



Habib Sugar Mills Limited

**Report and Condensed Interim
Financial Statements
for the Half Year ended
March 31, 2021
(Unaudited)**



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Company Information

Board of Directors	Asgar 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	



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.



Directors' Report

Dear Members – Assalam-o-Alekum

On behalf of the Board of Directors, it is our privilege to present to you the unaudited consolidated and unconsolidated condensed interim financial statements of the Company for the half year ended March 31, 2021

On March 11, 2020, the World Health Organization (WHO) declared COVID-19 a pandemic and alerted the world that this pandemic will infect a large population and will claim many lives across the world.

The Government of Pakistan, during the third wave of COVID-19 has issued guidelines to implement strict social distancing and other protective measures as recommended by WHO to control the spread of virus. This includes complete lockdown during the last days of the holy month of Ramadan including Eid holidays.

Despite the challenging operating environment, the Company has been able to continue its operations by implementing strict measures at its offices and mills to reduce the spread of the virus. Besides, the Board and the management of the Company have designed business and financial strategies and the operational decisions to ensure safety of our people and to carry out the operations of the Company in a smooth and sustainable manner during these crises.

Financial Results

By the Grace of Allah, during the period under review the operations of your Company resulted in a pre-tax profit of Rs.738.93 million. The financial results for the half year are as follows :

	(Rupees in thousands)
Profit before taxation	738,925
Taxation	95,000
Profit after taxation	643,925
Add: Realized gain on sale of investments	108,676
Unappropriated profit brought forward	1,592
Unappropriated profit carried forward	754,193
Earnings per share – Basic and diluted	Rs. 4.29

Performance Review

Sugar Division

The crushing season 2020-21 commenced on November 10, 2020 and the plant operated upto February 25, 2021 for 108 days as against 101 days in the preceding season. Sugarcane crushed during the current season was 761,667 M. Tons with average sucrose recovery of 10.36 % and sugar production of 78,910 M.Tons as compared with crushing of 620,425 M. Tons with average sucrose recovery of 9.91 % and sugar production of 61,488 M. Tons during the preceding season.

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%.



The sugar division earned operating profit of Rs.102.95 million as against operating profit of Rs. 16.02 million during the corresponding period of the previous year. The improvement in operating results is mainly due to improved volume of sugarcane crushed with better sucrose recovery.

Distillery Division

During the period under review, the ethanol plant operated for 153 days and produced 10,783 M. Tons of ethanol as against 166 days of operations and production of 11,963 M. Tons as compared with the corresponding period of the previous year. The decrease in production was due to lower availability of molasses.

The division earned operating profit of Rs.418.83 million as compared with Rs.169.83 million during the corresponding period of previous year. The increase in profit is mainly attributed to the inventory profit of the previous period.

The liquidified carbon dioxide (CO₂) unit operated satisfactorily and produced 2,758 M. Tons as compared with 2,966 M. Tons during the corresponding period of the previous year.

Textile Division

The division earned operating profit of Rs.14.88 million during the period under review, as against profit of Rs.10.82 million during the corresponding period of previous year. The increase in profit was due to higher sale volume.

Trading Division

During the period under review, the division earned operating profit of Rs.3.45 million on account trading of sugar as against operating profit of Rs. 13.31 million during the corresponding period of the previous year.

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. Accordingly, a provision of Rs. 138.68 million was made in 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 on each balance sheet date. The re-measurement of provision of GIDC resulted in re-measurement gain of Rs. 22.10 million which has been recognized in these financial statements. The matter is explained in detail in Note 13 to the notes on the financial statements.

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.

Raeesul Hasan
Chief Executive

Murtaza H. Habib
Director

Karachi: May 28, 2021



EY Ford Rhodes
Chartered Accountants
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Pakistan

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INDEPENDENT AUDITORS' REVIEW REPORT
TO THE MEMBERS OF HABIB SUGAR MILLS LIMITED
REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Habib Sugar Mills Limited (the Company) as at 31 March 2021 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review. The figures of unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income and the notes forming part thereof for the three months period ended 31 March 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 March 2021.

Scope of Review

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

Conclusion

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

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

EY Ford Rhodes
Chartered Accountants

Karachi: May 28, 2021



Unconsolidated Condensed Interim Statement of Financial Position as at March 31, 2021

	Note	Unaudited March 31, 2021 (Rupees in thousands)	Audited Sept. 30, 2020
Assets			
Non-Current Assets			
Fixed assets			
Property, plant and equipment	5	2,462,063	2,495,847
Long-term investments	6	2,728,310	2,696,602
Long-term loans		7,001	5,474
Long-term deposits		3,928	3,928
		<u>5,201,302</u>	<u>5,201,851</u>
Current Assets			
Stores and spare parts		193,901	189,864
Stock-in-trade	7	5,831,044	876,021
Trade debts		392,964	149,005
Loans and advances	8	61,149	520,580
Trade deposits and short-term prepayments		7,168	9,783
Profit accrued on bank deposits		788	14,637
Other receivables	9	29,395	45,961
Taxation - net		12,176	26,682
Short-term investments	10	1,003,305	—
Cash and bank balances	11	391,269	4,071,821
		<u>7,923,159</u>	<u>5,904,354</u>
Total Assets		<u><u>13,124,461</u></u>	<u><u>11,106,205</u></u>
Equity and Liabilities			
Share Capital and Reserves			
Share Capital			
Authorised			
150,000,000 (September 30, 2020: 150,000,000)			
Ordinary shares of Rs. 5 each		750,000	750,000
Issued, subscribed and paid-up capital			
150,000,000 (September 30, 2020: 150,000,000)			
Ordinary shares of Rs. 5 each		750,000	750,000
Reserves		8,165,172	7,872,962
		<u>8,915,172</u>	<u>8,622,962</u>
Non-Current Liabilities			
Deferred taxation	12	44,000	29,000
Gas Infrastructure Development Cess	13	83,323	—
Lease liability		10,874	13,948
		<u>138,197</u>	<u>42,948</u>
Current Liabilities			
Trade and other payables	14	1,771,867	2,027,986
Short-term borrowings	15	1,459,150	—
Advance from customers		720,770	320,406
Unclaimed dividends		102,779	86,725
Accrued mark-up on short-term borrowing		10,793	—
Current portion of lease liability		5,733	5,178
		<u>4,071,092</u>	<u>2,440,295</u>
Contingencies and Commitments	16		
Total Equity and Liabilities		<u><u>13,124,461</u></u>	<u><u>11,106,205</u></u>

The annexed notes 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.

Amir Bashir Ahmed
Chief Financial Officer

Raeesul Hasan
Chief Executive

Murtaza H. Habib
Director




Unconsolidated Condensed Interim Statement of Profit or Loss for the half year ended March 31, 2021 (Unaudited)

	Note	Half year ended		Quarter ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(Rupees in thousands)					
Segment operating results	17				
Net sales and services		4,190,811	4,357,054	2,158,936	2,026,953
Cost of sales		(3,447,478)	(3,943,258)	(1,906,133)	(1,767,028)
Gross profit		743,333	413,796	252,803	259,925
Selling and distribution expenses		(99,585)	(105,075)	(62,150)	(50,717)
Administrative expenses		(103,644)	(98,756)	(51,721)	(45,606)
Other operating expenses	18	(50,927)	(29,512)	(19,726)	(18,743)
Other income	19	189,412	131,668	169,760	115,738
		(64,744)	(101,675)	36,163	672
Operating profit		678,589	312,121	288,966	260,597
Finance income / (cost) - net	20	60,336	139,214	(8,973)	26,128
Profit before taxation		738,925	451,335	279,993	286,725
Taxation	21	(95,000)	(65,000)	(60,000)	(45,000)
Profit after taxation		643,925	386,335	219,993	241,725
Earnings per share - Basic and diluted	Rs.	4.29	2.58	1.47	1.61

The annexed notes 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.


Amir Bashir Ahmed
 Chief Financial Officer


Raeesul Hasan
 Chief Executive


Murtaza H. Habib
 Director



**Unconsolidated Condensed Interim Statement of Comprehensive Income
for the half year ended March 31, 2021 (Unaudited)**

	Half year ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	(Rupees in thousands)			
Profit after taxation	643,925	386,335	219,993	241,725
Other comprehensive income :				
Items that will not be reclassified to the statement of profit or loss:				
Gain / (loss) on re-measurement of equity investments classified as fair value through other comprehensive income (FVOCI)	60,785	(285,487)	(174,229)	(723,637)
	<u>704,710</u>	<u>100,848</u>	<u>45,764</u>	<u>(481,912)</u>

The annexed notes 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.

Amir Bashir Ahmed
Chief Financial Officer

Raeesul Hasan
Chief Executive

Murtaza H. Habib
Director



Unconsolidated Condensed Interim Statement of Changes in Equity for the half year ended March 31, 2021 (Unaudited)

	Issued Subscribed and Paid-up Capital	Capital Reserve	Revenue Reserves			Total Reserves	Total Equity
			General Reserve	Unappro- priated Profit	Unrealised gain / (loss) on investments available for sale		
(Rupees in thousands)							
Balance as on September 30, 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)
Realised gain on sale of investments	-	-	-	9,392	(9,392)	-	-
Transfer to general reserve	-	-	790,000	(790,000)	-	-	-
Total comprehensive income for the half year ended March 31, 2020	-	-	-	386,335	(285,487)	100,848	100,848
Balance as on March 31, 2020	<u>750,000</u>	<u>34,000</u>	<u>5,448,500</u>	<u>401,524</u>	<u>1,130,017</u>	<u>7,014,041</u>	<u>7,764,041</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
Cash dividend for the year ended September 30, 2020 @ 55%	-	-	-	(412,500)	-	(412,500)	(412,500)
Realised gain on sale of investments	-	-	-	108,676	(108,676)	-	-
Transfer to general reserve	-	-	300,000	(300,000)	-	-	-
Total comprehensive income for the half year ended March 31, 2021	-	-	-	643,925	60,785	704,710	704,710
Balance as on March 31, 2021	<u>750,000</u>	<u>34,000</u>	<u>5,748,500</u>	<u>754,193</u>	<u>1,628,479</u>	<u>8,165,172</u>	<u>8,915,172</u>

The annexed notes 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.


Amir Bashir Ahmed
 Chief Financial Officer


Raeesul Hasan
 Chief Executive


Murtaza H. Habib
 Director



Unconsolidated Condensed Interim Statement of Cash Flows for the half year ended March 31, 2021 (Unaudited)

	Note	March 31, 2021	March 31, 2020
(Rupees in thousands)			
Cash flows from operating activities			
Cash used in operations	22	(3,851,570)	(1,713,355)
Finance income received - net		84,978	155,294
Income tax paid		(65,494)	(39,116)
Long-term loans		(1,527)	16
Net cash used in operating activities		(3,833,613)	(1,597,161)
Cash flows from investing activities			
Fixed capital expenditure		(84,692)	(164,397)
Sale proceeds / redemption of investments		4,173,979	1,068,457
Dividend received		150,369	18,474
Purchase of investments		(5,148,207)	(1,658,800)
Sale proceeds of fixed assets		1,427	4,010
Net cash used in investing activities		(907,124)	(732,256)
Cash flows from financing activities			
Lease rental paid		(2,519)	(3,154)
Dividend paid		(396,446)	(403,914)
Net cash used in financing activities		(398,965)	(407,068)
Net decrease in cash and cash equivalents		(5,139,702)	(2,736,485)
Cash and cash equivalents at the beginning of the period		4,071,821	2,464,584
Cash and cash equivalents at the end of the period	23	(1,067,881)	(271,901)

The annexed notes 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.


Amir Bashir Ahmed
 Chief Financial Officer


Raeesul Hasan
 Chief Executive


Murtaza H. Habib
 Director



Notes to the Unconsolidated Condensed Interim Financial Statements for the half year ended March 31, 2021 (Unaudited)

1. THE COMPANY AND ITS OPERATIONS

- 1.1 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.
- 1.2 These unconsolidated condensed interim financial statements are separate condensed interim financial statements of the Company in which investments in subsidiaries are accounted for on the basis of direct equity interest and are not consolidated or accounted for using equity method.

2. BASIS OF PREPARATION

- 2.1 These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standards 34; 'Interim Financial Reporting', (IAS 34) issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 (the Act),
 - Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Act; and
 - Provisions of and directives issued under the Act.

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

- 2.2 These unconsolidated condensed interim financial statements are unaudited and subject to limited scope review by the auditors. These are being submitted to the members in accordance with Section 237 of the Companies Act, 2017 (the Act).
- 2.3 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 computations 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.



4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of unconsolidated condensed interim financial statements in conformity with approved accounting standards, as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of policies and the reported amount of assets and liabilities and income and expenses.

Judgements and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are same as those applied in the Company's annual unconsolidated financial statements for the year ended September 30, 2020, except as disclosed otherwise.

	(Unaudited) March 31, 2021	(Audited) Sept. 30, 2020
	(Rupees in thousands)	
5. Fixed assets		
5.1 Property, plant and equipment		
Operating fixed assets	2,442,219	2,325,639
Capital work-in-progress	5,271	151,115
Major stores and spare parts	–	1,605
Right of Use asset	14,573	17,488
	<u>2,462,063</u>	<u>2,495,847</u>
5.2 Cost of additions to and written down value of deletions from fixed assets during the half year ended March 31, 2021 were as follows:		
	(Unaudited) March 31, 2021	September 30, 2020
	Additions Deletions	Additions Deletions
	(Rupees in thousands)	
Land	29,306	–
Plant and machinery		
Sugar	45,152	187,954
Distillery	7,215	40,793
Textile	–	53
Furniture, fittings and office equipment	1,766	113
Accounting Software	1,062	–
Vehicles	191	37
	<u>84,692</u>	<u>150</u>
	<u>240,123</u>	<u>104</u>
	(Unaudited)	(Audited)
	March 31,	Sept. 30,
	Note	2020
	(Rupees in thousands)	
6. Long-term investments		
Investments in subsidiary company - at cost	6.1	–
Fair Value through Other Comprehensive Income		
Investments in related parties – Quoted	1,615,373	1,610,143
Investments in related parties – Un-Quoted	128,727	121,587
Investments in other companies – Quoted	984,210	964,872
	<u>6.2</u>	<u>2,696,602</u>



- 6.1** Represent investment in HSM Energy Limited - a wholly owned subsidiary of the Company amounting to Rs.50 million (2020: 50 million) dividend in to 5,000,000 shares of Rs. 10 each to generate and sale electricity from bagasse. Due to non-clarity on the policy of the Government for bagasse based energy projects and considerable delay on the finalization of tariff, the management has already decided to discontinue the project and windup the company and recorded impairment loss on carrying value of the investment.
- 6.2** The aggregate cost of these investments, net of impairment is Rs. 1,104.09 (September 30, 2020: Rs.1,020.23) million.
- 6.3** Investments in associated companies or undertaking have been made in accordance with the requirements under the Act.

	(Unaudited) March 31, 2021	(Audited) Sept. 30, 2020
	(Rupees in thousands)	
7. Stock-in-trade		
Raw materials	1,699,888	187,879
Work-in-process	41,592	30,141
Finished goods	4,029,107	650,228
Bagasse	49,825	7,105
Fertilizers	10,632	668
	<u>5,831,044</u>	<u>876,021</u>
8. Loans and advances		
Loans - secured		
Current maturity of long-term loans		
Other Employees	6,247	6,757
Advances - unsecured		
Suppliers	54,902	513,823
	<u>61,149</u>	<u>520,580</u>
9. Other receivables - Considered good		
Duty drawback and research & development support claim	16,910	9,827
Dividend receivable	2,532	741
Sales-Tax refundable / adjustable	-	33,537
Others	9,953	1,856
	<u>29,395</u>	<u>45,961</u>
10. Short-term investments		
Investments in units of Mutual Fund		
Fair Value through Other Comprehensive Income		
First Habib Cash Fund - related party	494,624	-
ABL Cash Fund	508,681	-
	<u>1,003,305</u>	<u>-</u>



	(Unaudited) March 31, 2021 (Rupees in thousands)	(Audited) Sept. 30, 2020
11. Cash and bank balances		
Cash in hand	1,066	125
Balances with banks in:		
Current accounts	14,899	17,302
Treasury call accounts	11.1 175,304	154,394
Term Deposit Receipts	11.2 200,000	3,900,000
	11.3 390,203	4,071,696
	<u>391,269</u>	<u>4,071,821</u>

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

11.2 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.

11.3 Includes Rs.380.02 (September 2020: Rs.4,055.68) million kept with Bank AL Habib Limited - a related party.

	(Unaudited) March 31, 2021 (Rupees in thousands)	(Audited) Sept. 30, 2020
12. Deferred taxation		
Deferred Tax liability on accelerated tax depreciation allowance on operating fixed assets taxable temporary differences:	210,500	208,000
Deferred tax asset on deductible temporary differences:		
Provision for obsolescence and slow moving stores & spare parts	(9,500)	(9,000)
Deferred tax assets carry forward on minimum tax under section 113	(17,500)	(9,000)
Deferred tax assets on impairment of investments	(14,500)	(14,500)
Deferred tax assets on lease liability	(5,000)	(5,500)
Deferred tax credit on provision for GIDC	(6,500)	(8,000)
Unabsorbed tax depreciation allowance	(113,500)	(133,000)
	<u>(166,500)</u>	<u>(179,000)</u>
	<u>44,000</u>	<u>29,000</u>
13. Gas Infrastructure Development Cess	<u>83,323</u>	<u>-</u>

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 aggregate provision of Rs. 138.68 million for GID Cess in the financial statements for the year ended 30 September 2020.

In January 2021, the Institute of Chartered Accountants of Pakistan (ICAP), issued Technical Release (TR) on accounting of Gas Infrastructure Development Cess (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 Sep 30, 2020 was re-measured at the present value which works out to Rs. 116.58 million (including current maturity of Rs. 33.26 million) as shown below resulting in re-measurement gain on discounting of GIDC of Rs. 22.10 million which has been shown in the profit and loss statement under the head other Income.

	Rs.'000
Provision for GIDC as on Sep 30, 2020	138,681
Less: Gain on re-measurement on discounting of GIDC	22,100
Provision for GIDC as on Mar 31, 2021	<u>116,581</u>
GIDC shown under Non-current liabilities	83,323
Payable within next twelve months shown under Trade & Other Payable	33,258
Provision for GIDC as on Mar 31, 2021	<u>116,581</u>

	(Unaudited) March 31, 2021	(Audited) Sept. 30, 2020
	(Rupees in thousands)	
14. Trade and other payables		
Creditors	1,178,413	1,508,826
Accrued liabilities	458,678	313,799
Payable to Employees Gratuity Fund	-	158
Sales Tax Payable	37,193	-
Current portion of Gas Infrastructure Development Cess	33,258	138,681
Workers' Profit Participation Fund (WPPF)	44,927	42,858
Workers' Welfare Fund	19,190	23,416
Income-tax deducted at source	208	248
	<u>1,771,867</u>	<u>2,027,986</u>



	(Unaudited) March 31, 2021	(Audited) Sept. 30, 2020
	(Rupees in thousands)	
15. 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>		
16. Contingencies and commitments		
16.1 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>		
16.2 Commitments		
<p>The Company has provided counter guarantees to Bank AL Habib Limited, a related party, amounting to Rs.150.00 (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.1,086.69 (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>		
16.3 Commitments for capital expenditure amounting to Rs.78.50 (September 2020: 32.27) million.	(Unaudited) March 31, 2021	(Audited) Sept. 30, 2020
	(Rupees in thousands)	
16.4 Rentals payable over next four years under operating lease agreements with First Habib Modaraba in respect of vehicles	<u>27,696</u>	<u>32,615</u>



17. Segment operating results for the half year ended March 31, 2021 (Unaudited)

		Sugar Division		Distillery Division		Textile Division		Trading Division		(Rupees in thousands) Total	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Net sales and services											
Sales	Local	2,014,398	2,585,198	280,391	166,705	2,864	2,054	26,713	107,254	2,324,366	2,861,211
	Export	–	–	1,515,734	1,237,539	349,413	256,077	–	–	1,865,147	1,493,616
		2,014,398	2,585,198	1,796,125	1,404,244	352,277	258,131	26,713	107,254	4,189,513	4,354,827
Services - Storage income - net		–	–	1,298	2,227	–	–	–	–	1,298	2,227
		2,014,398	2,585,198	1,797,423	1,406,471	352,277	258,131	26,713	107,254	4,190,811	4,357,054
Less: Cost of sales		(1,791,039)	(2,450,824)	(1,316,544)	(1,170,499)	(316,914)	(228,701)	(22,981)	(93,234)	(3,447,478)	(3,943,258)
Gross Profit / (loss)		223,359	134,374	480,879	235,972	35,363	29,430	3,732	14,020	743,333	413,796
Less: Selling and distribution expenses		(29,244)	(31,252)	(52,944)	(57,549)	(17,397)	(15,804)	–	(470)	(99,585)	(105,075)
Administrative expenses		(91,169)	(87,107)	(9,109)	(8,597)	(3,087)	(2,807)	(279)	(245)	(103,644)	(98,756)
		(120,413)	(118,359)	(62,053)	(66,146)	(20,484)	(18,611)	(279)	(715)	(203,229)	(203,831)
Profit before other operating expenses and other income		102,946	16,015	418,826	169,826	14,879	10,819	3,453	13,305	540,104	209,965
Other operating expenses - note 18										(50,927)	(29,512)
Other income - note 19										189,412	131,668
Operating Profit										678,589	312,121

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



17a. Segment operating results for the quarter ended March 31, 2021 (Unaudited)

(Rupees in thousands)

	Sugar Division		Distillery Division		Textile Division		Trading Division		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Net sales and services										
Sales Local	1,416,391	1,107,121	165,347	90,613	1,442	1,995	19,334	103,199	1,602,514	1,302,928
Export	–	–	407,548	629,219	148,360	93,650	–	–	555,908	722,869
	1,416,391	1,107,121	572,895	719,832	149,802	95,645	19,334	103,199	2,158,422	2,025,797
Services - Storage income - net	–	–	514	1,156	–	–	–	–	514	1,156
	1,416,391	1,107,121	573,409	720,988	149,802	95,645	19,334	103,199	2,158,936	2,026,953
Less: Cost of sales	(1,251,712)	(957,608)	(501,174)	(635,201)	(136,016)	(84,575)	17,231	(89,644)	(1,906,133)	(1,767,028)
Gross Profit	164,679	149,513	72,235	85,787	13,786	11,070	2,103	13,555	252,803	259,925
Less: Selling and distribution expenses	(20,721)	(15,976)	(33,643)	(27,227)	(7,786)	(7,044)	–	(470)	(62,150)	(50,717)
Administrative expenses	(48,155)	(41,869)	(1,894)	(2,268)	(1,527)	(1,343)	(145)	(126)	(51,721)	(45,606)
	(68,876)	(57,845)	(35,537)	(29,495)	(9,313)	(8,387)	(145)	(596)	(113,871)	(96,323)
Profit before other operating expenses and other income	95,803	91,668	36,698	56,292	4,473	2,683	1,958	12,959	138,932	163,602
Other operating expenses -note 18									(19,726)	(18,743)
Other income - note 19									169,760	115,738
Operating Profit									288,966	260,597



	Half year ended		Quarter ended	
	March 31, 2021 (Unaudited)	March 31, 2020 (Unaudited)	March 31, 2021 (Unaudited)	March 31, 2020 (Unaudited)
(Rupees in thousands)				
18. Other operating expenses				
Workers' Profit Participation Fund	44,927	24,512	16,326	15,743
Workers' Welfare Fund	6,000	5,000	3,400	3,000
	<u>50,927</u>	<u>29,512</u>	<u>19,726</u>	<u>18,743</u>
19. Other income				
Dividend income	152,160	101,480	142,116	91,726
Scrap sales	10,596	3,867	2,776	1,043
Remeasurement gain on discounting of Provision for GIDC	22,100	–	22,100	–
Gain on disposal of fixed assets	1,277	3,952	1,274	2,467
Agriculture income	452	3,319	(204)	2,352
Sale of Electricity	–	6,782	–	6,782
Exchange gain - net	2,827	12,268	1,698	11,368
	<u>189,412</u>	<u>131,668</u>	<u>169,760</u>	<u>115,738</u>
20. Finance income / (cost) - net				
Profit on treasury call accounts	6,047	14,203	3,321	11,368
Profit on term deposit receipts	84,558	112,058	3,497	12,458
Government Securities	–	47,401	–	20,194
Interest on loan to employees	87	104	45	56
	90,692	173,766	6,863	44,076
Less:				
Mark-up / interest on:				
Short-term borrowings	(21,162)	(25,333)	(10,794)	(14,445)
Workers' Profit Participation Fund	–	(1,592)	–	–
Lease liability	(870)	(1,115)	(435)	(1,115)
Bank charges	(8,324)	(6,512)	(4,607)	(2,388)
	<u>(30,356)</u>	<u>(34,552)</u>	<u>(15,836)</u>	<u>(17,948)</u>
	<u>60,336</u>	<u>139,214</u>	<u>(8,973)</u>	<u>26,128</u>
21. Taxation				
Income tax - current	80,000	60,000	45,000	35,000
Deferred tax	15,000	5,000	15,000	10,000
	<u>95,000</u>	<u>65,000</u>	<u>60,000</u>	<u>45,000</u>



	(Unaudited)	
	March 31, 2021	March 31, 2020
	(Rupees in thousands)	
22. Cash used in operations		
Profit before taxation	738,925	451,335
Adjustment for non-cash charges and other items		
Depreciation	118,326	122,765
Gain on disposal of fixed assets	(1,277)	(3,952)
Finance income / (cost) - net	(61,206)	(140,329)
Finance charges on lease liability	870	1,115
Dividend income	(152,160)	(101,480)
Remeasurement gain on discounting of Provision for GIDC	(22,100)	-
Working capital changes - note 22.1	(4,472,948)	(2,042,809)
	<u>(3,851,570)</u>	<u>(1,713,355)</u>
22.1 Working capital changes		
(Increase) / decrease in current assets		
Stores and spare parts	(4,037)	(14,882)
Stock-in-trade	(4,955,023)	(2,268,726)
Trade debts	(243,959)	(164,903)
Loans and advances	459,431	(172,340)
Trade deposits and prepayments	2,615	(1,615)
Other receivables	18,357	68
	<u>(4,722,616)</u>	<u>(2,622,398)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	(150,696)	(143,078)
Advance from customers	400,364	722,667
Net changes in working capital	<u>(4,472,948)</u>	<u>(2,042,809)</u>
23. Cash and cash equivalents at the end of the period		
These comprise of the following		
Cash and bank balances	391,269	1,208,099
Short-term borrowings	(1,459,150)	(1,480,000)
	<u>(1,067,881)</u>	<u>(271,901)</u>
24. Financial Risk Management, Objectives and Policies		

The Company's activities expose it to a variety of financial risks. These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Company as at September 30, 2020. There has been no change in any risk management policies since the year end.



25. Fair values of Assets and Liabilities

There were no transfers amongst levels during the period.

26. Transactions with related parties

Related parties comprise of subsidiary, associated entities, entities with common directorship, directors, key management personnel and employees retirement benefits funds. 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:

Nature of Relationship	Nature of transactions	Half year ended		Quarter ended	
		March 31, 2021 (Unaudited)	March 31, 2020 (Unaudited)	March 31, 2021 (Unaudited)	March 31, 2020 (Unaudited)
		(Rupees in thousands)			
Subsidiary	Payment on behalf of the subsidiary	-	508	-	35
Other related party	Investment in shares / units of mutual fund	3,246,800	23,498	733,185	18,792
	Sale of Shares / units of mutual fund	2,750,000	-	2,750,000	-
	Insurance premium paid	11,283	17,263	-	6,854
	Insurance claim received	935	9,120	22	420
	Profit on treasury call account / term deposits	90,409	122,718	6,709	20,462
	Capital Gain on sale of units of Mutual Funds	5,131	-	5,131	-
	Dividend income	118,730	84,478	118,730	84,478
	Dividend paid	40,964	40,964	40,964	40,964
	Bank charges	186	79	143	47
Key management personnel	Managerial remuneration	30,562	29,410	15,281	25,426
Retirement benefit funds	Contribution to retirement funds	8,638	8,398	4,640	4,414

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

27. Date of authorisation for issue

These unconsolidated condensed interim financial statements were authorised for issue on May 28, 2021 by the Board of Directors of the Company.

28. General

28.1 Figures for the quarters ended March 31, 2021 and March 31, 2020 have not been subjected to limited scope review by the external auditors.

28.2 Figures presented in these unconsolidated condensed interim financial statements have been rounded of to the nearest thousand rupees.

Amir Bashir Ahmed
Chief Financial Officer

Raeesul Hasan
Chief Executive

Murtaza H. Habib
Director



Consolidated Condensed Interim Statement of Financial Position as at March 31, 2021

Assets	Note	Unaudited March 31, 2021	Audited Sept. 30, 2020
Non-Current Assets			
Fixed assets			
Property, plant and equipment	5	2,462,063	2,495,847
Long-term investments	6	2,728,310	2,696,602
Long-term loans		7,001	5,474
Long-term deposits		3,928	3,928
		5,201,302	5,201,851
Current Assets			
Stores and spare parts		193,901	189,864
Stock-in-trade	7	5,831,044	876,021
Trade debts		392,964	149,005
Loans and advances	8	61,149	520,580
Trade deposits and short-term prepayments		7,168	9,783
Profit accrued on bank deposits		788	14,637
Other receivables	9	29,395	45,961
Taxation - net		12,177	26,683
Short-term investments	10	1,003,305	-
Cash and bank balances	11	391,619	4,072,254
		7,923,510	5,904,788
Total Assets		13,124,812	11,106,639
Equity and Liabilities			
Share Capital and Reserves			
Share Capital			
Authorised			
150,000,000 (September 30, 2020: 150,000,000)			
Ordinary shares of Rs. 5 each		750,000	750,000
Issued, subscribed and paid-up capital			
150,000,000 (September 30, 2020: 150,000,000)			
Ordinary shares of Rs. 5 each		750,000	750,000
Reserves		8,165,403	7,873,186
		8,915,403	8,623,186
Non-Current Liabilities			
Deferred taxation	12	44,000	29,000
Gas Infrastructure Development Cess	13	83,323	-
Lease liability		10,874	13,948
		138,197	42,948
Current Liabilities			
Trade and other payables	14	1,771,987	2,028,196
Short-term borrowings	15	1,459,150	-
Advance from customers		720,770	320,406
Unclaimed dividends		102,779	86,725
Accrued mark-up on short-term borrowing		10,793	-
Current portion of lease liability		5,733	5,178
		4,071,212	2,440,505
Contingencies and Commitments	16		
Total Equity and Liabilities		13,124,812	11,106,639

The annexed notes 1 to 28 form an integral part of these consolidated condensed interim financial statements.


Amir Bashir Ahmed
 Chief Financial Officer


Raeesul Hasan
 Chief Executive


Murtaza H. Habib
 Director



**Consolidated Condensed Interim Statement of Profit or Loss
for the half year ended March 31, 2021 (Unaudited)**

	Note	Half year ended		Quarter ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(Rupees in thousands)					
Segment operating results	17				
Net sales and services		4,190,811	4,357,054	2,158,936	2,026,953
Cost of sales		(3,447,478)	(3,943,258)	(1,906,133)	(1,767,028)
Gross profit		743,333	413,796	252,803	259,925
Selling and distribution expenses		(99,585)	(105,075)	(62,150)	(50,717)
Administrative expenses		(103,647)	(99,291)	(51,724)	(45,627)
Other operating expenses	18	(50,927)	(29,512)	(19,726)	(18,743)
Other income	19	189,412	131,668	169,760	115,738
		(64,747)	(102,210)	36,160	651
Operating profit		678,586	311,586	288,963	260,576
Finance income / (cost) - net	20	60,348	139,205	(8,973)	26,092
Profit before taxation		738,934	450,791	279,990	286,668
Taxation	21	(95,002)	(65,008)	(60,000)	(45,001)
Profit after taxation		643,932	385,783	219,990	241,667
Earnings per share - Basic and diluted	Rs.	4.29	2.57	1.47	1.61

The annexed notes 1 to 28 form an integral part of these consolidated condensed interim financial statements.

Amir Bashir Ahmed
Chief Financial Officer

Raeesul Hasan
Chief Executive

Murtaza H. Habib
Director



**Consolidated Condensed Interim Statement of Comprehensive Income
for the half year ended March 31, 2021 (Unaudited)**

	Half year ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	(Rupees in thousands)			
Profit after taxation	643,932	385,783	219,990	241,667
Other comprehensive income :				
Items that will not be reclassified to the statement of profit or loss:				
Gain / (loss) on re-measurement of equity investments classified as fair value through other comprehensive income (FVOCI)	60,785	(285,487)	(174,229)	(723,637)
	<u>704,717</u>	<u>100,296</u>	<u>45,761</u>	<u>(481,970)</u>

The annexed notes 1 to 28 form an integral part of these consolidated condensed interim financial statements.


Amir Bashir Ahmed
Chief Financial Officer


Raeesul Hasan
Chief Executive


Murtaza H. Habib
Director



Consolidated Condensed Interim Statement of Changes in Equity for the half year ended March 31, 2021 (Unaudited)

	Issued Subscribed and Paid-up Capital	Capital Reserve	Revenue Reserves			Total Reserves	Total Equity
			General Reserve	Unappro- priated Profit	Unrealised gain / (loss) on investments available for sale		
(Rupees in thousands)							
Balance as on September 30, 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)
Realised gain on sale of investments	-	-	-	9,392	(9,392)	-	-
Transfer to general reserve	-	-	790,000	(790,000)	-	-	-
Total comprehensive income for the half year ended March 31, 2020	-	-	-	385,783	(285,487)	100,296	100,296
Balance as on March 31, 2020	<u>750,000</u>	<u>34,000</u>	<u>5,448,500</u>	<u>388,330</u>	<u>1,130,017</u>	<u>7,000,847</u>	<u>7,750,847</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
Cash dividend for the year ended September 30, 2020 @ 55%	-	-	-	(412,500)	-	(412,500)	(412,500)
Realised gain on sale of investments	-	-	-	108,676	(108,676)	-	-
Transfer to general reserve	-	-	300,000	(300,000)	-	-	-
Total comprehensive income for the half year ended March 31, 2021	-	-	-	643,932	60,785	704,717	704,717
Balance as on March 31, 2021	<u>750,000</u>	<u>34,000</u>	<u>5,748,500</u>	<u>754,424</u>	<u>1,628,479</u>	<u>8,165,403</u>	<u>8,915,403</u>

The annexed notes 1 to 28 form an integral part of these consolidated condensed interim financial statements.


Amir Bashir Ahmed
 Chief Financial Officer


Raeesul Hasan
 Chief Executive


Murtaza H. Habib
 Director



**Consolidated Condensed Interim Statement of Cash Flows
for the half year ended March 31, 2021 (Unaudited)**

	Note	March 31, 2021	March 31, 2020
		(Rupees in thousands)	
Cash flows from operating activities			
Cash used in operations	22	(3,851,663)	(1,713,319)
Finance income received - net		84,990	155,285
Income tax paid		(65,496)	(39,119)
Long-term loans		(1,527)	16
Net cash used in operating activities		(3,833,696)	(1,597,137)
Cash flows from investing activities			
Fixed capital expenditure		(84,692)	(164,397)
Sale proceeds / redemption of investments		4,173,979	1,068,457
Dividend received		150,369	18,474
Purchase of investments		(5,148,207)	(1,658,800)
Sale proceeds of fixed assets		1,427	4,010
Net cash used in investing activities		(907,124)	(732,256)
Cash flows from financing activities			
Lease rental paid		(2,519)	(3,154)
Dividend paid		(396,446)	(403,914)
Net cash used in financing activities		(398,965)	(407,068)
Net decrease in cash and cash equivalents		(5,139,785)	(2,736,461)
Cash and cash equivalents at the beginning of the period		4,072,254	2,464,979
Cash and cash equivalents at the end of the period	23	(1,067,531)	(271,482)

The annexed notes 1 to 28 form an integral part of these consolidated condensed interim financial statements.

Amir Bashir Ahmed
Chief Financial Officer

Raeesul Hasan
Chief Executive

Murtaza H. Habib
Director



Notes to the Consolidated Condensed Interim Financial Statements for the half year ended March 31, 2021 (Unaudited)

1. The Company 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 Subsidiary 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 Subsidiary Company was formed to generate electricity from Bagasse and to sale electricity to Parent Company and National Grid. 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 members 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 Central Power Purchasing Agency, have decided to discontinue the project and wind up HSM Energy Limited.

2. BASIS OF PREPARATION

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

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

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

2.2 These consolidated condensed interim financial statements are unaudited and are being submitted to the members in accordance with Section 237 of the Companies Act, 2017 (the Act).

2.3 These consolidated 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 computations 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. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated condensed interim financial statements in conformity with approved accounting standards, as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of policies and the reported amount of assets and liabilities and income and expenses.

Judgements and estimates made by the management in the preparation of these consolidated condensed interim financial statements are same as those applied in the Company's annual consolidated financial statements for the year ended September 30, 2020, except as disclosed otherwise.

	(Unaudited) March 31, 2021 (Rupees in thousands)	(Audited) Sept. 30, 2020
5. Fixed assets		
5.1 Property, plant and equipment		
Operating fixed assets	2,442,219	2,325,639
Capital work-in-progress	5,271	151,115
Major stores and spare parts	-	1,605
Right of Use asset	14,573	17,488
	<u>2,462,063</u>	<u>2,495,847</u>

5.2 Cost of additions to and written down value of deletions from fixed assets during the half year ended March 31, 2021 were as follows:

	(Unaudited) March 31, 2021		September 30, 2020	
	Additions	Deletions	Additions	Deletions
	(Rupees in thousands)		(Rupees in thousands)	
Land	29,306	-	-	-
Plant and machinery				
Sugar	45,152	-	187,954	-
Distillery	7,215	-	40,793	-
Textile	-	-	53	-
Furniture, fittings and office equipment	1,766	113	7,869	35
Accounting Software	1,062	-	541	-
Vehicles	191	37	2,913	69
	<u>84,692</u>	<u>150</u>	<u>240,123</u>	<u>104</u>

	(Unaudited) March 31, 2021 (Rupees in thousands)	(Audited) Sept. 30, 2020
6. Long-term investments		

Fair Value through Other Comprehensive Income

Investments in related parties – Quoted	1,615,373	1,610,143
Investments in related parties – Un-Quoted	128,727	121,587
Investments in other companies – Quoted	984,210	964,872
	<u>2,728,310</u>	<u>2,696,602</u>



- 6.1 Investment in subsidiary company, associates companies or undertakings have been made in accordance with the requirements under the Act.
- 6.2 The aggregate cost of these investments, net of impairment is Rs. 1,104.09 (September 30, 2020: Rs.1,020.23) million.

	(Unaudited) March 31, 2021 (Rupees in thousands)	(Audited) Sept. 30, 2020
7. Stock-in-trade		
Raw materials	1,699,888	187,879
Work-in-process	41,592	30,141
Finished goods	4,029,107	650,228
Bagasse	49,825	7,105
Fertilizers	10,632	668
	<u>5,831,044</u>	<u>876,021</u>
8. Loans and advances		
Loans - secured		
Current maturity of long-term loans		
Executives	-	-
Other Employees	6,247	6,757
	6,247	6,757
Advances - unsecured		
Suppliers	54,902	513,823
	<u>61,149</u>	<u>520,580</u>
9. Other receivables - Considered good		
Duty drawback and research & development support claim	16,910	9,827
Dividend receivable	2,532	741
Sales-Tax refundable / adjustable	-	33,537
Others	9,953	1,856
	<u>29,395</u>	<u>45,961</u>
	(Unaudited) March 31, 2021 (Rupees in thousands)	(Audited) Sept. 30, 2020
10. Short-term investments		
Fair Value through Other Comprehensive Income		
Investments in units of Mutual Fund		
First Habib Cash Fund - related party	494,624	-
ABL Cash Fund	508,681	-
	<u>1,003,305</u>	<u>-</u>



	Note	(Unaudited) March 31, 2021 (Rupees in thousands)	(Audited) Sept. 30, 2020
11. Cash and bank balances			
Cash in hand		1,066	125
Balances with banks in:			
Current accounts		14,899	17,735
Treasury call accounts	11.1	175,654	154,394
Term Deposit Receipts	11.2	200,000	3,900,000
	11.3	390,553	4,072,129
		<u>391,619</u>	<u>4,072,254</u>

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

11.2 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.

11.3 Includes Rs.380.02 (September 2020: Rs.4,055.68) million kept with Bank AL Habib Limited - a related party.

	(Unaudited) March 31, 2021 (Rupees in thousands)	(Audited) Sept. 30, 2020
12. Deferred taxation		
Deferred Tax liability on accelerated tax depreciation allowance on operating fixed assets taxable temporary differences:	210,500	208,000
Deferred tax asset on deductible temporary differences:		
Provision for obsolescence and slow moving stores & spare parts	(9,500)	(9,000)
Deferred tax assets carry forward on minimum tax under section 113	(11,500)	(9,000)
Deferred tax assets on impairment of investments	(14,500)	(14,500)
Deferred tax assets on lease liability	(5,000)	(5,500)
Deferred tax credit on provision for GIDC	(6,500)	(8,000)
Unabsorbed tax depreciation allowance	(119,500)	(133,000)
	<u>(166,500)</u>	<u>(179,000)</u>
	<u>44,000</u>	<u>29,000</u>
13. Gas Infrastructure Development Cess	<u>83,323</u>	<u>-</u>

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 aggregate provision of Rs. 138.68 million for GID Cess in the financial statements for the year ended 30 September 2020.

In January 2021, the Institute of Chartered Accountants of Pakistan (ICAP), issued Technical Release (TR) on accounting of Gas Infrastructure Development Cess (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 Sep 30, 2020 was re-measured at the present value which works out to Rs. 116.58 million (including current maturity of Rs. 33.26 million) as shown below resulting in re-measurement gain on discounting of GIDC of Rs. 22.10 million which has been shown in the profit and loss statement under the head other Income.

	Rs.'000
Provision for GIDC as on Sep 30, 2020	138,681
Less: Gain on re-measurement on discounting of GIDC	22,100
Provision for GIDC as on Mar 31, 2021	<u>116,581</u>
GIDC shown under Non-current liabilities	83,323
Payable within next twelve months shown under Trade & Other Payable	<u>33,258</u>
Provision for GIDC as on Mar 31, 2021	<u>116,581</u>

	(Unaudited)	(Audited)
	March 31,	Sept. 30,
	2021	2020
	(Rupees in thousands)	

14. Trade and other payables

Creditors	1,178,413	1,508,826
Accrued liabilities	458,798	314,009
Payable to Employees Gratuity Fund	-	158
Sales Tax Payable	37,193	-
Current portion of Gas Infrastructure Development Cess	33,258	138,681
Workers' Profit Participation Fund (WPPF)	44,927	42,858
Workers' Welfare Fund	19,190	23,416
Income-tax deducted at source	208	248
	<u>1,771,987</u>	<u>2,028,196</u>



	(Unaudited) March 31, 2021 (Rupees in thousands)	(Audited) Sept. 30, 2020
15. 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>		
16. Contingencies and commitments		
16.1 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>		
16.2 Commitments		
<p>The Company has provided counter guarantees to Bank AL Habib Limited, a related party, amounting to Rs.150.00 (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.1,086.69 (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>		
16.3 Commitments for capital expenditure amounting to Rs.78.50 (September 2020: 32.27) million.		
	(Unaudited) March 31, 2021 (Rupees in thousands)	(Audited) Sept. 30, 2020
16.4 Rentals payable over next four years under operating lease agreements with First Habib Modaraba in respect of vehicles	<u>27,696</u>	<u>32,615</u>



17. Segment operating results for the half year ended March 31, 2021 (Unaudited)

	(Rupees in thousands)											
	Sugar Division		Distillery Division		Textile Division		Trading Division		Subsidiary Company		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Net sales and service												
Sales Local	2,014,398	2,585,198	280,391	166,705	2,864	2,054	26,713	107,254	-	-	2,324,366	2,861,211
Expert	-	-	1,515,734	1,237,539	349,413	256,077	-	-	-	-	1,865,147	1,493,616
Service - Storage income - net	2,014,398	2,585,198	1,796,125	1,404,244	352,277	258,131	26,713	107,254	-	-	4,189,513	4,354,827
	-	-	1,298	2,227	-	-	-	-	-	-	1,298	2,227
	2,014,398	2,585,198	1,797,423	1,406,471	352,277	258,131	26,713	107,254	-	-	4,190,811	4,357,054
Less: Cost of sales	(1,791,039)	(2,450,824)	(1,316,544)	(1,170,499)	(316,914)	(228,701)	(22,981)	(93,234)	-	-	(3,447,478)	(3,943,258)
Gross Profit	223,359	134,374	480,879	235,972	35,363	29,430	3,732	14,020	-	-	743,333	413,796
Less: Selling and distribution expenses	(29,244)	(31,252)	(52,944)	(57,549)	(17,397)	(15,804)	(470)	(470)	-	-	(99,585)	(105,075)
Administrative expenses	(91,169)	(87,107)	(9,109)	(8,597)	(3,087)	(2,807)	(279)	(245)	(3)	(535)	(103,647)	(99,291)
	(120,413)	(118,359)	(62,053)	(66,146)	(20,484)	(18,611)	(279)	(715)	(3)	(535)	(203,232)	(204,366)
Profit / (Loss) before other operating expenses and other income	102,946	16,015	418,826	169,826	14,879	10,819	3,453	13,305	(3)	(535)	540,101	209,430
Other operating expenses - Note 18											(50,927)	(29,512)
Other income - Note 19											189,412	131,668
Operating Profit											678,586	311,586

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



17a. Segment operating results for the quarter ended March 31, 2021 (Unaudited)

	(Rupees in thousands)											
	Sugar Division		Distillery Division		Textile Division		Trading Division		Subsidiary Company		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Net sales and service												
Sales												
Local	1,416,391	1,107,121	165,347	90,613	1,442	1,995	19,334	103,199	-	-	1,602,514	1,302,928
Expert	-	-	407,548	629,219	148,360	93,650	-	-	-	-	555,908	722,869
Service - Storage income - net	1,416,391	1,107,121	572,895	719,832	149,802	95,645	19,334	103,199	-	-	2,158,422	2,025,797
	-	-	514	1,156	-	-	-	-	-	-	514	1,156
	1,416,391	1,107,121	573,409	720,988	149,802	95,645	19,334	103,199	-	-	2,158,936	2,026,953
Less: Cost of sales	(1,251,712)	(957,608)	(501,174)	(635,201)	(136,016)	(84,575)	(17,231)	(89,644)	-	-	(1,906,133)	(1,767,028)
Gross Profit	164,679	149,513	72,235	85,787	13,786	11,070	2,103	13,555	-	-	252,803	259,925
Less: Selling and distribution expenses	(20,721)	(15,976)	(33,643)	(27,227)	(7,786)	(7,044)	-	(470)	-	-	(62,150)	(50,717)
Administrative expenses	(48,155)	(41,869)	(1,894)	(2,268)	(1,527)	(1,343)	(145)	(126)	(3)	(21)	(51,724)	(45,627)
	(68,876)	(57,845)	(35,537)	(29,495)	(9,313)	(8,387)	(145)	(596)	(3)	(21)	(113,874)	(96,344)
Profit before other operating expenses and other income	95,803	91,668	36,698	56,292	4,473	2,683	1,958	12,959	(3)	(21)	138,929	163,581
Other operating expenses - Note 18											(19,726)	(18,743)
Other income - Note 19											169,760	115,738
Operating Profit											288,963	260,576



	Half year ended		Quarter ended	
	March 31, 2021 (Unaudited)	March 31, 2020 (Unaudited)	March 31, 2021 (Unaudited)	March 31, 2020 (Unaudited)
(Rupees in thousands)				
18. Other operating expenses				
Workers' Profit Participation Fund	44,927	24,512	16,326	15,743
Workers' Welfare Fund	6,000	5,000	3,400	3,000
	<u>50,927</u>	<u>29,512</u>	<u>19,726</u>	<u>18,743</u>
19. Other income				
Dividend income	152,160	101,480	142,116	91,726
Scrap sales	10,596	3,867	2,776	1,043
Remeasurement gain on discounting of Provision for GIDC	22,100	–	22,100	–
Gain on disposal of fixed assets	1,277	3,952	1,274	2,467
Agriculture income	452	3,319	(204)	2,352
Sale of Electricity	–	6,782	–	6,782
Exchange gain - net	2,827	12,268	1,698	11,368
	<u>189,412</u>	<u>131,668</u>	<u>169,760</u>	<u>115,738</u>
20. Finance income / (cost) - net				
Profit on treasury call accounts	6,059	14,229	3,321	11,367
Profit on term deposit receipts	84,558	112,058	3,497	12,458
Government Securities	–	47,401	–	20,194
Interest on loan to employees	87	104	45	56
	<u>90,704</u>	<u>173,792</u>	<u>6,863</u>	<u>44,075</u>
Less:				
Mark-up / interest on:				
Short-term borrowings	(21,162)	(25,333)	(10,794)	(14,445)
Workers' Profit Participation Fund	–	(1,592)	–	–
Lease liability	(870)	(1,115)	(435)	(1,115)
Bank charges	(8,324)	(6,547)	(4,607)	(2,423)
	<u>(30,356)</u>	<u>(34,587)</u>	<u>(15,836)</u>	<u>(17,983)</u>
	<u>60,348</u>	<u>139,205</u>	<u>(8,973)</u>	<u>26,092</u>
21. Taxation				
Income tax - current	80,002	60,008	45,000	35,001
Deferred tax	15,000	5,000	15,000	10,000
	<u>95,002</u>	<u>65,008</u>	<u>60,000</u>	<u>45,001</u>



	(Unaudited)	
	March 31, 2021	March 31, 2020
	(Rupees in thousands)	
22. Cash used in operations		
Profit before taxation	738,934	450,791
Adjustment for non-cash charges and other items		
Depreciation	118,326	122,799
Gain on disposal of fixed assets	(1,277)	(3,952)
Finance income / (cost) - net	(61,218)	(140,320)
Financial charges on lease liability	870	1,115
Dividend income	(152,160)	(101,480)
Remeasurement gain on discounting of Provision for GIDC	(22,100)	-
Working capital changes - note 22.1	(4,473,038)	(2,042,272)
	<u>(3,851,663)</u>	<u>(1,713,319)</u>
22.1 Working capital changes		
(Increase) / decrease in current assets		
Stores and spare parts	(4,037)	(14,882)
Stock-in-trade	(4,955,032)	(2,268,726)
Trade debts	(243,959)	(164,903)
Loans and advances	459,431	(172,340)
Trade deposits and prepayments	2,615	(1,615)
Other receivables	18,357	575
	<u>(4,722,616)</u>	<u>(2,621,891)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	(150,786)	(143,048)
Advance from customers	400,364	722,667
	<u>(150,422)</u>	<u>(42,381)</u>
Net changes in working capital	<u>(4,473,038)</u>	<u>(2,042,272)</u>
23. Cash and cash equivalents at the end of the period		
These comprise of the following		
Cash and bank balances	391,619	1,208,518
Short-term borrowings	(1,459,150)	(1,480,000)
	<u>(1,067,531)</u>	<u>(271,482)</u>
24. Financial Risk Management, Objectives and Policies		

The Company's activities expose it to a variety of financial risks. These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Company as at September 30, 2020. There has been no change in any risk management policies since the year end.



25. Fair values of Assets and Liabilities

There were no transfers amongst levels during the period.

26. Transactions with related parties

Related parties comprise of subsidiary, associated entities, entities with common directorship, directors, key management personnel and employees retirement benefits funds. 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:

Nature of Relationship	Nature of transactions	Half year ended		Quarter ended	
		March 31, 2021 (Unaudited)	March 31, 2020 (Unaudited)	March 31, 2021 (Unaudited)	March 31, 2020 (Unaudited)
		(Rupees in thousands)			
Other related party	Investment in shares / units of mutual fund	3,246,800	23,498	733,185	18,792
	Sale of Shares / units of mutual fund	2,750,000	-	2,750,000	-
	Insurance premium paid	11,283	17,263	-	6,854
	Insurance claim received	935	9,120	22	420
	Profit on treasury call account / term deposits	90,409	122,718	6,709	20,462
	Capital Gain on sale of units of Mutual Funds	5,131	-	5,131	-
	Dividend income	118,730	84,478	118,730	84,478
	Dividend paid	40,964	40,964	40,964	40,964
	Bank charges	186	79	143	47
Key management personnel	Managerial remuneration	30,562	29,410	15,281	25,426
Retirement benefit funds	Contribution to retirement funds	8,638	8,398	4,640	4,414

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

27. Date of authorisation for issue

These consolidated condensed interim financial statements were authorised for issue on May 28, 2021 by the Board of Directors of the Company.

28. General

28.1 Figures for the quarters ended March 31, 2021 and March 31, 2020 have not been subjected to limited scope review by the external auditors.

28.2 Figures presented in these consolidated condensed interim financial statements have been rounded off to the nearest thousand rupees.


Amir Bashir Ahmed
 Chief Financial Officer


Raeesul Hasan
 Chief Executive


Murtaza H. Habib
 Director



شکر ڈویژن نے آپریٹنگ منافع 102.95 ملین روپے کیا جس کے مقابلے پچھلے سال اسی مدت کے دوران 16.02 ملین روپے کا منافع کیا تھا۔ کارکردگی کے نتائج میں بہتری کرشنگ کے حجم اور ریکوری میں اضافہ کی وجہ سے ہوا۔

ڈپلری ڈویژن:

زیر جائزہ مدت کے دوران اس ڈویژن کا پلانٹ 153 دن چلا اور 10,783 میٹرک ٹن میتھانول تیار ہوا اور گزشتہ سال اسی مدت کے دوران 166 دن میں 11,963 میٹرک ٹن پیداوار رہی تھی۔ پیداوار میں کمی شیرے کی دستیابی میں کمی کی وجہ سے ہوئی۔

ڈویژن نے 418.83 ملین روپے کا آپریٹنگ منافع حاصل کیا مقابلہ گزشتہ سال اسی مدت کے دوران 169.83 ملین روپے منافع حاصل کیا تھا۔ اضافہ پچھلے مدت کے اسٹاک پر منافع کی وجہ سے ہوا۔

لیکویڈ کابن ڈائی آکسائیڈ پینٹ کی کارکردگی اطمینان بخش رہی اور 2,758 میٹرک ٹن کی پیداوار ہوئی مقابلہ گزشتہ سال اسی مدت کے دوران 2,966 میٹرک ٹن پیداوار تھی۔

ٹیکسٹائل ڈویژن:

ڈویژن نے زیر نظر مدت کے دوران 14.88 ملین روپے آپریٹنگ منافع حاصل کیا جس کے برعکس گزشتہ سال اسی مدت کے دوران 10.82 روپے کا منافع تھا۔ منافع میں اضافہ فروخت کے حجم میں بہتری کی وجہ سے ہوا۔

ٹریڈنگ ڈویژن:

زیر نظر مدت کے دوران ڈویژن نے 3.45 ملین روپے منافع چینی کی تجارت پر حاصل کیا۔ گزشتہ سال اسی مدت کے دوران 13.31 کا منافع ہوا تھا۔

گیس انفراسٹرکچر ڈولپمنٹ سیس (GIDC):

عزت مآب سپریم کورٹ آف پاکستان نے 13 اگست 2020 کو گیس انفراسٹرکچر ڈولپمنٹ سیس (GIDC) کے مقدمہ کا فیصلہ کیا کہ GIDC ایکٹ 2015 کے تحت GIDC کی قائمہ محصول قانونی ہے اس کے مطابق چینی نے ستمبر 2020 میں 138.68 ملین روپے فراہم کر دیا تھا۔

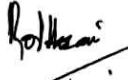
انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹ آف پاکستان (ICAP) میں ٹیکنیکل ریلیٹر (TR) GIDC کے اکاؤنٹنگ کے متعلق جاری کی ہے۔ ٹی آر کے مطابق جی ڈی سیس کی فراہمی پینٹیس شیٹ کی تاریخ پر موجود قیمت پر دوبارہ پینٹس کی جائے گی۔ جی ڈی سیس کی فراہمی کی از سر نو پینٹس کے نتیجے میں 22 ملین روپے کا دوبارہ پینٹس سے فائدہ ہوا جو اس مالیاتی حساب میں لے لیا گیا ہے۔ اس معاملے کی مالیاتی حساب کے نوٹ نمبر 13 میں تفصیل سے بتایا گیا ہے۔

عام امور:

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

از طرف بورڈ آف ڈائریکٹرز


مرقزی ایچ جیب
ڈائریکٹر


رئیس الحسین
چیف ایگزیکٹو

کراچی مورخہ 28 مئی 2021



ڈائریکٹرز کی رپورٹ

محترم ممبران۔ السلام علیکم

بورڈ آف ڈائریکٹرز کی جانب سے ہم 31 مارچ 2021 کو ختم ہونے والی ششماہی مدت کے کھٹی کی غیر آڈٹ شدہ مجموعی اور غیر مجموعی عبوری مالیاتی حسابات پیش کر رہے ہیں۔

11 مارچ 2020ء کو عالمی ادارہ صحت (ڈبلیو۔ ایچ۔ او) نے Covid-19 کو عالمی وباء قرار دے دیا اور انتخابہ کیا کہ یہ وباء ایک بڑی آبادی پر اثر انداز ہوگی اور کئی ہلاکتوں کا باعث ہوگی۔

حکومت پاکستان نے Covid-19 کی تیسری لہر کے دوران وائرس کے پھیلاؤ پر قابو پانے کے لئے ڈبلیو۔ ایچ۔ او کی تجویز کردہ سخت معاشرتی فاصلے اور دیگر حفاظتی اقدامات کو نافذ کرنے کے لئے ہدایت جاری کی۔ اس میں عید کی تعطیلات سمیت رمضان المبارک کے مہینے کے آخری ایام کے دوران عمل لاک ڈاؤن شامل ہے۔ کام کرنے کے مشکل حالات کے باوجود کھٹی اس وائرس کو کم کرنے کے لئے اپنے دفاتر اور سطوں پر سخت اقدامات نافذ کر کے اپنے عمل کو جاری رکھنے میں کامیاب رہی۔ اس کے علاوہ بورڈ اور کھٹی کی انتظامیہ نے کاروباری اور مالی حکمت عملی کی اور زیر عمل فیصلوں کو اپنے لوگوں کی حفاظت کو یقینی بنانے اور ان بحرانوں کے دوران ہموار اور پائیدار انداز میں کھٹی کے کاموں کو انجام دینے کو یقینی بنایا۔

مالیاتی نتائج:

اللہ کے فضل و کرم سے زیر جائزہ مدت کے دوران آپ کی کھٹی کا قبل از ٹیکس منافع کی رقم مبلغ 738.93 ملین روپے رہی۔ اس ششماہی مدت کے مالیاتی نتائج درج ذیل ہیں۔ (روپے ہزاروں میں)

738,925	منافع قبل از ٹیکس
95,000	ٹیکسیشن
643,925	منافع بعد از ٹیکسیشن
108,676	سرمایہ کاری کی فروخت پر منافع حاصل کیا
1,592	غیر منقسم منافع برائے فارورڈ
754,193	غیر منقسم منافع تیری فارورڈ
4.29	منافع فی شیئر۔ بنیادی اور معتدل۔ روپے

کارکردگی کا جائزہ:

شکر و بیژن:

گنے کی کرشنگ کا سیزن 2020-2021 10 نومبر 2020 کو شروع ہوا اور پلانٹ کو 25 فروری 2021 تک 108 دن چلایا گیا، اس کے مقابلے میں گزشتہ سیزن میں 101 دن چلایا گیا تھا۔ اس سیزن میں گنے کی کرشنگ 761,667 میٹرک ٹن رہی جبکہ شکر کی اوسط ریکوری کا تناسب 10.36 فیصد رہا اور شکر کی پیداوار 78,910 میٹرک ٹن ہوئی۔ مقابلے میں گزشتہ سیزن میں گنے کی کرشنگ 620,425 میٹرک ٹن رہی تھی جبکہ شکر کی اوسط ریکوری 9.91 فیصد تھی اور شکر کی پیداوار 61,488 میٹرک ٹن تھی۔

حکومت سندھ نے 23 نومبر 2020 کو گنے کی کم از کم سپورٹ پرائس برائے سیزن 2020-2021 کے نوٹیفیکیشن کا اجراء کیا جس میں گنے کی قیمت 2021 روپے فی 40 کلوگرام مقرر کی گئی اس کے مقابلے میں کرشنگ سیزن 2019-2020 کی 192 روپے فی 40 کلوگرام تھی۔ علاوہ ازیں ملز کو اپنی پرمینیم شکر کی اوسط ریکوری کے نتیجے میں 8.70 فیصد سے زائد ہر 0.10 فیصد پر 0.50 روپے فی 40 کلوگرام ادا کرے گی۔