



Habib Sugar Mills Limited

**Report and Condensed Interim
Financial Statements
for the Quarter and Nine months
ended June 30, 2023
(Unaudited)**



Contents

Company Information	2
Directors' Report	3
Unconsolidated Condensed Interim Statement of Financial Position	5
Unconsolidated Condensed Interim Statement of Profit or Loss	6
Unconsolidated Condensed Interim Statement of Comprehensive Income	7
Unconsolidated Condensed Interim Statement of Changes in Equity	8
Unconsolidated Condensed Interim Statement of Cash Flows	9
Notes to the Unconsolidated Condensed Interim Financial Statements	10
Consolidated Condensed Interim Statement of Financial Position	19
Consolidated Condensed Interim Statement of Profit or Loss	20
Consolidated Condensed Interim Statement of Comprehensive Income	21
Consolidated Condensed Interim Statement of Changes in Equity	22
Consolidated Condensed Interim Statement of Cash Flows	23
Notes to the Consolidated Condensed Interim Financial Statements	24
ڈائریکٹرز کی رپورٹ	34



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	Chairman Chief Executive
Audit Committee	Farouq Habib Rahimtoola Tyaba Muslim Habib Sohail Hussain Haji	Chairman Member Member
Human Resource & Remuneration Committee	Tyaba Muslim Habib Hasnain Habib Khursheed A. Jamal	Chairperson Member Member
Chief Financial Officer	Amir Bashir Ahmed	
Company Secretary	Imran Amin Virani	
Registered Office	3rd Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi-75530 Phones : (+92-21) 35680036- 5 Lines Fax : (+92-21) 35684086 E-mail : sugar@habib.com	
Mills	Sugar & Distillery Division Nawabshah District Shaheed Benazirabad Phones : (+92-244) 360751-5 Lines Fax : (+92-244) 361314 Textile Division D-140/B-1 Mangopir Road S.I.T.E. Karachi-75700 Phones : (+92-21) 32571325, 32572119 Fax : (+92-21) 32572118	
Bulk Storage	Terminal 60/1-B Oil Installation Area Keamari Karachi-75620 Phones : (+92-21) 32852003-4 Fax : (+92-21) 32852005	
Bankers	Allied Bank Limited Bank AL Habib Limited First Women Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited MCB Bank Limited Meezan Bank Limited National Bank of Pakistan United Bank Limited	
Statutory Auditors	Grant Thornton Anjum Rahman Chartered Accountants	
Cost Auditors	Reanda Haroon Zakaria & Co. Chartered Accountants	
Share Registrar	THK Associates (Pvt.) Limited Plot No. C-32, Jami Commercial Street-2 D.H.A. Phase VII, Karachi - 755500 UAN : (+92-21) 111-000-322 Phone : (+92-21) 35310191-93 E-mail : stc@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 consolidated and unconsolidated condensed interim financial statements of the Company for the three quarters ended on June 30, 2023. The Company has earned pre-tax profit of Rs. 1,798.85 million (June 30, 2022: Rs. 1,456.12 million). The financial results of the Company for the three quarters ended June 30, 2023 are summarized below:

Financial Results

	Three Quarters ended June 30, 2023	Three Quarters ended June 30, 2022	Variance
	Rupees in Million		
Profit before taxation	1,798.85	1,456.12	342.73
Less: Taxation	(430.00)	(330.00)	(100)
Profit after taxation	1,368.85	1,126.12	242.73
Add: Realized (loss) / gain on sale of investment	(227.87)	39.06	(266.93)
Unappropriated profit brought forward	5.19	5.11	0.08
Unappropriated profit carried forward	1,146.17	1,170.29	(24.12)
Earnings per share–Basic and diluted– Rs.	9.13	7.51	1.62

Sugar Division

The crushing season 2022-23 commenced on November 29, 2022 and the plant operated upto February 26, 2023 for 89 days as against 125 days in the preceding season. Sugarcane crushed during the current season was 844,841 M. Tons with average sucrose recovery of 10.96% and sugar production of 92,591 M. Tons as compared with sugarcane crushing of 1,126,516 M. Tons with average sucrose recovery of 10.61 % and sugar production of 119,531 M. Tons during the preceding season.

The Government of Sindh on November 23, 2022 issued a notification fixing the minimum sugarcane support price at Rs. 302 per 40 kgs for the crushing season 2022 - 23 as against Rs.250 per 40 kgs for the crushing season 2021 - 2022. 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.417.93 million (June 30, 2022: Rs. 416.91 million). The increase in operating profit was mainly due to improved sucrose recovery and better sugar selling prices as compared with the corresponding period.

Considering the surplus quantity of sugar in the Country, the Sugar advisory Board (SAB) in principal recommended the Economic Coordination Committee (ECC) to allow export of 500,000 M. Tons of sugar. The ECC in their meeting had allowed and approved export of 250,000 M. Tons in phases.



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

The above allocation was challenged by certain sugar mills before the Sindh High Court who suspended the above allocation and declared the same as illegal and unlawful. Against the above order, the sugar mills preferred an appeal before the High Court who vide order dated March 9, 2023 allowed the quota of 1,500 M. Tons to each sugar mill till further orders/final outcome of the appeal. The Company exported 1,500 M. Tons of sugar in the month of April 2023 in accordance with the High Court's order.

Subsequently, on May 30, 2023 the High Court also allowed each of the Sugar Mills located in Sindh to export further 1,000 M. Tons of sugar subject to certain conditions. The case is still pending adjudication.

Distillery Division

The ethanol production during the three quarters ended June 30, 2023 was 25,519 M. Tons (June 30, 2022: 25,299 M. Tons). The division earned operating profit of Rs. 1,398.37 million (June 30, 2022: Rs.892.82 million). The increase in the profit of Rs. 505.55 million during the period ended on June 30, 2023 was mainly due to better Ethanol selling prices in the international market and devaluation of Pakistani Rupee against foreign currencies.

The liquidified carbon dioxide (CO₂) unit produced 7,182 M. Tons (June 30, 2022: 6,342 M. Tons). The contribution of the unit is included in the profit of the division.

Textile Division

The division earned operating profit of Rs. 27.37 million during the three quarters under review (June 30, 2022: Rs. (20.29) million). The increase in profit was mainly attributable to better selling prices and devaluation of Pakistani Rupee against foreign currencies.

Trading Division

The Trading division earned operating profit of Rs. 143.51 million (June 30, 2022: Rs. 75.99 million). The increase in profit for the current period was mainly attributable to the trading of sugar.

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: July 24, 2023



**Unconsolidated Condensed Interim Statement of Financial Position
as at June 30, 2023 (Unaudited)**

	Note	(Unaudited) 30 June 2023	(Audited) 30 September 2022
(Rupees in thousands)			
Assets			
Non-Current Assets			
Property, plant and equipment	5	2,249,868	2,357,465
Right-of-use assets		9,046	14,474
Long-term investments	6	1,770,451	2,155,805
Long-term loans		13,202	14,828
Long-term deposits		4,072	3,972
		<u>4,046,639</u>	<u>4,546,544</u>
Current Assets			
Stores and spare parts		305,537	274,960
Stock-in-trade	7	7,979,033	5,004,293
Trade debts		1,292,865	324,143
Loans and advances	8	703,146	76,069
Trade deposits and short-term prepayments		35,631	20,483
Profit accrued on bank deposits		19,807	23,964
Other receivables		37,287	11,277
Short-term investments	9	323,726	2,705,738
Cash and bank balances	10	1,968,214	545,972
		<u>12,665,246</u>	<u>8,986,899</u>
Total Assets		<u>16,711,885</u>	<u>13,533,443</u>
Equity and Liabilities			
Share Capital and Reserves			
Share Capital			
Authorised Capital			
150,000,000 (September 30, 2022: 150,000,000)		750,000	750,000
Ordinary shares of Rs.5 each			
Issued, subscribed and paid-up capital			
150,000,000 (September 30, 2022: 150,000,000)		750,000	750,000
Ordinary shares of Rs.5 each			
Reserves		9,244,596	8,770,002
Total Equity		<u>9,994,596</u>	<u>9,520,002</u>
Non-Current Liabilities			
Deferred taxation	11	130,000	92,000
Gas Infrastructure Development Cess		68,125	76,822
Lease liability		2,458	9,573
		<u>200,583</u>	<u>178,395</u>
Current Liabilities			
Trade and other payables	12	2,210,142	1,890,513
Advance from customers		1,694,991	1,810,835
Short-term borrowings	13	2,177,507	-
Unclaimed dividends		195,425	105,162
Accrued mark-up on short-term borrowings		78,104	-
Taxation		151,386	20,607
Current portion of lease liability		9,151	7,929
		<u>6,516,706</u>	<u>3,835,046</u>
Contingencies and Commitments	14		
Total Equity and Liabilities		<u>16,711,885</u>	<u>13,533,443</u>

The annexed notes 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.


Amir Bashir Ahmed
Chief Financial Officer


Khursheed A. Jamal
Chief Executive


Murtaza Habib
Director



Unconsolidated Condensed Interim Statement of Profit or Loss
For the quarter and cumulative for three quarters ended June 30, 2023 (Unaudited)

Note	Three Quarters ended		Quarter ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	(Rupees in thousands)			
Segment operating results	15			
Net sales and services	12,937,886	10,062,370	5,597,084	5,043,076
Cost of sales	(10,427,642)	(8,280,293)	(4,412,522)	(4,216,375)
Gross Profit	2,510,244	1,782,077	1,184,562	826,701
Selling and distribution expenses	(299,249)	(219,122)	(127,997)	(88,269)
Administrative expenses	(223,819)	(197,524)	(72,446)	(62,452)
Other operating expenses	(412,256)	(175,522)	(161,696)	(103,268)
Other income	415,514	324,803	29,711	45,037
	(519,810)	(267,365)	(332,428)	(208,952)
Operating profit	1,990,434	1,514,712	852,134	617,749
Finance cost - net	(191,584)	(58,597)	(61,844)	(67,342)
Profit before taxation	1,798,850	1,456,115	790,290	550,407
Taxation	(372,000)	(277,000)	(207,000)	(159,500)
- Current	(58,000)	(53,000)	(63,000)	(5,500)
- Deferred	(430,000)	(330,000)	(270,000)	(165,000)
Profit after taxation	1,368,850	1,126,115	520,290	385,407
Earnings per share				
- Basic and diluted	Rs. 9.13	7.51	3.47	2.57

The annexed notes 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.


Amir Bashir Ahmed
 Chief Financial Officer


Khurshed A. Jamal
 Chief Executive


Murtaza Habib
 Director



Unconsolidated Condensed Interim Statement of Comprehensive Income for the quarter and cumulative for three quarters ended June 30, 2023 (Unaudited)

	<u>Three Quarters ended</u>		<u>Quarter ended</u>	
	<u>30 June 2023</u>	<u>30 June 2022</u>	<u>30 June 2023</u>	<u>30 June 2022</u>
	(Rupees in thousands)			
Profit after taxation	1,368,850	1,126,115	520,290	385,407
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	(369,256)	(492,293)	27,254	(442,447)
	<u>999,594</u>	<u>633,822</u>	<u>547,544</u>	<u>(57,040)</u>

The annexed notes 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.


Amir Bashir Ahmed
Chief Financial Officer


Khursheed A. Jamal
Chief Executive


Murtaza Habib
Director



**Unconsolidated Condensed Interim Statement of Changes in Equity
for the three quarters ended June 30, 2023 (Unaudited)**

	Issued Subscribed and Paid-up Capital	Capital Reserve	Revenue Reserves		Unrealised gain / (loss) on re-measure- ment of FVOCI investment	Total Reserves	Total Equity
			General Reserve	Unappro- priated Profit			
(Rupees in thousands)							
Balance as on October 01, 2021 (Audited)	750,000	34,000	5,748,500	1,115,111	1,612,483	8,510,094	9,260,094
Total comprehensive income for the period ended June 30, 2022	-	-	-	1,126,115	(492,293)	633,822	633,822
Realised gain on sale of investments	-	-	-	39,057	(39,057)	-	-
Transfer to general reserve	-	-	660,000	(660,000)	-	-	-
Cash dividend for 2021 @ 60%	-	-	-	(450,000)	-	(450,000)	(450,000)
Balance as on June 30, 2022	<u>750,000</u>	<u>34,000</u>	<u>6,408,500</u>	<u>1,170,283</u>	<u>1,081,133</u>	<u>8,693,916</u>	<u>9,443,916</u>
Balance as on October 1, 2022 (Audited)	750,000	34,000	6,408,500	1,340,185	987,317	8,770,002	9,520,002
Total comprehensive income for the period ended June 30, 2023	-	-	-	1,368,850	(369,256)	999,594	999,594
Realised loss on sale of investments	-	-	-	(227,867)	227,867	-	-
Transfer to general reserve	-	-	810,000	(810,000)	-	-	-
Cash dividend for 2022 @ 70%	-	-	-	(525,000)	-	(525,000)	(525,000)
Balance as on June 30, 2023	<u>750,000</u>	<u>34,000</u>	<u>7,218,500</u>	<u>1,146,168</u>	<u>845,928</u>	<u>9,244,596</u>	<u>9,994,596</u>

The annexed notes 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.


Amir Bashir Ahmed
Chief Financial Officer


Khursheed A. Jamal
Chief Executive


Murtaza Habib
Director



**Unconsolidated Condensed Interim Statement of Cash Flows
For the three quarters ended June 30, 2023 (Unaudited)**

	Note	30 June 2023	30 June 2022
(Rupees in thousands)			
Cash flows from operating activities			
Cash (used) / generated in operations	19	(2,677,207)	(3,799,223)
Finance (cost) / income received - net		(109,323)	5,643
Income tax paid		(241,221)	(146,535)
Long-term loans		1,626	(8,756)
Long-term deposits		(100)	(18)
Net cash (used) / generated operating activities		(3,026,225)	(3,948,889)
Cash flows from investing activities			
Fixed capital expenditure		(54,862)	(67,248)
Sale proceeds / redemption of investments		7,509,895	9,207,765
Dividend received		383,777	302,074
Purchase of investments		(5,131,786)	(7,349,660)
Sale proceeds of fixed assets		4,566	5,984
Net cash used in from investing activities		2,711,590	2,098,915
Cash flows from financing activities			
Lease rentals paid		(5,893)	(6,956)
Dividend paid		(434,737)	(442,472)
Net cash used in financing activities		(440,630)	(449,428)
Net Increase / (decrease) in cash and cash equivalents		(755,265)	(2,299,402)
Cash and cash equivalents at the beginning of the period		545,972	268,863
Cash and cash equivalents at the end of the period	20	(209,293)	(2,030,539)

The annexed notes 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.


Amir Bashir Ahmed
Chief Financial Officer


Khursheed A. Jamal
Chief Executive


Murtaza Habib
Director



**Notes to the Unconsolidated Condensed Interim Financial Statements
For the three quarters ended June 30, 2023 (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 are being submitted to the members in accordance with Section 237 of the Companies Act, 2017 (the Act) and have been prepared in accordance with the requirements of International Accounting Standard (IAS) - 34, 'Interim Financial Reporting', as applicable in Pakistan and provisions of and directives issued under the Act. In case where requirements differ, the provisions of or directives issued under the Act have been followed.
- 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, 2022.

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, 2022.

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, 2022, except as disclosed otherwise.



	(Unaudited) 30 June 2023	(Audited) 30 September 2022
	(Rupees in thousands)	
5 Property, plant and equipment		
Operating fixed assets	2,179,120	2,333,899
Major stores and spare parts	70,748	23,566
	<u>2,249,868</u>	<u>2,357,465</u>
5.1 Cost of additions to and written down value of deletions from fixed assets during the three quarters ended June 30, 2023 were as follows:		
	(Unaudited) 30 June 2023	
	Additions	Deletions
	(Rupees in thousands)	
Plant and machinery		
Sugar	47,182	
Textile	83	-
Furniture, fittings and office equipment	4,957	28
Vehicles	2,640	216
	<u>54,862</u>	<u>244</u>
	(Unaudited) 30 June 2023	(Audited) 30 September 2022
	(Rupees in thousands)	
6. Long-term investments		
Investment in subsidiary company at cost	-	-
At FVOCI		
Investments in related parties - Quoted	1,067,647	1,335,617
Investments in related parties - Un-Quoted	12,638	12,788
Investments in other companies - Quoted	690,166	807,400
6.1	<u>1,770,451</u>	<u>2,155,805</u>
6.1 The aggregate cost of these investments, net of impairment is Rs.949.52 (September 30, 2022: Rs.1,315.53) million.		
	(Unaudited) 30 June 2023	(Audited) 30 September 2022
	(Rupees in thousands)	
7. STOCK-IN-TRADE		
Raw materials	1,971,618	966,348
Work-in-process	67,953	78,367
Finished goods	5,881,719	3,922,681
Bagasse	57,743	36,897
	<u>7,979,033</u>	<u>5,004,293</u>



	Note	(Unaudited) 30 June 2023	(Audited) 30 September 2022
8. Loans and advances - considered good			
Current maturity of long-term loans - secured			
Executives			
Other Employees		13,700	17,700
		8,310	6,723
		<u>22,010</u>	<u>24,423</u>
Advances - unsecured			
Suppliers		681,136	51,646
		<u>703,146</u>	<u>76,069</u>
9. Short-term investments			
At amortised cost			
Government Securities			
Market Treasury Bills	9.1	220,064	248,974
Pakistan Investment Bond		101,641	101,641
		321,705	350,615
At FVOCI			
Uni Food Industries Limited - (Unquoted related party)		-	116,391
Units of Mutual Funds	9.2	2,021	2,238,732
		<u>323,726</u>	<u>2,705,738</u>

9.1 These carry effective yield of 14.47% to 21.95% (September 30, 2022: 7.57% to 14.47%) per annum, having maturity latest by October 2023.

9.2 The aggregate cost of the units of mutual funds is Rs.2.01 (September 30, 2022 : Rs.2,213.08) million.

	Note	(Unaudited) 30 June 2023	(Audited) 30 September 2022
10. Cash and bank balances			
(Rupees in thousands)			
Cash in hand		549	392
Balances with banks in :			
Current accounts		154,014	52,386
Treasury call accounts	10.1	1,765,651	243,194
Term Deposit Receipts	10.2	48,000	250,000
	10.3	1,967,665	545,580
		<u>1,968,214</u>	<u>545,972</u>

10.1 Profit rates on Treasury call accounts ranged between 13.75% to 19.60% (September 2022: 6.50% to 13.75%) per annum.

10.2 Profit rates on Term Deposit Receipts is 14.50% to 19.50% (September 2022: 6.70% to 14.50%) per annum. Maturity of these Term Deposit Receipts are one month.

10.3 Includes Rs.1,796.01 (September 2022: Rs.244.30) million kept with Bank AL Habib Limited - a related party.



	(Unaudited) 30 June 2023	(Audited) 30 September 2022
	(Rupees in thousands)	
11. Deferred taxation		
Deferred tax liability on taxable temporary difference:		
- accelerated tax depreciation allowance on operating fixed assets	226,000	235,000
Deferred tax asset on deductible temporary difference:		
- provision for obsolescence and slow moving stores & spare parts	(12,000)	(12,000)
- provision for impairment of investment in subsidiary	(16,500)	(16,500)
- lease liability	(4,000)	(6,000)
- unused tax losses	(38,500)	(103,500)
- re-measurement of investments	(25,000)	(5,000)
	<u>(96,000)</u>	<u>(143,000)</u>
	<u>130,000</u>	<u>92,000</u>
12. Trade and other payables		
Creditors	1,511,780	1,305,142
Accrued liabilities	388,528	394,003
Payable to Employees Gratuity Fund	-	1,573
Sales Tax Payable	162,935	41,382
Gas Infrastructure Development Cess	32,011	32,751
Workers' Profit Participation Fund (WPPF)	83,447	88,508
Workers' Welfare Fund	27,731	23,799
Income-tax deducted at source	3,710	3,355
	<u>2,210,142</u>	<u>1,890,513</u>
13. Short-term borrowings - secured	<u>2,177,507</u>	<u>-</u>
<p>The aggregate financing facility available from commercial banks amounted to Rs.9,562 (September 2022: Rs.7,898) million. These financing facilities are secured by way of registered charge against hypothecation of stock-in-trade, stores and spares, assignment of trade debts and other receivables. The rate of mark-up charged during the period was 10% to 21.73% (September 2022: 3% to 13.14%) per annum.</p>		
14. Contingencies and commitments		
14.1	There has been no significant change in the status of contingencies as reported in Note 21 of the audited annual financial statements of the Company for the year ended September 30, 2022.	
14.2	The Company has provided counter guarantees to Bank AL Habib Limited, a related party, amounting to Rs.500 (September 30, 2022: Rs.500) million against agriculture finance facilities to the growers supplying sugarcane to the mills and counter guarantees to other banks amounting to Rs.2,413.44 (September 30, 2022: Rs.1,529.25) million against guarantees issued by banks in favour of third parties on behalf of the Company. These guarantees are secured by way of registered charge against hypothecation of stores and spares, stock-in-trade, assignment of trade debts and other receivables.	
14.3	Commitments for capital expenditure amounting to Rs.3.67 (September 2022: 3.67) million.	
14.4	(Unaudited) 30 June 2023	(Audited) 30 September 2022
	(Rupees in thousands)	
Rentals payable over next four years under operating lease agreements with First Habib Modraba in respect of vehicles	139,765	148,568
	<u>139,765</u>	<u>148,568</u>



15 Segment operating results

15.1 Segment operating results for the three quarters ended June 30, 2023 (Unaudited)

(Rupees in thousands)

	Sugar Division		Distillery Division		Textile Division		Trading Division		Total	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Net sales and services										
Sales - Local	6,027,877	5,017,464	575,079	507,458	1,792	3,208	580,570	4,077	7,185,318	5,532,207
- Export	212,231	-	5,136,109	3,836,568	397,652	362,879	-	328,333	5,745,992	4,527,780
Services - Storage income - net	6,240,108	5,017,464	5,711,188	4,344,026	399,444	366,087	580,570	332,410	12,931,310	10,059,987
	-	-	6,576	2,383	-	-	-	-	6,576	2,383
	6,240,108	5,017,464	5,717,764	4,346,409	399,444	366,087	580,570	332,410	12,937,886	10,062,370
Less: Cost of sales	(5,540,917)	(4,370,499)	(4,103,918)	(3,291,465)	(346,228)	(362,782)	(436,579)	(255,547)	(10,427,642)	(8,280,293)
Gross profit	699,191	646,965	1,613,846	1,054,944	53,216	3,305	143,991	76,863	2,510,244	1,782,077
Less : Selling and distribution expenses	(83,637)	(55,189)	(196,435)	(145,324)	(19,169)	(18,191)	(8)	(418)	(299,249)	(219,122)
Administrative expenses	(197,628)	(174,867)	(19,042)	(16,803)	(6,675)	(5,400)	(474)	(454)	(223,819)	(197,524)
	(281,265)	(230,056)	(215,477)	(162,127)	(25,844)	(23,591)	(482)	(872)	(523,068)	(416,646)
Profit / (Loss) before other operating expenses and other income	417,926	416,909	1,398,369	892,817	27,372	(20,286)	143,509	75,991	1,987,176	1,365,431
Other operating expenses - Note 16									(412,256)	(175,522)
Other income - Note 17									415,514	324,803
Operating Profit									1,990,434	1,514,712



15.2 Segment operating results for the quarter ended June 30, 2023 (Unaudited)

	(Rupees in thousands)									
	Sugar Division		Distillery Division		Textile Division		Trading Division		Total	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Net sales and services										
Sales - Local	2,259,304	2,353,489	236,075	240,955	-	428	574,012	-	3,069,391	2,594,872
- Export	212,231	-	2,170,620	1,990,481	140,706	129,120	-	328,333	2,523,557	2,447,934
	2,471,535	2,353,489	2,406,695	2,231,436	140,706	129,548	574,012	328,333	5,592,948	5,042,806
Services - Storage income - net	-	-	4,136	270	-	-	-	-	4,136	270
	2,471,535	2,353,489	2,410,831	2,231,706	140,706	129,548	574,012	328,333	5,597,084	5,043,076
Less: Cost of sales	(2,172,653)	(2,231,708)	(1,690,177)	(1,597,779)	(116,031)	(134,307)	(433,661)	(252,581)	(4,412,522)	(4,216,375)
Gross profit / (loss)	298,882	121,781	720,654	633,927	24,675	(4,759)	140,351	75,752	1,184,562	826,701
Less : Selling and distribution expenses	(38,307)	(17,547)	(82,894)	(62,862)	(6,788)	(7,442)	(8)	(418)	(127,997)	(88,269)
Administrative expenses	(65,818)	(54,250)	(4,237)	(6,130)	(2,054)	(1,763)	(337)	(309)	(72,446)	(62,452)
	(104,125)	(71,797)	(87,131)	(68,992)	(8,842)	(9,205)	(345)	(727)	(200,443)	(150,721)
Profit/(Loss) before other operating expenses and other income	194,757	49,984	633,523	564,935	15,833	(13,964)	140,006	75,025	984,119	675,980
Other operating expenses - Note 16									(161,696)	(103,268)
Other income - Note 17									29,711	45,037
Operating Profit									852,134	617,749



	Three quarters ended		Quarter ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
(Rupees in thousands)				
16. Other operating expenses				
Workers' Profit Participation Fund	83,447	79,220	42,081	29,404
Workers' Welfare Fund	14,500	10,000	8,000	2,500
Exchange Loss - net	314,309	86,302	111,615	71,364
	<u>412,256</u>	<u>175,522</u>	<u>161,696</u>	<u>103,268</u>
17. Other income				
Dividend income	376,567	292,689	23,370	39,417
Remeasurement gain on discounting of Provision for GIDC	9,436	7,470	1,490	2,549
Scrap sale	20,891	17,771	3,448	1,223
Gain on disposal of fixed assets	4,322	5,880	734	1,555
Agriculture income	4,298	993	669	293
	<u>415,514</u>	<u>324,803</u>	<u>29,711</u>	<u>45,037</u>
18. Finance income / (cost) - net				
Profit / Interest on:				
Treasury call accounts	57,759	21,663	29,891	6,205
Term deposit receipts	21,904	14,007	4,297	5,675
Government Securities	40,156	59,271	15,251	7,826
Loan to employees	1,479	1,460	461	584
	121,298	96,401	49,900	20,290
Less: Mark-up / interest on:				
Short-term borrowings	(286,806)	(132,806)	(99,670)	(80,881)
Workers' Profit Participation Fund	(1,175)	(1,217)	-	-
Lease Liability	(966)	(1,550)	(251)	(458)
Bank charges	(23,935)	(19,425)	(11,823)	(6,293)
	<u>(312,882)</u>	<u>(154,998)</u>	<u>(111,744)</u>	<u>(87,632)</u>
	<u>(191,584)</u>	<u>(58,597)</u>	<u>(61,844)</u>	<u>(67,342)</u>



	Unaudited	
	30 June 2023	30 June 2022
	(Rupees in thousands)	
19. Cash generated from operations		
Profit before taxation	1,798,850	1,456,115
Adjustment for non-cash charges and other items		
Depreciation	167,643	180,222
Remeasurement gain on discounting of Provision for GIDC	(9,436)	(7,470)
Gain on disposal of fixed assets	(4,322)	(5,880)
Finance cost - net	191,584	58,597
Dividend income	(376,567)	(292,689)
Working capital changes - note 19.1	<u>(4,444,959)</u>	<u>(5,188,118)</u>
	<u>(2,677,207)</u>	<u>(3,799,223)</u>
19.1 Working capital changes		
(Increase) / decrease in current assets		
Stores and spare parts	(30,577)	(22,422)
Stock-in-trade	(2,974,740)	(5,056,735)
Trade debts	(968,722)	(468,905)
Loans and advances	(627,077)	(35,060)
Trade deposits and Short-term prepayments	(15,148)	(3,144)
Other receivables	(33,220)	13,388
	(4,649,484)	(5,572,878)
Increase / (decrease) in current liabilities		
Trade and other payables	320,369	211,946
Advance from customers	(115,844)	172,814
Net changes in working capital	<u>(4,444,959)</u>	<u>(5,188,118)</u>
20. Cash and cash equivalents at the end of the period		
These comprise of the following :		
Cash and bank balances	1,968,214	438,825
Short-term borrowings	<u>(2,177,507)</u>	<u>(2,469,364)</u>
	<u>(209,293)</u>	<u>(2,030,539)</u>

21. 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, 2022. There has been no change in any risk management policies since the year end.

22. Fair values of Assets and Liabilities

There were no transfers amongst levels during the period.



23. Transactions with related parties

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

Nature of Relationship	Nature of transactions	Three quarters ended		Quarter ended	
		30 June 2023	30 June 2022	30 June 2023 Unaudited	30 June 2022
(Rupees in thousands)					
Other related parties	Investment in shares / units of mutual fund	1,800,000	3,480,559	-	715,879
	Sale of Share/Mutual Fund	3,408,929	4,090,000	220,307	590,000
	Insurance premium paid	32,826	21,865	13,682	3,318
	Insurance claim received	24,200	4,185	-	2,485
	Profit on treasury call accounts / term deposits	54,686	31,189	27,382	11,786
	Capital Gain on sale of units of mutual funds	32,708	35,522	12,546	5,032
	Dividend income	248,452	211,250	6,387	15,561
	Dividend paid	52,136	44,688	-	-
	Bank charges	263	252	2	20
Key management personnel	Managerial remuneration	53,417	51,192	18,985	18,130
Retirement benefit funds	Contribution to retirement funds	16,341	14,491	5,594	4,721

23.1 Transactions with related parties are carried out under normal commercial term and condition.

24. Date of authorisation for issue

These unconsolidated condensed interim financial statements were authorised for issue on July 24, 2023 by the Board of Directors of the Company.

25. General

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

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


Amir Bashir Ahmed
 Chief Financial Officer


Khursheed A. Jamal
 Chief Executive


Murtaza Habib
 Director



**Consolidated Condensed Interim Statement of Financial Position
As at June 30, 2023 (Unaudited)**

	Note	(Unaudited) 30 June 2023	(Audited) 30 September 2022
(Rupees in thousands)			
Assets			
Non-Current Assets			
Property, plant and equipment	5	2,249,868	2,357,465
Right-of-use assets		9,046	14,474
Long-term investments	6	1,770,451	2,155,805
Long-term loans		13,202	14,828
Long-term deposits		4,072	3,972
		<u>4,046,639</u>	<u>4,546,544</u>
Current Assets			
Stores and spare parts		305,537	274,960
Stock-in-trade	7	7,979,033	5,004,293
Trade debts		1,292,865	324,143
Loans and advances	8	703,146	76,069
Trade deposits and short-term prepayments		35,631	20,483
Profit accrued on bank deposits		19,807	23,964
Other receivables		37,287	11,277
Short-term investments	9	323,726	2,705,738
Cash and bank balances	10	1,968,353	546,095
		<u>12,665,385</u>	<u>8,987,022</u>
Total Assets		<u>16,712,024</u>	<u>13,533,566</u>
Equity and Liabilities			
Share Capital and Reserves			
Share Capital			
Authorised Capital			
150,000,000 (September 30, 2022: 150,000,000)		750,000	750,000
Ordinary shares of Rs.5 each			
Issued, subscribed and paid-up capital			
150,000,000 (September 30, 2022: 150,000,000)		750,000	750,000
Ordinary shares of Rs.5 each			
Reserves		9,244,378	8,769,814
Total Equity		<u>9,994,378</u>	<u>9,519,814</u>
Non-Current Liabilities			
Deferred taxation	11	130,000	92,000
Gas Infrastructure Development Cess		68,125	76,822
Lease liability		2,458	9,573
		<u>200,583</u>	<u>178,395</u>
Current Liabilities			
Trade and other payables	12	2,210,492	1,890,818
Advance from customers		1,694,991	1,810,835
Short-term borrowings	13	2,177,507	-
Unclaimed dividends		195,425	105,162
Accrued mark-up on short-term borrowings		78,104	-
Taxation		151,393	20,613
Current portion of lease liability		9,151	7,929
		<u>6,517,063</u>	<u>3,835,357</u>
Contingencies and Commitments	14		
Total Equity and Liabilities		<u>16,712,024</u>	<u>13,533,566</u>

The annexed notes 1 to 25 form an integral part of these consolidated condensed interim financial statements.


Amir Bashir Ahmed
Chief Financial Officer


Khursheed A. Jamal
Chief Executive


Murtaza Habib
Director



Consolidated Condensed Interim Statement of Profit or Loss
For the quarter and cumulative for three quarters ended June 30, 2023 (Unaudited)

Note	Three Quarters ended		Quarter ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	(Rupees in thousands)			
Segment operating results	15			
Net sales and services	12,937,886	10,062,370	5,597,084	5,043,076
Cost of sales	(10,427,642)	(8,280,293)	(4,412,522)	(4,216,375)
Gross Profit	2,510,244	1,782,077	1,184,562	826,701
Selling and distribution expenses	(299,249)	(219,122)	(127,997)	(88,269)
Administrative expenses	(223,864)	(197,825)	(72,461)	(62,723)
Other operating expenses	(412,256)	(175,522)	(161,696)	(103,268)
Other income	415,514	324,803	29,711	45,037
	(519,855)	(267,666)	(332,443)	(209,223)
Operating profit	1,990,389	1,514,411	852,119	617,478
Finance cost - net	(191,564)	(58,573)	(61,832)	(67,328)
Profit before taxation	1,798,825	1,455,838	790,287	550,150
Taxation	(372,005)	(277,007)	(207,003)	(159,505)
- Current	(58,000)	(53,000)	(63,000)	(5,500)
- Deferred	(430,005)	(330,007)	(270,003)	(165,005)
Profit after taxation	1,368,820	1,125,831	520,284	385,145
Earnings per share				
- Basic and diluted	Rs. 9.13	7.51	3.47	2.57

The annexed notes 1 to 25 form an integral part of these consolidated condensed interim financial statements.


Amir Bashir Ahmed
 Chief Financial Officer


Khurshed A. Jamal
 Chief Executive


Murtaza Habib
 Director



Consolidated Condensed Interim Statement of Comprehensive Income for the quarter and cumulative for three quarters ended June 30, 2023 (Unaudited)

	Three Quarters ended		Quarter ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	(Rupees in thousands)			
Profit after taxation	1,368,820	1,125,831	520,284	385,145
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	(369,256)	(492,293)	27,254	(442,447)
	<u>999,564</u>	<u>633,538</u>	<u>547,538</u>	<u>(57,302)</u>

The annexed notes 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.


Amir Bashir Ahmed
Chief Financial Officer


Khursheed A. Jamal
Chief Executive


Murtaza Habib
Director



**Consolidated Condensed Interim Statement of Changes in Equity
For the three quarters ended June 30, 2023 (Unaudited)**

	Issued Subscribed and Paid-up Capital	Capital Reserve	Revenue Reserves			Total Reserves	Total Equity
			General Reserve	Unappro- priated Profit	Unrealised gain / (loss) on re-measure- ment of FVOCI investment		
(Rupees in thousands)							
Balance as on October 01, 2021 (Audited)	750,000	34,000	5,748,500	1,115,288	1,612,483	8,510,271	9,260,271
Total comprehensive income for the period ended June 30, 2022	-	-	-	1,125,831	(492,293)	633,538	633,538
Realised gain on sale of investments	-	-	-	39,057	(39,057)	-	-
Transfer to general reserve	-	-	660,000	(660,000)	-	-	-
Cash dividend for 2021 @ 60%	-	-	-	(450,000)	-	(450,000)	(450,000)
Balance as on June 30, 2022	<u>750,000</u>	<u>34,000</u>	<u>6,408,500</u>	<u>1,170,176</u>	<u>1,081,133</u>	<u>8,693,809</u>	<u>9,443,809</u>
Balance as on October 1, 2022 (Audited)	750,000	34,000	6,408,500	1,339,997	987,317	8,769,814	9,519,814
Total comprehensive income for the period ended June 30, 2023	-	-	-	1,368,820	(369,256)	999,564	999,564
Realised loss on sale of investments	-	-	-	(227,867)	227,867	-	-
Transfer to general reserve	-	-	810,000	(810,000)	-	-	-
Cash dividend for 2022 @ 70%	-	-	-	(525,000)	-	(525,000)	(525,000)
Balance as on June 30, 2023	<u>750,000</u>	<u>34,000</u>	<u>7,218,500</u>	<u>1,145,950</u>	<u>845,928</u>	<u>9,244,378</u>	<u>9,994,378</u>

The annexed notes 1 to 25 form an integral part of these consolidated condensed interim financial statements.


Amir Bashir Ahmed
 Chief Financial Officer


Khursheed A. Jamal
 Chief Executive


Murtaza Habib
 Director



Consolidated Condensed Interim Statement of Cash Flows
For the three quarters ended June 30, 2023 (Unaudited)

	Note	30 June 2023	30 June 2022
(Rupees in thousands)			
Cash flows from operating activities			
Cash (used) / generated in operations	19	(2,677,207)	(3,799,479)
Finance (cost) / income received - net		(109,303)	5,667
Income tax paid		(241,225)	(146,539)
Long-term loans		1,626	(8,756)
Long-term deposits		(100)	(18)
Net cash (used) / generated operating activities		(3,026,209)	(3,949,125)
Cash flows from investing activities			
Fixed capital expenditure		(54,862)	(67,248)
Sale proceeds / redemption of investments		7,509,895	9,207,765
Dividend received		383,777	302,074
Purchase of investments		(5,131,786)	(7,349,660)
Sale proceeds of fixed assets		4,566	5,984
Net cash used in from investing activities		2,711,590	2,098,915
Cash flows from financing activities			
Lease rentals paid		(5,893)	(6,956)
Dividend paid		(434,737)	(442,472)
Net cash used in financing activities		(440,630)	(449,428)
Net Increase / (decrease) in cash and cash equivalents		(755,249)	(2,299,638)
Cash and cash equivalents at the beginning of the period		546,095	269,222
Cash and cash equivalents at the end of the period	20	(209,154)	(2,030,416)

The annexed notes 1 to 25 form an integral part of these consolidated condensed interim financial statements.


Amir Bashir Ahmed
 Chief Financial Officer


Khursheed A. Jamal
 Chief Executive


Murtaza Habib
 Director



**Notes to The Consolidated Condensed Interim Financial Statements
For the three quarters ended June 30, 2023 (Unaudited)**

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

1.1. Holding Company

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

1.2. Subsidiary Company

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

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

2 STATEMENT OF COMPLIANCE

- 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 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 30 September 2022.

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 30 September 2022.



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, 2022, except as disclosed otherwise.

	(Unaudited) 30 June 2023	(Audited) 30 September 2022
	(Rupees in thousands)	
5 Property, plant and equipment		
Operating fixed assets	2,179,120	2,333,899
Major stores and spare parts	<u>70,748</u>	<u>23,566</u>
	<u>2,249,868</u>	<u>2,357,465</u>

5.1 Cost of additions to and written down value of deletions from fixed assets during the three quarters ended June 30, 2023 were as follows:

	(Unaudited) 30 June 2023	
	Additions	Deletions
	(Rupees in thousands)	
Plant and machinery		
Sugar	47,182	-
Textile	83	-
Furniture, fittings and office equipment	4,957	28
Vehicles	<u>2,640</u>	<u>216</u>
	<u>54,862</u>	<u>244</u>

	(Unaudited) 30 June 2023	(Audited) 30 September 2022
	(Rupees in thousands)	
6. Long-term investments		
Investment in subsidiary company at cost	-	-

At FVOCI

Investments in related parties - Quoted	1,067,647	1,335,617
Investments in related parties - Un-Quoted	12,638	12,788
Investments in other companies - Quoted	<u>690,166</u>	<u>807,400</u>
6.1	<u>1,770,451</u>	<u>2,155,805</u>

6.1 The aggregate cost of these investments, net of impairment is Rs.949.52 (September 30, 2022: Rs.1,315.53) million.



	Note	(Unaudited) 30 June 2023	(Audited) 30 September 2022
(Rupees in thousands)			
7. Stock-in-trade			
Raw materials		1,971,618	966,348
Work-in-process		67,953	78,367
Finished goods		5,881,719	3,922,681
Bagasse		57,743	36,897
		<u>7,979,033</u>	<u>5,004,293</u>
8. Loans and advances - considered good			
Current maturity of long-term loans - secured			
Executives		13,700	17,700
Other Employees		8,310	6,723
		<u>22,010</u>	<u>24,423</u>
Advances - unsecured			
Suppliers		681,136	51,646
		<u>703,146</u>	<u>76,069</u>
9. Short-term investments			
At amortised cost			
Government Securities			
Market Treasury Bills	9.1	220,064	248,974
Pakistan Investment Bond		101,641	101,641
		<u>321,705</u>	<u>350,615</u>
At FVOCI			
Uni Food Industries Limited - (Unquoted related party)		-	116,391
Units of Mutual Funds	9.2	2,021	2,238,732
		<u>323,726</u>	<u>2,705,738</u>
9.1	These carry effective yield of 14.47% to 21.95% (September 30, 2022: 7.57% to 14.47%) per annum, having maturity latest by October 2023.		
9.2	The aggregate cost of the units of mutual funds is Rs.2.01 (September 30, 2022 : Rs.2,213.08) million.		
	Note	(Unaudited) 30 June 2023	(Audited) 30 September 2022
(Rupees in thousands)			
10. Cash and bank balances			
Cash in hand		549	392
Balances with banks in :			
Current accounts		154,153	52,386
Treasury call accounts	10.1	1,765,651	243,317
Term Deposit Receipts	10.2	48,000	250,000
	10.3	<u>1,967,804</u>	<u>545,703</u>
		<u>1,968,353</u>	<u>546,095</u>
10.1	Profit rates on Treasury call accounts ranged between 13.75% to 19.60% (September 2022: 6.50% to 13.75%) per annum.		
10.2	Profit rates on Term Deposit Receipts is 14.50% to 19.50% September 2022: 6.70% to 14.50%) per annum. Maturity of these Term Deposit Receipt is one month.		
10.3	Includes Rs.1,796.01 (September 2022: Rs.244.30) million kept with Bank AL Habib Limited - a related party.		



	(Unaudited) 30 June 2023	(Audited) 30 September 2022
	(Rupees in thousands)	
11. Deferred taxation		
Deferred tax liability on taxable temporary difference:		
- accelerated tax depreciation allowance on operating fixed assets	226,000	235,000
Deferred tax asset on deductible temporary difference:		
- provision for obsolescence and slow moving stores & spare parts	(12,000)	(12,000)
- provision for impairment of investment in subsidiary	(16,500)	(16,500)
- lease liability	(4,000)	(6,000)
- unused tax losses	(38,500)	(103,500)
- re-measurement of investments	(25,000)	(5,000)
	<u>(96,000)</u>	<u>(143,000)</u>
	<u>130,000</u>	<u>92,000</u>
12. Trade and other payables		
Creditors	1,511,780	1,305,142
Accrued liabilities	388,878	394,308
Payable to Employees Gratuity Fund	-	1,573
Sales Tax Payable	162,935	41,382
Gas Infrastructure Development Cess	32,011	32,751
Workers' Profit Participation Fund (WPPF)	83,447	88,508
Workers' Welfare Fund	27,731	23,799
Income-tax deducted at source	3,710	3,355
	<u>2,210,492</u>	<u>1,890,818</u>
13. Short-term borrowings - secured	<u>2,177,507</u>	<u>-</u>
<p>The aggregate financing facility available from commercial banks amounted to Rs.9,562 (September 2022: Rs.7,898) million. These financing facilities are secured by way of registered charge against hypothecation of stock-in-trade, stores and spares, assignment of trade debts and other receivables. The rate of mark-up charged during the period was 10% to 21.73% (September 2022: 3% to 13.14%) per annum.</p>		
14. Contingencies and commitments		
14.1	There has been no significant change in the status of contingencies as reported in Note 21 of the audited annual financial statements of the Company for the year ended September 30, 2022.	
14.2	The Company has provided counter guarantees to Bank AL Habib Limited, a related party, amounting to Rs.500 (September 30, 2022: Rs.500) million against agriculture finance facilities to the growers supplying sugarcane to the mills and counter guarantees to other banks amounting to Rs.2,413.44 (September 30, 2022: Rs.1,529.25) million against guarantees issued by banks in favour of third parties on behalf of the Company. These guarantees are secured by way of registered charge against hypothecation of stores and spares, stock-in-trade, assignment of trade debts and other receivables.	
14.3	Commitments for capital expenditure amounting to Rs.3.67 (September 2022: 3.67) million.	
	(Unaudited) 30 June 2023	(Audited) 30 September 2022
	(Rupees in thousands)	
14.4		
Rentals payable over next four years under operating lease agreements with First Habib Modraba in respect of vehicles	139,765	148,568
	<u>139,765</u>	<u>148,568</u>



15.2 Segment operating results for the quarter ended June 30, 2023 (Unaudited)

(Rupees in thousands)

	Sugar Division		Distillery Division		Textile Division		Trading Division		Subsidiary Company		Total	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Net sales and services												
Sales - Local	2,259,304	2,353,489	236,075	240,955	-	428	574,012	-	-	-	3,069,391	2,594,672
- Export	212,231	-	2,170,620	1,990,481	140,706	129,120	-	328,333	-	-	2,523,557	2,447,934
	2,471,535	2,353,489	2,406,695	2,231,436	140,706	129,548	574,012	328,333	-	-	5,592,948	5,042,806
Services - Storage income - net	-	-	4,136	270	-	-	-	-	-	-	4,136	270
	2,471,535	2,353,489	2,410,831	2,231,706	140,706	129,548	574,012	328,333	-	-	5,597,084	5,043,076
Less: Cost of sales	(2,172,653)	(2,231,708)	(1,690,177)	(1,597,779)	(116,031)	(134,307)	(433,661)	(252,581)	-	-	(4,412,522)	(4,216,375)
Gross profit / (loss)	298,882	121,781	720,654	633,927	24,675	(4,759)	140,351	75,752	-	-	1,184,562	826,701
Less : Selling and distribution expenses	(98,307)	(17,547)	(62,894)	(62,862)	(6,788)	(7,442)	(8)	(418)	-	-	(127,997)	(88,269)
Administrative expenses	(65,818)	(54,250)	(4,237)	(6,130)	(2,054)	(1,763)	(337)	(309)	(15)	(271)	(72,461)	(62,723)
	(104,125)	(71,797)	(67,131)	(68,992)	(8,842)	(9,205)	(345)	(727)	(15)	(271)	(200,458)	(150,992)
Profit/(Loss) before other operating expenses and other income	194,757	49,984	633,523	564,935	15,833	(13,964)	140,006	75,025	(15)	(271)	984,104	675,709
Other operating expenses - Note 16											(161,696)	(103,268)
Other income - Note 17											29,711	45,037
Operating Profit											852,119	617,478



	Three quarters ended		Quarter ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	(Rupees in thousands)			
16. Other operating expenses				
Workers' Profit Participation Fund	83,447	79,220	42,081	29,404
Workers' Welfare Fund	14,500	10,000	8,000	2,500
Exchange Loss - net	314,309	86,302	111,615	71,364
	<u>412,256</u>	<u>175,522</u>	<u>161,696</u>	<u>103,268</u>
17. Other income				
Dividend income	376,567	292,689	23,370	39,417
Remeasurement gain on discounting of Provision for GIDC	9,436	7,470	1,490	2,549
Scrap sale	20,891	17,771	3,448	1,223
Gain on disposal of fixed assets	4,322	5,880	734	1,555
Agriculture income	4,298	993	669	293
	<u>415,514</u>	<u>324,803</u>	<u>29,711</u>	<u>45,037</u>
18. Finance income / (cost) - net				
Profit / Interest on :				
Treasury call accounts	57,779	21,687	29,903	6,219
Term deposit receipts	21,904	14,007	4,297	5,675
Government Securities	40,156	59,271	15,251	7,826
Loan to employees	1,479	1,460	461	584
	121,318	96,425	49,912	20,304
Less: Mark-up / interest on:				
Short-term borrowings	(286,806)	(132,806)	(99,670)	(80,881)
Workers' Profit Participation Fund	(1,175)	(1,217)	-	-
Lease Liability	(966)	(1,550)	(251)	(458)
Bank charges	(23,935)	(19,425)	(11,823)	(6,293)
	<u>(312,882)</u>	<u>(154,998)</u>	<u>(111,744)</u>	<u>(87,632)</u>
	<u>(191,564)</u>	<u>(58,573)</u>	<u>(61,832)</u>	<u>(67,328)</u>



	Unaudited	
	30 June 2023	30 June 2022
	(Rupees in thousands)	
19. Cash generated from operations		
Profit before taxation	1,798,825	1,455,838
Adjustment for non-cash charges and other items		
Depreciation	167,643	180,222
Remeasurement gain on discounting of Provision for GIDC	(9,436)	(7,470)
Gain on disposal of fixed assets	(4,322)	(5,880)
Finance cost - net	191,564	58,573
Dividend income	(376,567)	(292,689)
Working capital changes - note 19.1	<u>(4,444,914)</u>	<u>(5,188,073)</u>
	<u>(2,677,207)</u>	<u>(3,799,479)</u>
19.1 Working capital changes		
(Increase) / decrease in current assets		
Stores and spare parts	(30,577)	(22,422)
Stock-in-trade	(2,974,740)	(5,056,735)
Trade debts	(968,722)	(468,905)
Loans and advances	(627,077)	(35,060)
Trade deposits and Short-term prepayments	(15,148)	(3,144)
Other receivables	(33,220)	13,388
	(4,649,484)	(5,572,878)
Increase / (decrease) in current liabilities		
Trade and other payables	320,414	211,991
Advance from customers	(115,844)	172,814
Net changes in working capital	<u>(4,444,914)</u>	<u>(5,188,073)</u>
20. Cash and cash equivalents at the end of the period		
These comprise of the following :		
Cash and bank balances	1,968,353	438,948
Short-term borrowings	<u>(2,177,507)</u>	<u>(2,469,364)</u>
	<u>(209,154)</u>	<u>(2,030,416)</u>

21. 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, 2022. There has been no change in any risk management policies since the year end.

22. Fair values of Assets and Liabilities

There were no transfers amongst levels during the period.



23. Transactions with related parties

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

Nature of Relationship	Nature of transactions	Three quarters ended		Quarter ended	
		30 June 2023	30 June 2022	30 June 2023 Unaudited	30 June 2022
(Rupees in thousands)					
Other related parties	Investment in shares / units of mutual fund	1,800,000	3,480,559	-	715,879
	Sale of Share/Mutual Fund	3,408,929	4,090,000	220,307	590,000
	Insurance premium paid	32,826	21,865	13,682	3,318
	Insurance claim received	24,200	4,185	-	2,485
	Profit on treasury call accounts / term deposits	54,686	31,189	27,382	11,786
	Capital Gain on sale of units of mutual funds	32,708	35,522	12,546	5,032
	Dividend income	248,452	211,250	6,387	15,561
	Dividend paid	52,136	44,688	-	-
	Bank charges	263	252	2	20
Key management personnel	Managerial remuneration	53,417	51,192	18,985	18,130
Retirement benefit funds	Contribution to retirement funds	16,341	14,491	5,594	4,721

23.1 Transactions with related parties are carried out under normal commercial term and condition.

24. Date of authorisation for issue

These consolidated condensed interim financial statements were authorised for issue on July 24, 2023 by the Board of Directors of the Company.

25. General

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

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


Amir Bashir Ahmed
 Chief Financial Officer


Khursheed A. Jamal
 Chief Executive


Murtaza Habib
 Director



بعد ازاں، کمیشنر سندھ نے 25 جنوری 2023 کو ایک خط کے ذریعے سندھ کی 32 آپریشنل شکر کی ملوں کو ان کی کرٹنگ کی صلاحیت پر غور کیے بغیر ہر ایک مل کو شکر کی برآمد کیلئے 2500 ٹن کا مساوی کوٹہ (یعنی ای سی ایس کی جانب سے 250,000 ٹن میں سے سندھ کو 80,000 ٹن جو کہ 32% حصہ ظاہر کرتی ہے) مختص کیا تھا۔ اوپر مختص کیے گئے کوٹے کو کچھ ملوں نے سندھ ہائی کورٹ میں چیلنج کر دیا، جسے غیر قانونی اور خلاف قانون اعلان کر کے معطل کر دیا گیا۔ اس فیصلے کے خلاف چینی کی ملوں نے ہائی کورٹ میں درخواست کو ترجیح دی، جس نے اپنے 9 مارچ 2023 کے حکم نامہ میں 1500 ٹن کا کوٹہ ہر چینی کی ملوں کو اس وقت تک کیلئے اجازت دی جب تک کہ کوئی مزید فیصلہ اپیل کا کوئی حتمی نتیجہ نہ آجائے۔ کمپنی نے ہائی کورٹ کے فیصلے کے مطابق 1500 ٹن چینی اپریل 2023 کے مہینے میں برآمد کر دی۔ بعد ازاں، 30 مئی 2023 کو ہائی کورٹ نے سندھ میں واقع ہر ایک شوگر مل کو کچھ مخصوص شرائط کے ساتھ مزید 1,000 ٹن چینی برآمد کرنے کی بھی اجازت دے دی۔ مقدمہ ابھی زیر سماعت ہے۔

ڈسٹری ڈویشن

30 جون 2023 کو ختم ہونے والی تیسری سہ ماہی کے دوران اسٹھانول کی 25,519 میٹرک ٹن (30 جون 2022، 25,299 میٹرک ٹن) کی پیداوار ہوئی تھی۔ ڈویشن نے 1,398.37 ملین روپے (30 جون 2022، 892.82 ملین روپے) کا آپریٹنگ منافع حاصل کیا۔ 30 جون 2023 تک کی مدت میں منافع میں 505.55 ملین روپے کے اضافے کی بنیادی وجہ بین الاقوامی منڈی میں اسٹھانول کی بہتر قیمت فروخت اور غیر ملکی زرمبادلہ کے مقابلے میں پاکستانی روپے کی قدر میں کمی تھی۔

لیکویڈ کاربن ڈائی آکسائیڈ (CO2) یونٹ کی پیداوار 7,182 میٹرک ٹن رہی (30 جون 2022، 6,342 میٹرک ٹن تھی)۔ یونٹ کا منافع ڈویشن کے منافع میں شامل ہے۔

ٹیکسٹائل ڈویشن

زیر جائزہ تیسری سہ ماہی کے دوران ڈویشن کو 27.37 ملین روپے کا آپریٹنگ منافع حاصل ہوا (30 جون 2022، 20.29 ملین روپے کا خسارہ ہوا تھا)۔ منافع میں اضافہ کی بنیادی وجہ بہتر قیمت فروخت اور پاکستانی روپے کی قدر میں کمی کی وجہ سے ہوا۔

ٹریڈنگ ڈویشن

ٹریڈنگ ڈویشن کو 143.51 ملین (30 جون 2022، 75.99 ملین روپے) منافع حاصل ہوا۔ حالیہ مدت میں ہونے والے منافع میں اضافہ شکر کی تجارت سے منسوب ہے۔

اظہار تشکر

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

از طرف بورڈ آف ڈائریکٹرز

مرتنض حبیب
ڈائریکٹر

خورشید اے جمال
چیف ایگزیکٹو

کراچی: 24 جولائی 2023



ڈائریکٹرز کی رپورٹ

محترم مہران، السلام علیکم

بورڈ آف ڈائریکٹرز کی جانب سے، ہم آپ کو 30 جون 2023 کو ختم ہونے والی تیسری سہ ماہی مدت کے کمپنی کے غیر آڈٹ شدہ مجموعی اور غیر مجموعی عبوری مالیاتی حسابات پیش کر رہے ہیں۔ کمپنی کا قبل از ٹیکس منافع 1,798.85 ملین روپے (30 جون 2022، 1,456.12 ملین روپے) ہوا۔ اس تیسری سہ ماہی مدت کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:

مالیاتی نتائج

تیسری سہ ماہی کی ختم ہونے والی مدت	تیسری سہ ماہی کی ختم ہونے والی مدت	تیسری سہ ماہی کی ختم ہونے والی مدت	تیسری سہ ماہی کی ختم ہونے والی مدت
2023 جون 30	2022 جون 30	2023 جون 30	2022 جون 30
(----- روپے ملین میں -----)			
1,798.85	1,456.12	342.73	منافع قبل از ٹیکس
(430.00)	(330.00)	(100)	ٹیکسیشن
1,368.85	1,126.12	242.73	منافع بعد از ٹیکسیشن
(227.87)	39.06	(266.93)	سرمایہ کاری کی فروخت پر (نقصان)/ منافع حاصل کیا
5.19	5.11	0.08	غیر منقسمہ منافع برائے فارورڈ
1,146.17	1,170.29	(24.12)	غیر منقسمہ منافع کیریڈ فارورڈ
9.13	7.51	1.62	منافع فی شیئر - بنیادی اور معتدل - روپیہ

شکر ڈویژن

2022-23 کا کرٹنگ سیزن 29 نومبر 2022 کو شروع ہوا اور پلانٹ کو 26 فروری 2023 تک 89 دن چلایا گیا۔ اس کے مقابلے میں گزشتہ سیزن میں 125 دن چلایا گیا تھا۔ اس سیزن میں گنے کی کرٹنگ 844,841 میٹرک ٹن رہی جبکہ شکر کی اوسط ریکوری کا تناسب 10.96 فیصد رہا اور شکر کی پیداوار 92,591 میٹرک ٹن ہوئی۔ مقابلے گزشتہ سیزن میں گنے کی کرٹنگ 1,126,516 میٹرک ٹن رہی تھی جبکہ شکر کی اوسط ریکوری 10.61 فیصد اور شکر کی پیداوار 119,531 میٹرک ٹن تھی۔

حکومت سندھ نے 23 نومبر 2022 کو گنے کی کم از کم سپورٹ پرائس برائے سیزن 2022-23 کے نوٹیفیکیشن کا اجراء کیا، جس میں گنے کی قیمت 302 روپے فی 40 کلوگرام مقرر کی گئی اس کے مقابلے میں کرٹنگ سیزن 2022-23 میں 250 روپے فی 40 کلوگرام تھی۔ علاوہ ازیں، بلز کو الٹی پریٹیم شکر کی اوسط ریکوری کے نچ مارک 8.7% سے زائد ہر 0.1% پر 0.50 روپے فی 40 کلوگرام ادا کرے گی۔

شکر ڈویژن نے آپریٹنگ منافع 417.93 ملین روپے (30 جون 2022، 416.91 ملین روپے) کمایا۔ گزشتہ سال اس مدت کے مقابلے میں اس سال اس مدت میں آپریٹنگ منافع میں اضافہ بنیادی طور پر شکر کی اضافی ریکوری اور بہتر قیمت فروخت کی وجہ سے ہوا۔

ملک میں چینی کی زیادہ مقدار کو مد نظر رکھتے ہوئے، شوگر ایڈوائزری بورڈ (ایس اے بی) نے اصولی طور پر اکتانک کو آرڈینیشن کمیٹی (ای سی سی) کو 500,000 ٹن چینی برآمد کرنے کی سفارش کی۔ ای سی سی نے اپنی میٹنگ میں 250,000 میٹرک ٹن چینی مرحلہ وار برآمد کرنے کی اجازت دے دی۔