



Habib Sugar Mills Limited

Corporate Briefing Session

February 24, 2022



Management Information

Board of Directors

Asghar D. Habib	Chairman
Khursheed Anwer Jamal	Chief Executive
Ali Raza D. Habib	Non Executive Director
Sheikh Asim Rafiq	Non Executive Director
Murtaza Habib	Executive Director
Farouq Habib Rahimtoola	Independent Director
Shams Muhammad Haji	Independent Director
Tyaba Muslim Habib	Independent Director

Management

Amir Bashir Ahmed	Chief Financial Officer
Imran Amin Virani	Company Secretary



Management Information (cont'd)

Audit Committee

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

Human Resource and Remuneration Committee

Tyaba Muslim Habib	Chairperson
Shams Mohammad Haji	Member
Khursheed Anwer Jamal	Member

Auditors

Grant Thornton Anjum Rahman	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 Liquidified 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	-	-
2021	989,736,000	450,000,000	60.00	-	-



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, 2021 (Amount in '000')
Non – Current Assets	5,325,909
Current Assets	6,509,222
Total Assets	11,835,131
Non – Current Liabilities	174,722
Current Liabilities	2,400,315
Total Liabilities	2,575,037
Total Equity	9,260,094



Financial Highlights (cont'd)

Details of Non-Current Assets	As at September 30, 2021 (Amount in '000')
Property, Plant and Equipment	2,496,633
Long-term Investments	2,806,226
Long-term Loans	7,443
Long-term Deposits	3,948
Right-of-use assets	11,659
Total Non-Current Assets	5,325,909



Financial Highlights (cont'd)

Details of Long Term Investment	As at September 30, 2021 (Amount in '000')
Investments in related parties - Quoted	1,706,867
Investments in related parties – Un-quoted	133,809
Investments in other companies - Quoted	965,550
Total Long Term Investments	2,806,226



Financial Highlights (cont'd)

Movement of Long Term Investments	As at September 30, 2021 (Amount in '000')
Investments as on Oct 1, 2020	2,696,602
Additions / Deletions (Net)	178,312
Realized gain on sale of Investments	(113,363)
Increase in Fair value of Investments - Net	44,675
Investments as on Sep 30, 2021	2,806,226



Financial Highlights (cont'd)

Details of Current Assets	As at September 30, 2021 (Amount in '000')
Stores & Spare Parts	195,024
Stock-in-trade	1,894,571
Trade Debts	407,453
Loans and Advances	50,430
Short-term investments	3,542,585
Taxation	86,498
Others	63,798
Cash & Bank Balance	268,863
Total Current Assets	6,509,222



Financial Highlights (cont'd)

Details of Current Liabilities	As at September 30, 2021 (Amount in '000')
Trade and Other payables	1,813,802
Advance from Customers	482,464
Unclaimed dividends	97,731
Current Portion of Lease Liability	6,318
Total Current Liabilities	2,400,315



Financial Highlights (cont'd)

Statement of Profit or Loss	For the year ended September 30, 2021 (Amount in '000')
Revenue	9,912,679
Cost of Sales	(8,552,280)
Gross Profit	1,360,399
Selling and distribution expenses	(210,750)
Administrative expenses	(226,599)
Other operating expenses	(86,468)
Other income	268,007
Operating Profit	1,104,589
Finance Income	95,147
Taxation	(210,000)
Profit after taxation	989,736
Earnings per Share – Basic and diluted	Rs. 6.60



Financial Highlights (cont'd)

- The Company's revenue comprises of both local and export sales. Local and export sales constitutes of 61% and 39% 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, 2021 (Amount in '000')
Revenue	5,469,373
Cost of Sales	(4,961,051)
Gross Profit	508,322
Selling and Distribution Expenses	(58,628)
Administrative Expenses	(205,780)
Operating Profit	243,914



Divisions Operating Results

Distillery Division	For the year ended September 30, 2021 (Amount in '000')
Revenue	3,851,774
Cost of Sales	(3,035,906)
Gross Profit	815,868
Selling and Distribution Expenses	(128,130)
Administrative Expenses	(14,009)
Operating Profit	673,729



Divisions Operating Results

Textile Division	For the year ended September 30, 2021 (Amount in '000')
Revenue	564,819
Cost of Sales	(532,342)
Gross Profit	32,477
Selling and Distribution Expenses	(23,992)
Administrative Expenses	(6,304)
Operating Profit	2,181



Divisions Operating Results

Trading Division	For the year ended September 30, 2021 (Amount in '000')
Revenue	26,713
Cost of Sales	(22,981)
Gross Profit	3,732
Selling and Distribution Expenses	-
Administrative Expenses	(506)
Operating Profit	3,226



Pattern of shareholding

Shareholders' Categories	%	Number of Shares 2021	Number of Shares 2020
Associated Companies, undertakings and related parties	9.93%	14,896,001	14,896,001
NIT and ICP	5.08%	7,632,484	20,217,916
Directors, CEO and their spouses and minor children	6.82%	10,233,987	10,190,240
Public sector Companies and Corporations	25.47%	38,215,433	25,967,001
Banks, DFIs, NBFIs, Insurance Companies, Takaful Modarabas and Pension Funds	9.48%	14,230,839	14,230,839
General Public	33.58%	50,386,357	49,651,104
Charitable and Other Trusts	9.58%	14,394,922	14,822,922
Societies & Government Institution	0.06%	9,977	23,977
Total	100.00%	150,000,000	150,000,000



Free Float

Description	As on Sep 30, 2021
Total Outstanding shares	150,000,000
Less:	
Physical shares	74,222,983
Government holdings	14,185,826
Directors, Sponsors & Senior Management Officers and their Associates	1,688,249
Associated companies / Group companies (Cross Holdings)	13,864,070
Free Float Shares	46,038,872
Percentage of free float	30.69%



Future Prospects

Sugar Division:

- The sugar division of the Company commenced crushing operations on November 17, 2021 and upto February 23, 2022 crushed 927,406 M. Tons of sugarcane with average sucrose recovery of 10.37% and sugar production of 96,220 M. Tons including stock in process.
- The Government of Sindh on November 04, 2021 issued a notification fixing the minimum sugarcane support price at Rs.250 per 40 kgs for the crushing season 2021 – 22 as against Rs.202 per 40 kgs for the crushing season 2020 –2021. 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%.

Distillery Division:

- During the period upto February 23, 2022, the distillery division produced 10,749 M.Tons of ethanol and 2,220 M.Tons of liquidified carbon dioxide. The increase in molasses price is likely to affect the profitability of the division.



Thank you

Q / A