



Habib Sugar Mills Limited

**Report and Condensed Interim
Financial Statements
for the Half Year ended
March 31, 2024
(Unaudited)**



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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	
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 Bank Al-Falah Limited First Women Bank Limited JS 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 duly reviewed by the auditors of the Company for the half year ended March 31, 2024. The Company has earned pre-tax profit of Rs. 1,583 million (2023: Rs. 1,009 million). The financial results of the Company for the half year are summarized below:

Financial Results

	Half year ended March 31, 2024	Half year ended March 31, 2023 (Rupees in Million)	Variance
Profit before taxation	1,583	1,009	574
Less: Taxation	(330)	(160)	(170)
Profit after taxation	1,253	849	404
Add: Realized gain/(loss) on sale of investment	58	(229)	287
Unappropriated profit brought forward	5	5	-
Unappropriated profit carried forward	1,316	625	691
Earnings per share–Basic and diluted (Rs.)	8.35	5.66	2.69

Sugar Division

The crushing season 2023-24 commenced on November 15, 2023 and the plant operated upto March 3, 2024 for 110 days as against 89 days in the preceding season. Sugarcane crushed during the current season was 1,065,705 M. Tons with average sucrose recovery of 10.63 % and sugar production of 113,286 M. Tons as compared with sugarcane crushing of 844,841 M. Tons with average sucrose recovery of 10.96 % and sugar production of 92,595 M. Tons during the preceding season.

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 in Sindh 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 bench mark of 8.7%.

The sugar division earned operating profit of Rs. 453 million (2023: Rs. 223 million). The operating profit for the current period is higher by Rs. 230 million as compared to the preceding period.



Distillery Division

The ethanol production during the half year ended March 31, 2024 was 13,150 M. Tons (2023: 15,923 M. Tons). The division earned operating profit of Rs. 442 million (2023: Rs. 765 million). The decrease in the profit of Rs. 323 million during the half year was mainly due to increased cost of production and decrease in selling prices.

Textile Division

The division earned profit of Rs. 16 million during the half year under review (2023: Rs. 12 million). The increase in profit was mainly attributable to better selling prices and increased quantum of sales.

Trading Division

Trading division earned operating profit of Rs. 67 million mainly on account of trading of sugar and molasses (2023: Rs. 4 million).

Buy-Back of Shares

The Board of directors in their meeting held on December 23, 2023 had recommended the scheme for Buy-Back of 15,000,000 ordinary shares of the Company, which was approved by the members in the Annual General Meeting held on January 24, 2024. The Company had completed the above purchase/Buy-Back of Shares on April 25, 2024. The required legal and corporate formalities after completion of the Buy-Back, are under process.

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: May 8, 2024

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Habib Sugar Mills Limited as at 31 March 2024 and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed 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 condensed interim financial statements based on our review.

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 condensed 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 condensed interim financial statements are 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 review resulting in this independent auditor's review report is Khurram Jameel.



Chartered Accountants
Place: Karachi
Date: 10 May 2024
UDIN: RR202410093Gc0nyeEDT



Condensed Interim Statement of Financial Position as at March 31, 2024 (Unaudited)

	Note	Unaudited March 31, 2024 (Rupees in thousands)	Audited Sept. 30, 2023
Assets			
Non-Current Assets			
Property, plant and equipment	5	2,159,864	2,284,432
Right-of-use assets		3,618	7,237
Long-term investments	6	3,154,585	1,908,277
Long-term loans		19,269	17,529
Long-term deposits		3,972	3,972
		<u>5,341,308</u>	<u>4,221,447</u>
Current Assets			
Stores and spare parts		288,607	387,261
Stock-in-trade	7	13,300,765	3,957,133
Trade debts		1,252,251	1,160,742
Loans and advances	8	1,064,502	186,108
Trade deposits and short-term prepayments		88,796	64,087
Profit accrued		11,830	32,793
Other receivables		18,932	12,753
Short-term investments	9	1,591,256	6,412,471
Cash and bank balances	10	2,085,104	1,274,264
		<u>19,702,043</u>	<u>13,487,612</u>
Total Assets		<u><u>25,043,351</u></u>	<u><u>17,709,059</u></u>
Equity and Liabilities			
Share Capital and Reserves			
Share Capital			
Authorised			
150,000,000 (September 30, 2023: 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 (September 30, 2023: 150,000,000)		<u>750,000</u>	<u>750,000</u>
Ordinary shares of Rs. 5 each			
Reserves	11	<u>12,020,396</u>	<u>10,565,406</u>
Total Equity		<u>12,770,396</u>	<u>11,315,406</u>
Non-Current Liabilities			
Deferred taxation	12	<u>198,500</u>	<u>180,500</u>
Gas Infrastructure Development Cess		<u>73,569</u>	<u>71,432</u>
		<u>272,069</u>	<u>251,932</u>
Current Liabilities			
Trade and other payables	13	<u>2,911,197</u>	<u>2,956,821</u>
Advance from customers	14	<u>3,287,086</u>	<u>1,615,781</u>
Short-term borrowings	15	<u>5,070,376</u>	<u>1,156,626</u>
Unclaimed dividends		<u>348,865</u>	<u>195,425</u>
Accrued mark-up		<u>134,167</u>	<u>5,440</u>
Taxation		<u>244,280</u>	<u>202,055</u>
Current portion of lease liability		<u>4,915</u>	<u>9,573</u>
		<u>12,000,886</u>	<u>6,141,721</u>
Contingencies and Commitments	16		
Total Equity and Liabilities		<u><u>25,043,351</u></u>	<u><u>17,709,059</u></u>

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

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Amir Bashir Ahmed
Chief Financial Officer

Khursheed A. Jamal
Chief Executive

Murtaza Habib
Director




**Condensed Interim Statement of Profit or Loss
for the half year ended March 31, 2024 (Unaudited)**

	Note	Half year ended		Quarter ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
(Rupees in thousands)					
Segment operating results	17				
Net sales and services		9,671,824	7,340,802	4,983,758	4,079,398
Cost of sales		(8,345,021)	(6,015,120)	(4,224,045)	(3,230,630)
Gross profit		1,326,803	1,325,682	759,713	848,768
Selling and distribution expenses		(168,837)	(171,252)	(84,889)	(96,579)
Administrative expenses		(180,189)	(151,373)	(89,981)	(78,712)
Other operating expenses	18	(101,345)	(250,560)	(43,860)	(147,993)
Other income	19	759,477	385,803	279,191	245,971
		309,106	(187,382)	60,461	(77,313)
Operating profit		1,635,909	1,138,300	820,174	771,455
Finance cost - net	20	(52,800)	(129,740)	(102,501)	(117,224)
Profit before taxation		1,583,109	1,008,560	717,673	654,231
Taxation					
- Current		(375,000)	(165,000)	(105,000)	(95,000)
- Deferred		45,000	5,000	45,000	5,000
		(330,000)	(160,000)	(60,000)	(90,000)
Profit after taxation		1,253,109	848,560	657,673	564,231
Earnings per share - Basic and diluted Rs.		8.35	5.66	4.38	3.76

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.


Amir Bashir Ahmed
Chief Financial Officer


Khurshheed A. Jamal
Chief Executive


Murtaza Habib
Director



Condensed Interim Statement of Comprehensive Income for the half year ended March 31, 2024 (Unaudited)

	Half year ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(Rupees in thousands)			
Profit after taxation	1,253,109	848,560	657,673	564,231
Other comprehensive income :				
Items that will not be reclassified 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) - net of tax	1,291,449	(396,510)	119,946	(322,171)
Total comprehensive income	<u>2,544,558</u>	<u>452,050</u>	<u>777,619</u>	<u>242,060</u>

The annexed notes 1 to 27 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 half year ended March 31, 2024 (Unaudited)**

	Issued, Subscribed and Paid-up Capital	Share Premium	Own Shares Purchase for Cancellation	Reserves			Total Reserves	Total Equity
				General Reserve	Unappropriated Profit	Unrealised Gain / (Loss) measurement of FVOCI Investment		
Balance as on 01 October 2022 (Audited)	750,000	34,000	–	6,408,500	1,340,185	987,317	8,770,002	9,520,002
Cash dividend for 2022 @ 70%	–	–	–	–	(525,000)	–	(525,000)	(525,000)
Transfer to general reserve	–	–	–	810,000	(810,000)	–	–	–
Total comprehensive income for the half year ended 31 March 2023	–	–	–	–	848,560	(396,510)	452,050	452,050
Realised loss on sale of investments - net	–	–	–	–	(229,108)	229,108	–	–
Balance as on 31 March 2023	<u>750,000</u>	<u>34,000</u>	<u>–</u>	<u>7,218,500</u>	<u>624,637</u>	<u>819,915</u>	<u>8,697,052</u>	<u>9,447,052</u>
Balance as on 01 October 2023 (Audited)	750,000	34,000	–	7,218,500	2,314,540	998,366	10,565,406	11,315,406
Cash dividend for 2023 @ 120%	–	–	–	–	(900,000)	–	(900,000)	(900,000)
Transfer to general reserve	–	–	–	1,410,000	(1,410,000)	–	–	–
Total comprehensive income for the half year ended 31 March 2024	–	–	–	–	1,253,109	1,291,449	2,544,558	2,544,558
Realised gain on sale of investments - net	–	–	–	–	58,395	(58,395)	–	–
Own shares purchased for cancellation (Note 11.1)	–	–	(189,568)	–	–	–	(189,568)	(189,568)
Balance as on 31 March 2024	<u>750,000</u>	<u>34,000</u>	<u>(189,568)</u>	<u>8,628,500</u>	<u>1,316,044</u>	<u>2,231,420</u>	<u>12,020,396</u>	<u>12,770,396</u>

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

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Amir Bashir Ahmed
Chief Financial Officer


Khursheed A. Jamal
Chief Executive


Murtaza Habib
Director




Condensed Interim Statement of Cash Flows for the Half year ended March 31, 2024 (Unaudited)

	Note	March 31, 2024	March 31, 2023
(Rupees in thousands)			
Cash flows from operating activities			
Cash used in operations	21	(7,527,689)	(6,480,328)
Finance income received / (cost paid) - net		96,890	(117,777)
Income tax paid		(332,775)	(205,084)
Long-term loans		(1,740)	1,122
Net cash used in operating activities		(7,765,314)	(6,802,067)
Cash flows from investing activities			
Fixed capital expenditure		(10,134)	(42,780)
Sale proceeds / redemption of investments		7,107,594	7,040,607
Dividend received		644,068	354,115
Purchase of investments		(2,142,095)	(4,907,245)
Sale proceeds of fixed assets		3,757	3,622
Net cash generated from investing activities		5,603,190	2,448,319
Cash flows from financing activities			
Lease rental paid		(4,658)	(3,858)
Buy back of shares for cancellation		(189,568)	-
Dividend paid		(746,560)	(433,177)
Net cash used in financing activities		(940,786)	(437,035)
Net decrease in cash and cash equivalents		(3,102,910)	(4,790,783)
Cash and cash equivalents at the beginning of the period		117,638	545,972
Cash and cash equivalents at the end of the period	22	<u>(2,985,272)</u>	<u>(4,244,811)</u>

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.


Amir Bashir Ahmed
Chief Financial Officer


Khursheed A. Jamal
Chief Executive


Murtaza Habib
Director



Notes to the Condensed Interim Financial Statements for the Half year ended March 31, 2024 (Unaudited)

1 The Company and its Operations

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

2 Statement of Compliance

2.1 These condensed interim financial statements are unaudited and have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards 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 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 30 September 2023.

2.3 The figures of the condensed interim statement of profit or loss, condensed interim statement of comprehensive income for the three months ended March 2024 and March 2023 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the six months ended March 2024 and March 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 published financial statements of the Company for the year ended September 2023.

4 Accounting Estimates and Judgements

The preparation of 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 condensed interim financial statements are same as those applied in the Company's annual financial statements for the year ended September 2023.

	(Unaudited) March 31, 2024	(Audited) Sept. 30, 2023
	(Rupees in thousands)	
5. Property, plant and equipment		
5.1 Operating fixed assets	2,132,365	2,220,789
Capital work-in-progress	27,499	63,643
	<u>2,159,864</u>	<u>2,284,432</u>



5.1 Cost of additions to and written down value of deletions from fixed assets during the half year ended March 31, 2024 were as follows:

	(Unaudited) 31 March 2024 Additions (Rupees in thousands)	Deletions (Rupees in thousands)
Plant and machinery - Sugar Division	1,331	-
Furniture, fittings and office equipments	5,522	16
Agricultural equipments	2,124	-
Vehicles	1,157	86
	<u>10,134</u>	<u>102</u>
	(Unaudited) March 31, 2024 (Rupees in thousands)	(Audited) Sept. 30, 2023 (Rupees in thousands)
6. Long-term investments - FVOCI		
Investments in related parties – Quoted	2,088,334	1,113,694
Investments in related parties – Un-Quoted	13,125	13,125
Investments in other companies – Quoted	1,053,126	781,458
	<u>3,154,585</u>	<u>1,908,277</u>
6.1 The aggregate cost of these investments, net of impairment is Rs.930.43 (September 30, 2023: Rs.950.55) million.		
	(Unaudited) March 31, 2024 (Rupees in thousands)	(Audited) Sept. 30, 2023 (Rupees in thousands)
7. Stock-in-trade		
Raw materials	2,585,953	643,015
Work-in-process	73,700	81,365
Finished goods	10,525,674	3,227,670
Bagasse	115,438	5,083
	<u>13,300,765</u>	<u>3,957,133</u>
8. Loans and advances		
Current maturity of long-term loans	37,360	16,422
Advances to suppliers	1,027,142	169,686
	<u>1,064,502</u>	<u>186,108</u>
9. Short-term investments		
At amortised cost		
Governments Securities		
Market Treasury Bills	-	220,065
Pakistan Investment Bonds	101,641	101,641
	<u>101,641</u>	<u>321,706</u>
At FVOCI		
Units of Mutual Funds	9.2 1,489,615	6,090,765
	<u>1,591,256</u>	<u>6,412,471</u>



- 9.1 These carry effective yield of 13.23% (September 2023: 13.23% to 21.95%) per annum.
- 9.2 The aggregate cost of the units of mutual funds is Rs.1,533.99 (September 2023: Rs.6,063.11) million.

	Note	(Unaudited) March 31, 2024	(Audited) Sept. 30, 2023
(Rupees in thousands)			
10. Cash and bank balances			
Cash in hand		579	770
Balances with banks in:			
Current accounts		645,378	120,118
Treasury call accounts	10.1	1,391,147	1,105,376
Term Deposit Receipts	10.2	48,000	48,000
	10.3	2,084,525	1,273,494
		<u>2,085,104</u>	<u>1,274,264</u>

- 10.1 Profit rates on Treasury call accounts ranged between 20.60% to 20.80% (September 2023: 14.50% to 20.60%) per annum.
- 10.2 Profit rates on Term Deposit Receipts is 19.50% per annum (September 2023, 19.50%). Maturity of these Term Deposit Receipts is one month, Lien market against issuance of guarantee.
- 10.3 Includes Rs.1,295.56 (September 2023: Rs.1,104.27) million kept with Bank AL Habib Limited - a related party.

	Note	(Unaudited) March 31, 2024	(Audited) Sept. 30, 2023
(Rupees in thousands)			
11. Reserves			
Share premium		34,000	34,000
Own shares purchased for cancellation	11.1	(189,568)	-
General reserve		8,628,500	7,218,500
Unappropriated profit		1,316,044	2,314,540
Unrealised gain on re-measurement of FVOCI investments		2,231,420	998,366
		<u>12,020,396</u>	<u>10,565,406</u>

- 11.1 The Board of Directors in its meeting held on 23 December 2023 had recommended the scheme for buy back of 15,000,000 ordinary shares of the Company, which was approved by the members in the Annual General Meeting held on 24 January 2024. The Company had completed the above purchase / Buy-Back of Shares on 25 April 2024. The required legal and corporate formalities for cancellation of shares are under process.



	Note	(Unaudited) March 31, 2024 (Rupees in thousands)	(Audited) Sept. 30, 2023
12. Deferred taxation			
Deferred tax liability on taxable temporary differences:			
- accelerated tax depreciation		216,000	228,000
- re-measurement of investments		50,000	-
		266,000	228,000
Deferred tax asset on deductible temporary differences:			
- provision for obsolescence and slow moving stores & spare parts		(31,500)	(31,500)
- lease liability		(2,500)	(3,000)
- Minimum tax carried forward		(33,500)	-
- re-measurement of investments		-	(13,000)
		(67,500)	(47,500)
		198,500	180,500
13. Trade and other payables			
Creditors		2,017,858	2,054,357
Accrued liabilities		462,403	483,306
Payable to Employees Gratuity Fund		-	4,481
Sales tax payable		224,584	173,146
Gas Infrastructure Development Cess		32,483	32,302
Workers' Profit Participation Fund (WPPF)		87,027	161,518
Workers' Welfare Fund (WWF)		47,583	43,231
Income-tax deducted at source		39,259	4,480
		2,911,197	2,956,821
14. Advance from customers			
Sugar Division		3,049,537	1,456,950
Distillery Division		218,548	126,321
Textile Division		19,001	32,510
		3,287,086	1,615,781
15. Short-Term Borrowings - secured		5,070,376	1,156,626

The aggregate financing facility available from commercial banks amounted to Rs.10,417 September 2023: Rs. 9,562) 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 22.42% September 2023: 2.00% to 21.73%) per annum.



16 CONTINGENCIES AND COMMITMENTS

16.1 There has been no significant change in the status of contingencies as disclosed in annual financial statements of the Company for the year ended September 2023.

16.2 The Company has provided counter guarantees to Bank AL Habib Limited, a related party, amounting to Rs. 600 (September 2023: Rs. 500) million against agriculture finance facilities to the growers supplying sugarcane to the mills and counter guarantees to other banks amounting to Rs. 3,795.91 (September 2022: 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.

	(Unaudited) March 31, 2024	(Audited) Sept. 30, 2023
Note	(Rupees in thousands)	
16.3 Rentals payable over next four years under Ijarah agreements with First Habib Modraba in respect of vehicles	<u>161,881</u>	<u>125,171</u>



17. Segment operating Results

17.1 Segment operating results for the half year ended (Unaudited)

	(Rupees in thousands)									
	Sugar Division		Distillery Division		Textile Division		Trading Division		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Net sales and services										
Sales – Local	4,642,100	3,768,573	397,093	339,004	2,254	1,792	614,590	6,558	5,656,037	4,115,927
– Export	–	–	3,428,256	2,965,489	361,599	256,946	223,295	–	4,013,150	3,222,435
	4,642,100	3,768,573	3,825,349	3,304,493	363,853	258,738	837,885	6,558	9,669,187	7,338,362
Services-Storage income-net	–	–	2,637	2,440	–	–	–	–	2,637	2,440
	4,642,100	3,768,573	3,827,986	3,306,933	363,853	258,738	837,885	6,558	9,671,824	7,340,802
Less: Cost of sales	(3,984,401)	(3,368,264)	(3,269,402)	(2,413,741)	(323,596)	(230,197)	(767,622)	(2,918)	(8,345,021)	(6,015,120)
Gross Profit	657,699	400,309	558,584	893,192	40,257	28,541	70,263	3,640	1,326,803	1,325,682
Less: Selling and distribution expenses	(50,576)	(45,330)	(97,627)	(113,541)	(18,048)	(12,381)	(2,586)	–	(168,837)	(171,252)
Administrative expenses	(154,483)	(131,810)	(18,784)	(14,805)	(6,504)	(4,621)	(418)	(137)	(180,189)	(151,373)
	(205,059)	(177,140)	(116,411)	(128,346)	(24,552)	(17,002)	(3,004)	(137)	(349,026)	(322,625)
Profit before other operating expenses and other income	452,640	223,169	442,173	764,846	15,705	11,539	67,259	3,503	977,777	1,003,057
Other operating expenses - note 18									(101,345)	(250,560)
Other income - note 19									759,477	385,803
Operating Profit									1,635,909	1,138,300



17.2 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.

17.3 Segment operating results for the three months (Unaudited)

		(Rupees in thousands)									
		Sugar Division		Distillery Division		Textile Division		Trading Division		Total	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Net sales and services											
Sales	Local	2,463,027	1,841,858	218,276	195,852	–	1,425	588,473	–	3,269,776	2,039,135
	Export	–	–	1,368,116	1,921,576	120,631	118,189	223,295	–	1,712,042	2,039,765
		2,463,027	1,841,858	1,586,392	2,117,428	120,631	119,614	811,768	–	4,981,818	4,078,900
	Services-Storage income-net	–	–	1,940	498	–	–	–	–	1,940	498
		2,463,027	1,841,858	1,588,332	2,117,926	120,631	119,614	811,768	–	4,983,758	4,079,398
	Less: Cost of sales	(2,097,201)	(1,587,233)	(1,282,390)	(1,538,465)	(100,326)	(104,932)	(744,128)	–	(4,224,045)	(3,230,630)
	Gross Profit	365,826	254,625	305,942	579,461	20,305	14,682	67,640	–	759,713	848,768
	Less: Selling and distribution expenses	(22,402)	(21,638)	(51,075)	(69,447)	(8,826)	(5,494)	(2,586)	–	(84,889)	(96,579)
	Administrative expenses	(79,198)	(70,591)	(7,208)	(5,928)	(3,344)	(2,193)	(231)	–	(89,981)	(78,712)
		(101,600)	(92,229)	(58,283)	(75,375)	(12,170)	(7,687)	(2,817)	–	(174,870)	(175,291)
	Profit before other operating expenses and other income	264,226	162,396	247,659	504,086	8,135	6,995	64,823	–	584,843	673,477
	Other operating expenses - note 18									(43,860)	(147,993)
	Other income - note 19									279,191	245,971
	Operating Profit									820,174	771,455



	Half year ended		Quarter ended	
	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
(Rupees in thousands)				
18. Other operating expenses				
Workers' Profit Participation Fund (WPPF)	87,027	41,366	40,231	22,373
Workers' Welfare Fund (WWF)	12,000	6,500	3,000	4,100
Remeasurement loss on discounting of provision for GIDC	2,318	–	629	–
Exchange loss	–	202,694	–	121,520
	<u>101,345</u>	<u>250,560</u>	<u>43,860</u>	<u>147,993</u>
19. Other income				
Dividend income	645,927	353,197	221,086	228,877
Scrap sales	4,656	17,443	2,565	3,304
Remeasurement gain on discounting of Provision for GIDC	–	7,946	–	8,072
Gain on disposal of fixed assets	3,654	3,588	3,619	2,930
Agriculture income	31,367	3,629	23,539	2,788
Exchange gain	73,873	–	28,382	–
	<u>759,477</u>	<u>385,803</u>	<u>279,191</u>	<u>245,971</u>
20. Finance income / (cost) - net				
Profit / interest on:				
Treasury call accounts	201,997	27,868	70,559	15,624
Term deposit receipts	4,670	17,607	2,336	8,470
Government Securities	9,142	24,905	3,362	11,830
Loan to employees	1,157	1,018	634	429
	<u>216,966</u>	<u>71,398</u>	<u>76,891</u>	<u>36,353</u>
Mark-up / interest on:				
Short-term borrowings	(234,247)	(187,136)	(170,178)	(148,755)
Workers' Profit Participation Fund	(5,361)	(1,175)	–	(10)
Lease liability	(388)	(715)	(130)	(358)
	<u>(239,996)</u>	<u>(189,026)</u>	<u>(170,308)</u>	<u>(149,123)</u>
Bank charges	(29,770)	(12,112)	(9,084)	(4,454)
	<u>(52,800)</u>	<u>(129,740)</u>	<u>(102,501)</u>	<u>(117,224)</u>



(Unaudited)
 March 31, March 31,
 2024 2023
 Note (Rupees in thousands)

21. Cash used in operations

Profit before taxation	1,583,109	1,008,560
Adjustment for non-cash charges and other items		
Depreciation	102,075	111,640
Remeasurement loss / (gain) on discounting of provision for GIDC	2,318	(7,946)
Gain on disposal of fixed assets	(3,654)	(3,588)
Finance cost - net	52,800	129,740
Dividend income	(645,927)	(353,197)
Working capital changes	21.1 (8,618,410)	(7,365,537)
	<u>(7,527,689)</u>	<u>(6,480,328)</u>

21.1 Working capital changes

(Increase) / decrease in current assets

Stores and spare parts	98,654	(69,369)
Stock-in-trade	(9,343,632)	(6,102,509)
Trade debts	(91,509)	(384,079)
Loans and advances	(878,394)	(1,374,887)
Trade deposits and short term prepayments	(24,709)	404
Other receivables	(4,320)	(8,883)
	<u>(10,243,910)</u>	<u>(7,939,323)</u>

Increase / (decrease) in current liabilities

Trade and other payables	(45,805)	204,648
Advance from customers	1,671,305	369,138
	<u>1,625,500</u>	<u>573,786</u>

Net changes in working capital

	<u>(8,618,410)</u>	<u>(7,365,537)</u>
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22. Cash and cash equivalents at the end of the period

Cash and bank balances	2,085,104	420,164
Short-term borrowings	(5,070,376)	(4,664,975)
	<u>(2,985,272)</u>	<u>(4,244,811)</u>

23. 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 financial statements and should be read in conjunction with the annual financial statements of the Company as at 30 September 2023. There has been no change in any risk management policies since the year end.



24. Fair Values of Assets and Liabilities

There were no transfers amongst levels during the period.

25. Transactions with Related Parties

Related parties comprise of 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 condensed interim financial statements, are as follows:

Nature of Relationship	Nature of transactions	Half year ended	
		March 31, 2024	March 31, 2023
		(Unaudited)	
		(Rupees in thousands)	
Other related party	Investment in shares / units of mutual fund	154,527	1,800,000
	Sale of Shares / units of mutual fund	2,991,867	3,188,622
	Insurance premium paid	31,836	19,144
	Insurance claim received	3,428	24,200
	Profit on treasury call accounts / term deposits	197,161	27,304
	Capital Gain on sale of units of Mutual Funds	22,611	20,162
	Dividend income	411,093	242,065
	Dividend paid	89,376	52,136
	Bank charges	180	261
Key management personnel	Managerial remuneration	47,479	34,432
Retirement benefit funds	Contribution to retirement funds	13,541	10,747

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

26. Date of Authorisation for Issue

These condensed interim financial statements were authorised for issue on May 8, 2024 by the Board of Directors of the Company.

27. General

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

Amir Bashir Ahmed
Chief Financial Officer

Khursheed A. Jamal
Chief Executive

Murtaza Habib
Director



ٹیکسٹائل ڈویژن:

زیر جائزہ ششماہی کے دوران ڈویژن کو 16 ملین روپے کا آپریٹنگ منافع حاصل ہوا (2023، 12 ملین روپے) منافع میں اضافہ کی بنیادی وجہ بہتر قیمت فروخت اور فروخت کے حجم میں اضافہ تھا۔

ٹریڈنگ ڈویژن:

ٹریڈنگ ڈویژن کو شکر اور مولا سس کی ٹریڈنگ سے 67 ملین روپے (31 مارچ 2023، 4 ملین روپے) منافع حاصل ہوا۔

کپتی کے اے پیٹینٹ کی خریداری

بورڈ آف ڈائریکٹرز نے اپنی میٹنگ منعقدہ 23 دسمبر 2023 کو کپتی کو اے پیٹینٹ 15 ملین شیشیز کی خریداری کی سفارش کی تھی جو کہ بعد ازاں کپتی کے ممبرز نے سالانہ اجلاس عام منعقدہ 24 جنوری 2024 کو منظور کر لی تھی۔ کپتی نے 15 ملین شیشیز کی خریداری 25 اپریل 2024 کو مکمل کر لی تھی اور کپتی دیگر قانونی اور کارپوریٹ لوازمات پورے کر رہی ہے۔

اظہار تشکر:

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

از طرف بورڈ آف ڈائریکٹرز

مر تاضی علی حبیب
ڈائریکٹر

خورشید اے۔ جمال
چیف ایگزیکٹو

کراچی مورخہ 8 مئی 2024



ڈائریکٹری رپورٹ

محترم ممبران۔ السلام علیکم

بورڈ آف ڈائریکٹری کی جانب سے ہم آپ کو 31 مارچ، 2024 کو ختم ہونے والی ششماہی مدت کے کٹنی کے غیر آڈٹ شدہ عبوری مالیاتی حسابات کٹنی کے آڈیٹرز کے مکمل جائزے کے بعد پیش کر رہے ہیں۔ کٹنی کا قبل از ٹیکس منافع 1,583 ملین روپے (2023، 1,009 ملین روپے) ہوا۔ اس ششماہی مدت کے مالیاتی نتائج کا خلاصہ درج ذیل ہیں۔

مالیاتی نتائج

ششماہی کی ختم ہونے والی مدت	ششماہی کی ختم ہونے والی مدت	اضافہ (کٹی)
31 مارچ، 2024	31 مارچ، 2023	
(روپے ملین میں)		
1,583	1,009	574
(330)	(160)	(170)
1,253	849	404
58	(229)	287
5	5	-
1,316	625	691
8.35	5.66	2.69

شکر ڈویژن:

2023-2024 کا کرشنگ سیزن 15 نومبر 2023 کو شروع ہوا اور پلانٹ کو 3 مارچ 2024 تک 110 دن چلایا گیا۔ اس کے مقابلے میں گزشتہ سیزن میں 89 دن چلایا گیا تھا۔ اس سیزن میں گئے کی کرشنگ 1,065,705 میٹرک ٹن رہی جبکہ شکر کی اوسط ریکوری کا تناسب 10.63 فیصد رہا اور شکر کی پیداوار 113,286 میٹرک ٹن ہوئی۔ مقابلے گزشتہ سیزن میں گئے کی کرشنگ 844,541 میٹرک ٹن رہی تھی جبکہ شکر کی اوسط ریکوری 10.96 فیصد اور شکر کی پیداوار 92,595 میٹرک ٹن تھی۔

حکومت سندھ نے 16 اگست 2023 کو گئے کی کم از کم سپورٹ پرائس برائے سیزن 2023-2024 کے نوٹیفیکیشن 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 ملٹیکوٹائی پریٹیم شکر کی اوسط ریکوری کے شیڈ مارک 8.7% فیصد سے زائد ہر 0.1% فیصد پر 0.50 روپے فی 40 کلوگرام ادا کرے گی۔

شکر ڈویژن نے آپریٹنگ منافع 453 ملین روپے (2023، 223 ملین روپے) کمایا۔ شکر ڈویژن کا منافع اس ششماہی میں 230 ملین زیادہ رہا۔ نسبت پچھلی ششماہی کے۔

ڈسٹری ڈویژن:

31 مارچ، 2024 کو ختم ہونے والی ششماہی کے دوران استھانول کی 13,150 میٹرک ٹن (2023، 15,923 میٹرک ٹن) کی پیداوار ہوئی۔ ڈویژن نے 442 ملین روپے (2023، 765 ملین روپے) کا آپریٹنگ منافع حاصل ہوا۔ اسی مدت میں منافع میں 323 ملین روپے کی کمی کی بنیادی وجہ بین الاقوامی منڈی میں استھانول کی قیمت فروخت میں کمی اور پیداواری لاگت میں اضافہ تھا۔