,859	2,623	3,640	567,090	476,914
Less: Selling and distribution expenses		(28,174)	(23,692)	(46,552)	(44,094)	(9,222)	(6,887)	–	–	(83,948)	(74,673)
Administrative expenses		(75,285)	(61,219)	(11,576)	(8,877)	(3,160)	(2,428)	(187)	(137)	(90,208)	(72,661)
		(103,459)	(84,911)	(58,128)	(52,971)	(12,382)	(9,315)	(187)	(137)	(174,156)	(147,334)
Profit before other operating expenses and other income		188,414	60,773	194,514	260,760	7,570	4,544	2,436	3,503	392,934	329,580
Other operating expenses - note 17										(55,796)	(102,567)
Other income - note 18										478,597	139,832
Operating Profit										815,735	366,845



	(Unaudited)	
	Dec. 31, 2023	Dec. 31, 2022
	(Rupees in thousands)	
17. Other operating expenses		
Workers' Profit Participation Fund	46,796	18,993
Workers' Welfare Fund	9,000	2,400
Exchange loss - net	-	81,174
	55,796	102,567
18. Other income		
Income from financial assets		
Dividend income	424,841	124,320
Income from non financial assets		
Gain on disposal of fixed assets	35	658
Agriculture Income	7,828	841
Remeasurement loss on discounting of provision for GIDC	(1,689)	(126)
Exchange gain - net	45,491	-
Scrap sale	2,091	14,139
	53,756	15,512
	478,597	139,832
19. Finance income / (cost) - net		
Profit / Interest on :		
Treasury call accounts	131,438	12,244
Term deposit receipts	2,334	9,137
Government Securities	5,780	13,075
Loan to employees	523	589
	140,075	35,045
Less:		
Mark-up / interest on:		
Short-term borrowings	(64,069)	(38,381)
Lease Liability	(258)	(357)
Workers' Profit Participation Fund	(5,361)	(1,165)
Bank charges	(20,686)	(7,658)
	(90,374)	(47,561)
	49,701	(12,516)



	(Unaudited)	
	Dec. 31, 2023	Dec. 31, 2022
	(Rupees in thousands)	
20. Cash generated from / (used in) operations		
Profit before taxation	865,436	354,329
Adjustment for non-cash charges and other items		
Depreciation	51,920	55,761
Gain on disposal of fixed assets	(35)	(658)
Finance income - net	(49,701)	12,516
Dividend income	(424,841)	(124,320)
Working capital changes - note 20.1	(3,366,409)	(2,048,489)
Remeasurement loss on discounting of Provision for GIDC	1,689	126
	<u>(2,921,941)</u>	<u>(1,750,735)</u>
20.1 Working capital changes		
(Increase) / decrease in current assets		
Stores and spare parts	(18,961)	(56,363)
Stock-in-trade	(3,213,615)	(1,598,657)
Trade debts	240,704	(117,473)
Loans and advances	(2,262,545)	(1,497,554)
Trade deposits and prepayments	(27,674)	(13,747)
Other receivables	(34,763)	(122,569)
	(5,316,854)	(3,406,363)
Increase / (decrease) in current liabilities		
Trade and other payables	824,438	409,621
Advance from customers	1,126,007	948,253
	1,950,445	1,357,874
Net changes in working capital	<u>(3,366,409)</u>	<u>(2,048,489)</u>
21. Cash and cash equivalents at the end of the quarter		
These comprise of the following:		
Cash and bank balances	1,273,452	557,291
Short-term borrowings	(3,181,854)	(3,030,000)
	<u>(1,908,402)</u>	<u>(2,472,709)</u>



22. 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 condensed interim financial statements, are as follows:

	(Unaudited)	
	Dec. 31, 2023	Dec. 31, 2022
	(Rupees in thousands)	
Insurance premium paid	32,387	17,131
Insurance claim received	1,909	–
Profit on treasury call accounts / term deposits	113,771	11,800
Investment in shares / units of mutual funds	2,328,186	1,800,000
Bank charges	97	544
Compensation of Key management personnel	19,275	17,981
Contribution to retirement funds	9,862	7,982

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

23. Dividend

The Board of Directors of the Company in their meeting held on December 23, 2023 had proposed a final cash dividend of Rs.6.00 per share (120%) for the year ended September 30, 2023. 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 24, 2024. The proposed cash dividend has been accounted for in these condensed interim financial statements.

24. 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 24, 2024 by the Board of Directors of the Company.

Amir Bashir Ahmed
Chief Financial Officer

Khursheed A. Jamal
Chief Executive

Murtaza Habib
Director



ڈیٹری ڈویژن:

31 دسمبر، 2023 کو ختم ہونے والی پہلی سہ ماہی کے دوران استھانول کی 5,793 میٹرک ٹن (31 دسمبر 2022، 8,187 میٹرک ٹن) کی پیداوار ہوئی۔ ڈویژن نے 194.51 ملین روپے (31 دسمبر 2022، 260.76 ملین روپے) کا آپریٹنگ منافع حاصل ہوا۔ اس مدت میں منافع میں کمی کی بنیادی وجہ بین الاقوامی مارکیٹ میں قیمت فروخت میں مندی اور خام مال کی وجہ سے پیداواری لاگت میں اضافہ ہوا۔

لیکویڈ کاربن ڈائی آکسائیڈ (CO2) یونٹ کی پیداوار 1,670 میٹرک ٹن رہی (31 دسمبر 2022، 1,952 میٹرک ٹن تھی) یونٹ کا منافع ڈویژن کے منافع میں شامل ہے۔

ٹیکسٹائل ڈویژن:

ڈویژن کو 7.57 ملین روپے کا آپریٹنگ منافع (31 دسمبر 2022، 4.54 ملین روپے) ہوا۔ زبرد جانزہ پہلی سہ ماہی کی مدت میں منافع میں اضافہ فروخت کے حجم میں بہتری اور غیر ملکی زرمبادلہ کے مقابلے میں پاکستانی روپے کی قدر میں کمی کی وجہ سے ہوا۔

ٹریڈنگ ڈویژن:

ٹریڈنگ ڈویژن کو 2.44 ملین روپے (31 دسمبر 2022، 3.50 ملین روپے) منافع حاصل ہوا۔

اظہار تشکر:

کمپنی کے ڈائریکٹرز تمام اسٹاف، شیئر ہولڈرز، مالیاتی اداروں اور دوسرے حصہ داران کو ان کی مدد اور تعاون کا شکریہ ادا کرتے ہیں۔

از طرف بورڈ آف ڈائریکٹرز

مرٹضی اٹیج حبیب
ڈائریکٹر

خورشید اے۔ جمال
چیف ایگزیکٹو

کراچی مورخہ 24 جنوری 2024



ڈائریکٹرز کی رپورٹ

محترم ممبران - السلام علیکم

بورڈ آف ڈائریکٹرز کی جانب سے ہم 31 دسمبر، 2023 کو ختم ہونے والی پہلی سہ ماہی مدت کے کھیتی کے غیر آڈٹ شدہ عبوری مالیاتی حسابات پیش کر رہے ہیں۔ کھیتی کا قبل از ٹیکس منافع 865.44 ملین روپے (31 دسمبر 2022، 354.33 ملین روپے) ہوا۔ اس پہلی سہ ماہی مدت کے مالیاتی نتائج کا خلاصہ درج ذیل ہیں۔

فرق	پہلی سہ ماہی کی ختم ہونے والی مدت	پہلی سہ ماہی کی ختم ہونے والی مدت	
اضافہ / (کمی)	31 دسمبر، 2022	31 دسمبر، 2023	
	(روپے ملین میں)		
	354.33	865.44	منافع قبل از ٹیکس
	(70.00)	(270.00)	ٹیکسیشن
	311.11	595.44	منافع بعد از ٹیکسیشن
	10.56	14.69	سر مایہ کاری کی فروخت پر منافع حاصل کیا
	(0.64)	4.55	غیر منقسمہ منافع برائے فارورڈ
	321.03	614.68	غیر منقسمہ منافع کی ریٹ فارورڈ
	2.07	3.97	منافع فی شیئر - بنیادی اور معتدل - روپیہ

شکر ڈویژن:

کرشنگ سیزن 2023-2024 15 نومبر 2023 کو شروع ہوا اور 31 دسمبر 2023 تک گئے کی کرشنگ 475,122 میٹرک ٹن رہی جبکہ شکر کی اوسط ریکوری کا تناسب 10.06 فیصد رہا اور شکر کی پیداوار 47,778 میٹرک ٹن ہوئی۔ مقابلہ گزشتہ سیزن میں اس مدت میں گئے کی کرشنگ 314,817 میٹرک ٹن رہی تھی جبکہ شکر کی اوسط ریکوری 10.50 فیصد تھی اور شکر کی پیداوار 33,080 میٹرک ٹن تھی۔

حکومت سندھ نے 16 اگست 2023 کو گئے کی کم از کم سپورٹ پرائس برائے سیزن 2023-2024 کے نوٹیفکیشن کا اجراء کیا جس میں گئے کی قیمت -/425 روپے فی 40 کلوگرام مقرر کی گئی اس کے مقابلے میں کرشنگ سیزن 2022-2023 میں -/302 روپے فی 40 کلوگرام تھی۔ علاوہ ازیں ملوکوالٹی پریسٹیم شکر کی اوسط ریکوری کے شیڈ مارک 8.70 فیصد سے زائد ہر 0.10 فیصد پر 0.50 روپے فی 40 کلوگرام ادا کرے گی۔

شکر ڈویژن نے آپریٹنگ منافع 188.41 ملین روپے (31 دسمبر، 2022، 60.77 ملین روپے) کمایا۔ منافع میں اضافہ مقامی بازار میں شکر کی بڑھی ہوئی قیمت فروخت کی وجہ سے ہوئی۔

گئے کی کم از کم سپورٹ پرائس سیزن 2023-2024 میں 302 روپے سے بڑھا کر 425 روپے کر دی جو کہ 40.73 فیصد پچھلے سال کے مقابلے میں اضافہ ظاہر کرتی ہے۔ کاشتکار کم از کم سپورٹ پرائس سے زیادہ قیمت مانگ رہے ہیں۔ اس رجحان کے باعث پیداواری لاگت میں اضافہ منافع پر اثر انداز ہو سکتا ہے۔