



Habib Sugar Mills Limited

Corporate Briefing Session

February 24, 2021



Management Information

Board of Directors

Asghar D. Habib	Chairman
Raesul Hasan	Chief Executive
Ali Raza D. Habib	Non Executive Director
Adnan Afridi	Non Executive Director
Murtaza Habib	Executive Director
Farouq Habib Rahimtoola	Independent Director
Shams Mohammad Haji	Independent Director
Tyaba Muslim Habib	Independent Director

Management

Khursheed Anwer Jamal	COO & Company Secretary
Amir Bashir Ahmed	Chief Financial Officer



Management Information (cont'd)

Audit Committee

Shams Mohammad Haji	Chairman
Farouq Habib Rahimtoola	Member
Tyaba Muslim Habib	Member

Human Resource and Remuneration Committee

Tyaba Muslim Habib	Chairperson
Shams Mohammad Haji	Member
Raesul hasan	Member

Auditors

EY Ford Rhodes	Chartered Accountants
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Brief Overview

Habib Sugar Mills Limited:

Habib Sugar Mills Limited was incorporated as a public limited company in 1962 with its Head Office in Karachi and mills located at Nawabshah, 300 kilometers north east of Karachi under the umbrella of Habib Group. Details of Divisions are as follows:



Brief Overview (cont'd)

Sugar Division:

The mill commenced its production in January 1964 and was the second sugar mill in the province of Sindh. The capacity of the plant at its inception was 1,500 tons of sugarcane crushing per day. Presently, mill capacity has enhanced to 11,000 tons per day.



Brief Overview (cont'd)

Distillery Division:

In 1967, Distillery division was added to produce ethanol from sugarcane molasses having a capacity of 52 tons per day. Presently, capacity has been enhanced to 113 tons per day. In 2009, production of Liquified Carbon dioxide commenced and its present capacity is 60 tons per day.

Habib Sugar Mills Limited also has a Terminal at Keamari, Karachi for handling and storage of bulk liquid cargo such as molasses, edible oils, ethanol and other products.



Brief Overview (cont'd)

Textile Division:

In 1979, Textile Division was added to house hold textiles, viz terry towel products. Presently, the division has the capacity of producing 560,000 Kgs per annum.

Trading Division:

The Company also undertakes trading of commodities such as Sugar, Molasses, Chemicals and Textiles as and when opportunity arises.



Our Products

Sugar



CO₂ (Gas)



Ethanol



Terry Towels





Profitability, Cash & Stock Dividend

a) Profitability

By the grace of Allah, Company has enjoyed an outstanding track record of profitability and its performance remained extremely satisfactory as proved by the trend of efficiency, growth and profitability.

b) Cash & Stock Dividend to its Members

Shareholders have been adequately rewarded through a consistent policy of payment of cash and stock dividend. The detail of profit earned and dividend paid to the shareholders is as shown below:



Cash / Stock Dividend (cont'd)

Years	Profit	Cash Dividend	%	Nominal Value of Bonus Shares in Rs.	%
1962	-	-	-	-	-
1963	-	-	-	-	-
1964	(407,978)	-	-	-	-
1965	2,294,645	-	-	-	-
1966	7,125,927	2,640,000	16.00	-	-
1967	4,062,052	1,750,000	10.00	-	-
1968	4,467,671	2,450,000	14.00	-	-
1969	5,216,390	2,450,000	14.00	-	-
1970	6,974,733	2,625,000	12.00	8,750,000	50.00
1971	8,004,824	4,758,030	18.00	-	-
1972	(111,664)	-	-	-	-
1973	5,705,588	5,286,700	20.00	-	-



Cash / Stock Dividend (cont'd)

Years	Profit	Cash Dividend	%	Nominal Value of Bonus Shares in Rs.	%
1974	6,230,727	5,286,700	20.00	-	-
1975	(1,234,993)	-	-	-	-
1976	8,672,863	6,608,375	25.00	-	-
1977	7,779,761	6,608,375	25.00	-	-
1978	10,924,272	7,930,050	30.00	-	-
1979	6,574,466	6,608,375	25.00	-	-
1980	14,270,602	6,608,375	25.00	2,643,350	10.00
1981	13,357,871	7,269,213	25.00	4,846,140	16.67
1982	29,380,905	11,873,046	35.00	6,077,010	17.91
1983	28,064,538	12,000,000	30.00	5,000,000	12.50
1984	15,343,271	11,250,000	25.00	-	-
1985	12,737,000	16,200,000	30.00	-	-



Cash / Stock Dividend (cont'd)

Years	Profit	Cash Dividend	%	Nominal Value of Bonus Shares in Rs.	%
1986	44,945,000	21,600,000	40.00	6,000,000	11.11
1987	50,106,000	15,000,000	25.00	10,000,000	16.67
1988	36,950,000	24,500,000	35.00	-	-
1989	52,026,000	31,150,000	40.00	-	-
1990	92,266,000	44,100,000	52.50	-	-
1991	53,472,000	16,800,000	20.00	6,000,000	7.14
1992	73,388,000	36,000,000	40.00	-	-
1993	50,731,000	-	-	20,000,000	22.22
1994	35,840,000	24,000,000	20.00	-	-
1995	44,089,000	24,000,000	20.00	-	-
1996	58,861,000	-	-	24,000,000	20.00
1997	21,576,000	-	-	18,000,000	12.50



Cash / Stock Dividend (cont'd)

Years	Profit	Cash Dividend	%	Nominal Value of Bonus Shares in Rs.	%
1998	41,779,000	32,400,000	20.00	-	-
1999	56,915,000	32,400,000	20.00	-	-
2000	72,598,000	40,500,000	25.00	-	-
2001	83,919,000	40,500,000	25.00	-	-
2002	(2,391,000)	-	-	-	-
2003	46,442,000	32,400,000	20.00	-	-
2004	143,867,000	64,800,000	40.00	-	-
2005	162,340,000	32,400,000	20.00	54,000,000	33.33
2006	215,589,000	43,200,000	20.00	72,000,000	33.33
2007	216,213,000	57,600,000	20.00	72,000,000	25.00
2008	403,747,000	90,000,000	25.00	120,000,000	33.33
2009	489,816,000	168,000,000	35.00	120,000,000	25.00



Cash / Stock Dividend (cont'd)

Years	Profit	Cash Dividend	%	Nominal Value of Bonus Shares in Rs.	%
2010	534,535,000	150,000,000	25.00	150,000,000	25.00
2011	755,016,000	375,000,000	50.00	-	-
2012	781,150,000	375,000,000	50.00	-	-
2013	777,558,000	375,000,000	50.00	-	-
2014	797,091,000	375,000,000	50.00	-	-
2015	815,230,000	375,000,000	50.00	-	-
2016	824,962,000	412,500,000	55.00	-	-
2017	557,417,000	262,500,000	35.00	-	-
2018	901,276,000	412,500,000	55.00	-	-
2019	1,202,276,000	412,500,000	55.00	-	-
2020	694,295,000	412,500,000	55.00	-	-



Authorised and Paid up Capital

Authorized Share Capital of Rs. 5 each	Number of shares in '000'	Amount in '000'
Authorized Share Capital	150,000	750,000

Issued subscribed and paid up Capital	Number of shares in '000'	Amount in '000'
Ordinary shares of Rs. 5/- each		
Fully paid in Cash	10,137	50,684
Issued as Bonus Shares	139,863	699,316
Total	150,000	750,000



Financial Highlights

Position Statement	As at September 30, 2020 (Amount in '000')
Non – Current Assets	5,201,851
Current Assets	5,904,354
Total Assets	11,106,205
Non – Current Liabilities	42,948
Current Liabilities	2,440,295
Total Liabilities	2,483,243
Total Equity	8,622,962



Financial Highlights (cont'd)

Details of Non-Current Assets	As at September 30, 2020 (Amount in '000')
Property, Plant and Equipment	2,495,847
Long-term Investments	2,696,602
Long-term Loans	5,474
Long-term Deposits	3,928
Total Non-Current Assets	5,201,851



Financial Highlights (cont'd)

Details of Long Term Investment	As at September 30, 2020 (Amount in '000')
Investments in related parties - Quoted	1,610,143
Investments in related parties – Un-quoted	121,587
Investments in other companies - Quoted	964,872
Total Long Term Investments	2,696,602



Financial Highlights (cont'd)

Movement of Long Term Investments	As at September 30, 2020 (Amount in '000')
Investments as on Oct 1, 2019	2,299,658
Additions / Deletions (Net)	195,470
Realized gain on sale of Investments	(14,158)
Increase in Fair value of Investments - Net	215,632
Investments as on Sep 30, 2020	2,696,602



Financial Highlights (cont'd)

Details of Current Assets	As at September 30, 2020 (Amount in '000')
Stores & Spare Parts	189,864
Stock-in-trade	876,021
Trade Debts	149,005
Loans and Advances	520,580
Taxation	26,682
Others	70,381
Cash & Bank Balance	4,071,821
Total Current Assets	5,904,354



Financial Highlights (cont'd)

Details of Current Liabilities	As at September 30, 2020 (Amount in '000')
Trade and Other payables	2,027,986
Advance from Customers	320,406
Unclaimed dividends	86,725
Others	5,178
Total Current Liabilities	2,440,295



Financial Highlights (cont'd)

Statement of Profit or Loss	For the year ended September 30, 2020 (Amount in '000')
Revenue	10,138,211
Cost of Sales	(9,038,874)
Gross Profit	1,099,337
Selling and distribution expenses	(231,394)
Administrative expenses	(201,393)
Other operating expenses	(259,209)
Other income	122,951
Operating Profit	530,292
Finance Income	274,003
Taxation	(110,000)
Profit after taxation	694,295
Earnings per Share – Basic and diluted	Rs. 4.63



Financial Highlights (cont'd)

- The Company's revenue comprises of both local and export sales. Local and export sales constitutes of 67% and 33% respectively of total revenue of the Company. Further, the Company earns revenue from multiple business lines which operates as distinct business units with significant volume of revenue transactions.



Divisions Operating Results

Sugar Division	For the year ended September 30, 2020 (Amount in '000')
Revenue	5,236,607
Cost of Sales	(5,147,805)
Gross Profit	88,802
Selling and Distribution Expenses	(54,822)
Administrative Expenses	(180,080)
Operating Loss	(146,100)



Divisions Operating Results

Distillery Division	For the year ended September 30, 2020 (Amount in '000')
Revenue	3,298,479
Cost of Sales	(2,501,028)
Gross Profit	797,451
Selling and Distribution Expenses	(149,143)
Administrative Expenses	(14,656)
Operating Profit	633,652



Divisions Operating Results

Textile Division	For the year ended September 30, 2020 (Amount in '000')
Revenue	466,831
Cost of Sales	(390,667)
Gross Profit	76,164
Selling and Distribution Expenses	(24,581)
Administrative Expenses	(5,762)
Operating Profit	45,821



Divisions Operating Results

Trading Division	For the year ended September 30, 2020 (Amount in '000')
Revenue	1,136,294
Cost of Sales	(999,374)
Gross Profit	136,920
Selling and Distribution Expenses	(2,848)
Administrative Expenses	(895)
Operating Profit	133,177



Pattern of shareholding

Shareholders' Categories	%	Number of Shares
Associated Companies, undertakings and related parties	9.93%	14,896,001
NIT ,ICP, NBP and State Life	13.47%	20,217,916
Directors, CEO and their spouses and minor children	6.80%	10,190,240
Public sector Companies and Corporations	17.31%	25,967,001
Banks, DFIs, NBFCs, Takaful , Modarbas and pension funds	9.49%	14,230,839
General Public	33.10%	49,651,104
Charitable trusts	9.89%	14,822,922
Societies & Government Institution	0.01%	23,977
Total	100.00%	150,000,000



Free Float

Description	As on Sep 30, 2020
Total Outstanding shares	150,000,000
Less:	
Physical shares	74,384,464
Government holdings	14,310,826
Directors, Sponsors & Senior Management Officers and their Associates	2,683,924
Associated companies / Group companies (Cross Holdings)	13,864,070
Free Float Shares	44,756,716
Percentage of free float	29.83%



Future Prospects

Sugar Division:

- The sugar division of the Company commenced crushing operations on November 10, 2020 and upto December 22, 2020 crushed 242,751 M.Tons of sugarcane with average sucrose recovery of 9.44 % and sugar production of 22,927 M.Tons including stock in process.
- The Government of Sindh on November 23, 2020 issued a notification fixing the minimum sugarcane support price at Rs.202 per 40 kgs for the crushing season 2020 – 21 as against Rs.192 per 40 kgs for the crushing season 2019 –2020. In addition, as per notification issued by the government of Sindh, mills are also required to pay quality premium at the rate of paisas fifty for every 0.1 percent recovery in excess of the benchmark of 8.7%.
- Due to reduced availability / erratic supply of sugarcane and unhealthy price competition among the mills, the cost of production of sugar would be substantially higher and have serious adverse impact on the profitability of the sugar division.



Future Prospects

Distillery Division:

- During the period upto December 22, 2020 the distillery division produced 3,960 M.Tons of ethanol and 1,112 M.Tons of liquidified carbon dioxide. The increase in molasses price is likely to affect the profitability of the division.

Textile Division:

- Efforts are being made to explore additional export markets to achieve better sale volume and to maintain profitability.

Trading Division:

- Company also undertakes trading activities in sugar and molasses whenever considered economically viable.



Thank you