



# **Habib Sugar Mills Limited**

**Report and Condensed Interim  
Financial Statements  
for the Half Year ended  
March 31, 2020  
(Unaudited)**



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## Company Information

<b>Board of Directors</b>	Asgar D. Habib Ali Raza D. Habib Adnan Afridi Murtaza Habib Tyaba Muslim Habib Shams Muhammad Haji Farouq Habib Rahimtoola Raeesul Hasan	<i>Chairman</i>          <i>Chief Executive</i>
<b>Audit Committee</b>	Shams Muhammad Haji Farouq Habib Rahimtoola Tyaba Muslim Habib	Chairman Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Tyaba Muslim Habib Shams Muhammad Haji Raeesul Hasan	Chairperson Member Member
<b>COO &amp; Company Secretary</b>	Khursheed Anwer Jamal	
<b>Chief Financial Officer</b>	Amir Bashir Ahmed	
<b>Registered Office</b>	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	
<b>Mills</b>	<b>Sugar &amp; Distillery Division</b> Nawabshah District Shaheed Benazirabad Phones : (+92-244) 360751 - 5 Lines Fax : (+92-244) 361314  <b>Textile Division</b> D-140/B-1 Mangopir Road S.I.T.E. Karachi-75700 Phones : (+92-21) 32571325, 32572119 Fax : (+92-21) 32572118	
<b>Bulk Storage</b>	<b>Terminal</b> 60/1-B Oil Installation Area Keamari Karachi-75620 Phones : (+92-21) 32852003-4 Fax : (+92-21) 32852005	
<b>Bankers</b>	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	
<b>Statutory Auditors</b>	EY Ford Rhodes Chartered Accountants	
<b>Share Registrar</b>	THK Associates (Pvt.) Limited 1st Floor, 40-C, Block-6, P.E.C.H.S, Karachi-75400 Phones : (+92-21) 111-000-322 Fax : (+92-21) 34168271 E-mail : sfc@thk.com.pk info@thk.com.pk Website : www.thk.com.pk	



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## **VISION STATEMENT**

We aim to be a leading manufacturer and supplier of quality sugar, ethanol, liquidified carbon dioxide (CO<sub>2</sub>) and household textiles in local and international markets. We aspire to be known for the quality of our products and intend to play a pivotal role in the economic and social development of Pakistan.

## **MISSION STATEMENT**

As a prominent producer and supplier of sugar, ethanol, liquidified carbon dioxide (CO<sub>2</sub>) and household textiles, we shall continue to strive to achieve excellence in performance and aim to exceed the expectations of all stakeholders. We target to achieve technological advancements to inculcate the most efficient, ethical and time tested business practices in our management.



## Directors' Report

### Dear Members – Assalam-o-Alekum

On behalf of the Board of Directors, it is our privilege to present to you the unaudited consolidated and unconsolidated condensed interim financial statements of the Company for the half year ended March 31, 2020.

On March 11, 2020, the World Health Organization (WHO) declared COVID-19 a pandemic and alerted the world that this pandemic will infect a large population and will claim many lives across the world. Scientists across the world are conducting research to develop vaccine for the COVID-19, however, until such time vaccine is developed the only means to control the spread of virus is to implement strict social distancing and other protective measures as recommended by WHO.

Government in Pakistan responded well to the crisis and implemented a carefully crafted lockdown phase. The measures taken to reduce the spread have resulted in an overall economic slowdown and disruptions to various businesses.

### Financial Results

By the Grace of Allah, during the period under review the operations of your Company resulted in a pre-tax profit of Rs.451.34 million. The financial results for the half year are as follows :

	(Rupees in thousands)
Profit before taxation	451,335
Taxation	65,000
Profit after taxation	386,335
Unappropriated profit brought forward	5,797
Unappropriated profit carried forward	392,132
Earnings per share – Basic and diluted	Rs. <u>2.58</u>

### Performance Review

#### Sugar Division

The crushing season 2019-20 commenced on November 26, 2019 and the plant operated upto March 5, 2020 for 101 days as against 98 days in the preceeding season. Sugarcane crushed during the current season was 620,425 M. Tons with average sucrose recovery of 9.91 % and sugar production of 61,488 M.Tons as compared with crushing of 771,864 M. Tons with average sucrose recovery of 10.87 % and sugar production of 83,910 M. Tons during the preceding season.

The Government of Sindh on December 9, 2019 issued notification fixing the minimum support price of sugarcane for the crushing season 2019-20 at Rs.192 per 40 kgs as against Rs. 182 per 40 kgs for crushing season 2018-19. In addition, mills are also required to pay quality premium at the rate of paisas fifty for every 0.1 percent recovery in excess of the bench mark of 8.7%.



The sugar division earned operating profit of Rs.16.02 million as against operating profit of Rs. 17.15 million during the corresponding period of the previous year.

#### **Distillery Division**

During the period under review, the ethanol plant operated for 166 days and produced 11,963 M. Tons of ethanol as against 165 days of operations and production of 16,511 M. Tons as compared with the corresponding period of the previous year. The decrease in production was due to lower availability of molasses.

The division earned operating profit of Rs. 169.83 million as compared with Rs.393.16 million during the corresponding period of previous year. The decrease in profit was due to higher production cost of ethanol on account of lower production quantum and increased molasses cost.

The liquidified carbon dioxide (CO<sub>2</sub>) unit operated satisfactorily and produced 2,966 M. Tons as compared with 3,354 M. Tons during the corresponding period of the previous year.

#### **Textile Division**

The division earned operating profit of Rs.10.82 million during the period under review, as against profit of Rs.15.86 million during the corresponding period of previous year. The decrease in profit was due to lower sale volume.

#### **Trading Division**

During the period under review, the division earned operating profit of Rs. 13.31 million on account trading of sugar and bagasse as against operating loss of Rs. 0.41 million during the corresponding period of the previous year.

#### **Bagasse Based Co-Generation Project**

The Bagasse Based project of the Company continues to be on hold due to non-clarity on the part of the Government for bagasse based energy projects and pending litigation before the Islamabad High Court filed by the CPPA regarding tariff. The outcome of the above case is crucial for the future of these projects. The management is reviewing the situation and future course of action will be decided upon the favourable outcome of the pending case.

#### **General**

The Directors are pleased to place on record their appreciation of the devoted and dedicated services of the officers, staff and workers of the Company.

On behalf of the Board of Directors

**Raeesul Hasan**  
Chief Executive

**Murtaza H. Habib**  
Director

Karachi: May 28, 2020



EY Ford Rhodes  
Chartered Accountants  
Progressive Plaza, Beaumont Road  
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**INDEPENDENT AUDITORS' REVIEW REPORT**  
**TO THE MEMBERS OF HABIB SUGAR MILLS LIMITED**  
**REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM**  
**FINANCIAL STATEMENTS**

**Introduction**

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Habib Sugar Mills Limited (the Company) as at March 31, 2020 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income and the notes forming part thereof for the three-months period ended 31 March 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures of the half year ended 31 March 2020.

**Scope of Review**

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

**Conclusion**

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

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

EY Ford Rhodes  
Chartered Accountants

Karachi: 28 May 2020



## Unconsolidated Condensed Interim Statement of Financial Position as at March 31, 2020

	Note	Unaudited March 31, 2020 (Rupees in thousands)	Audited Sept. 30, 2019
<b>Assets</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Property, plant and equipment	5	2,543,811	2,478,920
Long-term investments	6	2,060,333	2,299,658
Long-term loans		6,773	6,789
Long-term deposits		3,928	3,928
		<u>4,614,845</u>	<u>4,789,295</u>
<b>Current Assets</b>			
Stores and spare parts		186,817	171,935
Stock-in-trade	7	4,109,131	1,840,405
Trade debts		552,200	387,297
Loans and advances	8	1,063,192	890,852
Trade deposits and short-term prepayments		11,494	9,879
Profit accrued on bank deposits		4,199	4,767
Other receivables	9	198,587	115,649
Taxation - net		53,458	74,342
Short-term investments	10	544,181	-
Cash and bank balances	11	1,208,099	2,464,584
		<u>7,931,358</u>	<u>5,959,710</u>
<b>Total Assets</b>		<u>12,546,203</u>	<u>10,749,005</u>
<b>Equity and Liabilities</b>			
<b>Share Capital and Reserves</b>			
Share Capital			
Authorised			
150,000,000 (September 30, 2019: 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, 2019: 150,000,000)		<u>750,000</u>	<u>750,000</u>
Ordinary shares of Rs. 5 each			
Reserves		<u>7,014,041</u>	<u>7,325,693</u>
		<u>7,764,041</u>	<u>8,075,693</u>
<b>Non-Current Liabilities</b>			
Deferred taxation	12	74,000	69,000
Lease liability		13,621	-
		<u>87,621</u>	<u>69,000</u>
<b>Current Liabilities</b>			
Trade and other payables	13	1,860,999	2,004,077
Advance from customers		1,241,072	518,405
Short-term borrowings	14	1,480,000	-
Unclaimed dividends		90,416	81,830
Accrued mark-up on short-term borrowing		14,397	-
Current portion of lease liability		7,657	-
		<u>4,694,541</u>	<u>2,604,312</u>
<b>Contingencies and Commitments</b>	15		
<b>Total Equity and Liabilities</b>		<u>12,546,203</u>	<u>10,749,005</u>

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

**Amir Bashir Ahmed**  
Chief Financial Officer

**Raeesul Hasan**  
Chief Executive

**Murtaza H. Habib**  
Director





## Unconsolidated Condensed Interim Statement of Profit or Loss for the half year ended March 31, 2020 (Unaudited)

	Note	Half year ended		Quarter ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
(Rupees in thousands)					
<b>Segment operating results</b>	16				
Net sales and services		4,357,054	3,118,429	2,026,953	1,717,896
Cost of sales		(3,943,258)	(2,478,341)	(1,767,028)	(1,391,905)
<b>Gross profit</b>		413,796	640,088	259,925	325,991
Selling and distribution expenses		(105,075)	(123,877)	(50,717)	(76,123)
Administrative expenses		(98,756)	(90,456)	(45,606)	(43,871)
Other operating expenses	17	(29,512)	(33,919)	(18,743)	(16,355)
Impairment on long-term investments - available for sale		-	(30,579)	-	(30,579)
Other income	18	131,668	157,805	115,738	103,614
		(101,675)	(121,026)	672	(63,314)
<b>Operating profit</b>		312,121	519,062	260,597	262,677
Finance income / (cost) - net	19	139,214	45,391	26,128	6,062
<b>Profit before taxation</b>		451,335	564,453	286,725	268,739
Taxation	20	(65,000)	(50,000)	(45,000)	(25,000)
<b>Profit after taxation</b>		386,335	514,453	241,725	243,739
<b>Earnings per share - Basic and diluted</b>	Rs.	2.58	3.43	1.61	1.62

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

**Amir Bashir Ahmed**  
Chief Financial Officer

**Raeesul Hasan**  
Chief Executive

**Murtaza H. Habib**  
Director



## Unconsolidated Condensed Interim Statement of Comprehensive Income for the half year ended March 31, 2020 (Unaudited)

	Half year ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	(Rupees in thousands)			
<b>Profit after taxation</b>	386,335	514,453	241,725	243,739
<b>Other comprehensive income :</b>				
<b>Items that will not be reclassified to the statement of profit or loss:</b>				
Loss on re-measurement of equity investments classified as fair value through other comprehensive income (FVOCI)	(285,487)	-	(723,637)	-
	100,848	514,453	(481,912)	243,739
Unrealised gain on revaluation of investments for the period	-	41,496	-	403,132
<b>Total Comprehensive income / (loss) for the period</b>	<u>100,848</u>	<u>555,949</u>	<u>(481,912)</u>	<u>646,871</u>

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

  
**Amir Bashir Ahmed**  
Chief Financial Officer

  
**Raeesul Hasan**  
Chief Executive

  
**Murtaza H. Habib**  
Director



## Unconsolidated Condensed Interim Statement of Changes in Equity for the half year ended March 31, 2020 (Unaudited)

	Issued Subscribed and Paid-up Capital	Capital Reserve	Revenue Reserves			Total Reserves	Total Equity
			General Reserve	Unappro- priated Profit	Unrealised gain / (loss) on investments available for sale		
(Rupees in thousands)							
<b>Balance as on September 30, 2018</b>	750,000	34,000	4,173,500	903,281	2,243,189	7,353,970	8,103,970
Effect of change in accounting policy	-	-	-	-	(41,472)	(41,472)	(41,472)
<b>Balance as on October 01, 2018 - restated</b>	750,000	34,000	4,173,500	903,281	2,201,717	7,312,498	8,062,498
Total comprehensive income for the half year ended March 31, 2019	-	-	-	514,453	41,496	555,949	555,949
Transfer to general reserve	-	-	485,000	(485,000)	-	-	-
Cash dividend for 2018 @ 55%	-	-	-	(412,500)	-	(412,500)	(412,500)
<b>Balance as on March 31, 2019 - restated</b>	<u>750,000</u>	<u>34,000</u>	<u>4,658,500</u>	<u>520,234</u>	<u>2,243,213</u>	<u>7,455,947</u>	<u>8,205,947</u>
<b>Balance as on October 1, 2019</b>	750,000	34,000	4,658,500	1,208,297	1,424,896	7,325,693	8,075,693
Total comprehensive income for the half year ended March 31, 2020	-	-	-	386,335	(285,487)	100,848	100,848
Realised gain on sale of investments	-	-	-	9,392	(9,392)	-	-
Transfer to general reserve	-	-	790,000	(790,000)	-	-	-
Cash dividend for 2019 @ 55%	-	-	-	(412,500)	-	(412,500)	(412,500)
<b>Balance as on March 31, 2020</b>	<u>750,000</u>	<u>34,000</u>	<u>5,448,500</u>	<u>401,524</u>	<u>1,130,017</u>	<u>7,014,041</u>	<u>7,764,041</u>

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

  
**Amir Bashir Ahmed**  
 Chief Financial Officer

  
**Raeesul Hasan**  
 Chief Executive

  
**Murtaza H. Habib**  
 Director



## Unconsolidated Condensed Interim Statement of Cash Flows for the half year ended March 31, 2020 (Unaudited)

	Note	March 31, 2020	March 31, 2019
(Rupees in thousands)			
<b>Cash flows from operating activities</b>			
Cash used in operations	21	(1,713,355)	(1,695,863)
Finance income received - net		155,294	63,233
Income tax paid		(39,116)	(57,298)
Long-term loans		16	(661)
Net cash used in operating activities		(1,597,161)	(1,690,589)
<b>Cash flows from investing activities</b>			
Fixed capital expenditure		(164,397)	(25,820)
Sale proceeds / redemption of investments		1,068,457	-
Dividend received		18,474	21,195
Purchase of investments		(1,658,800)	(115,374)
Sale proceeds of fixed assets		4,010	6,489
Net cash used in investing activities		(732,256)	(113,510)
<b>Cash flows from financing activities</b>			
Lease rental paid		(3,154)	-
Dividend paid		(403,914)	(398,245)
Net cash used in financing activities		(407,068)	(398,245)
Net decrease in cash and cash equivalents		(2,736,485)	(2,202,344)
Cash and cash equivalents at the beginning of the period		2,464,584	766,875
Cash and cash equivalents at the end of the period	22	(271,901)	(1,435,469)

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

  
**Amir Bashir Ahmed**  
 Chief Financial Officer

  
**Raeesul Hasan**  
 Chief Executive

  
**Murtaza H. Habib**  
 Director



## Notes to the Unconsolidated Condensed Interim Financial Statements for the half year ended March 31, 2020 (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 (CO<sub>2</sub>), household textiles, providing bulk storage facilities and trading of commodities. The registered office of the Company is situated at Imperial Court, 3rd Floor, Dr. Ziauddin Ahmed Road, Karachi.
- 1.2 These unconsolidated condensed interim financial statements are separate condensed interim financial statements of the Company in which investments in subsidiaries are accounted for on the basis of direct equity interest and are not consolidated or accounted for using equity method.

### 2. BASIS OF PREPARATION

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

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

- 2.2 These unconsolidated condensed interim financial statements are unaudited and subject to limited scope review by the auditors. These are being submitted to the members in accordance with Section 237 of the Companies Act, 2017 (the Act) 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, 2019.

### 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, 2019 except for adoption of IFRS 16.



### 3.1 IFRS 16 – Leases

IFRS 16 supersedes IAS 17 'Leases', 'IFRIC 4' Determining whether an Arrangement contains a Lease, 'SIC-15' Operating Leases Incentives and 'SIC-27' Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. Under IFRS 16, distinction between operating and finance leases has been removed and all lease contracts, with limited exceptions will be recognized in statement of financial position by way of right-of-use assets along with their corresponding lease liabilities.

Lease obligations of the Company comprises of lease arrangements giving it the right-of-use over properties utilized as office premises only.

The Company adopted IFRS 16 with effect from October 1, 2019 using the modified retrospective method. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application with no restatement of comparative information. The Company elected to use the transition practical expedient allowing the Company to use a single discount rate to a portfolio of leases with the similar characteristics.

IFRS 16 allows two options for transition under the modified retrospective method as follows:

- recognize the lease liability at the date of initial application for operating leases at the present value of remaining lease payments and a right of use asset equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to those leases, or;
- recognize the lease liability at the date of initial application for operating leases at the present value of remaining lease payments and a right of use asset at its carrying value as if the new standard had always been applied.

In applying the standard, the Company has recognised lease liability at the date of initial application as present value of remaining lease payments and a right-of-use asset equal to the lease liability, adjusted by the amount of prepaid or accrued lease payments previously recognised. The present value has been determined using a single discount rate for portfolio of leases exhibiting similar characteristics based on practical expedient provided in the standard.

Lease term is the non-cancelable period for which the Company has right to use the underlying asset in line with the lease contract together with the periods covered by an option to extend which the Company is reasonably certain to exercise and option to terminate which the Company is not reasonably certain to exercise.

The lease liabilities as at October 01, 2019 can be reconciled to the operating lease commitments as of September 30, 2019 as follows:



	<b>(Rupees in thousands)</b>
Operating lease commitments as at September 30, 2019	28,208
Impact of discounting	(4,892)
<b>Lease liabilities at October 01, 2019</b>	<u>23,316</u>
<b>Incremental borrowing rate as at October 1, 2019</b>	<u>11.06%</u>
The impact of adoption of IFRS 16 as at October 01, 2019 [(increase/ (decrease))] is as follows:	
<b>Assets</b>	
Property, plant and equipment- right of use asset	<u>23,316</u>
<b>Liabilities</b>	
Lease liabilities	<u>23,316</u>
Unconsolidated condensed interim statement of profit or loss	
Depreciation charge on right-of-use asset	<u>2,914</u>
Financial charges on lease liability	<u>1,115</u>

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2017. Such improvements are generally effective for annual reporting period beginning on or after January 01, 2019. The Company expects that such improvements to the standards will not have any material impact on the Company's unconsolidated condensed interim financial statements in the period of initial application.

#### 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, 2019, except as disclosed otherwise.

	(Unaudited)	(Audited)
	March 31,	Sept. 30,
	2020	2019
	(Rupees in thousands)	
<b>5. Fixed assets</b>		
<b>5.1 Property, plant and equipment</b>		
Operating fixed assets	2,499,772	2,432,032
Capital work-in-progress	23,637	45,756
Major stores and spare parts	-	1,132
Right of Use asset	20,402	-
	<u>2,543,811</u>	<u>2,478,920</u>



**5.2** Cost of additions to and written down value of deletions from fixed assets during the half year ended March 31, 2020 were as follows:

	(Unaudited) March 31, 2020		(Audited) September 30, 2019	
	Additions (Rupees in thousands)	Deletions	Additions (Rupees in thousands)	Deletions (Rupees in thousands)
Plant and machinery				
Sugar	111,670	-	55,086	20,790
Distillery	44,853	-	2,575	-
Textile	-	-	150	-
Factory and Building - Distillery	2,103	-	-	-
Furniture, fittings and office equipment	4,759	35	8,844	56
Accounting Software	541	-	-	-
Vehicles	471	23	15,171	925
	<u>164,397</u>	<u>58</u>	<u>81,826</u>	<u>21,771</u>
			(Unaudited) March 31, 2020 (Rupees in thousands)	(Audited) Sept. 30, 2019

**6. Long-term investments**

**Investments in subsidiary company- at cost**

HSM Energy Limited - Unquoted	50,000	50,000
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**Fair Value through Other Comprehensive Income**

Investments in related parties - Quoted - at fair value	1,346,735	1,657,274
Investments in related parties - Un-Quoted - at fair value	102,971	93,172
Investments in other companies - Quoted - at fair value	560,627	499,212
	<u>2,060,333</u>	<u>2,299,658</u>

**6.1** Investments in subsidiary company, associated companies or undertakings have been made in accordance with the requirements of the Act.

**6.2** The aggregate cost of these investments, net of impairment is Rs.930.32 (September 30, 2019: Rs.874.76) million.

	(Unaudited) March 31, 2020 (Rupees in thousands)	(Audited) Sept. 30, 2019
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**7. Stock-in-trade**

Raw materials	1,308,054	225,311
Work-in-process	31,554	43,828
Finished goods	2,687,702	1,553,567
Bagasse	78,491	15,068
Fertilizers	3,330	2,631
	<u>4,109,131</u>	<u>1,840,405</u>

**8. Loans and advances**

Loans - secured

Current maturity of long-term loans

Executives	-	29
Other Employees	4,829	6,304
	4,829	6,333

Advances - unsecured

Suppliers	1,058,363	884,519
	<u>1,063,192</u>	<u>890,852</u>





	Note	(Unaudited) March 31, 2020 (Rupees in thousands)	(Audited) Sept. 30, 2019
<b>9. Other receivables - Considered good</b>			
Duty drawback and research & development support claim		17,532	17,903
Dividend receivable		86,120	3,114
Sales-Tax refundable / adjustable		84,892	85,137
Others	9.1	10,043	9,495
		<u>198,587</u>	<u>115,649</u>
<b>9.1</b>	Includes Rs.9.88 (2019: Rs.9.37) million receivable from HSM Energy Limited - wholly owned subsidiary. Maximum aggregate amount due from the subsidiary company at the end of any month during the period was Rs.9.88 (2019: 9.37) million.		
	Note	(Unaudited) March 31, 2020 (Rupees in thousands)	(Audited) Sept. 30, 2019
<b>10. Short-term investments</b>			
Investments in Government Securities (Treasury Bills) - At amortised Cost	10.1	<u>544,181</u>	<u>-</u>
<b>10.1</b>	These government securities are carried at interest rate of 13.52% having a maturity on May 2020.		
<b>11. Cash and bank balances</b>			
Cash in hand		1,379	229
Balances with banks in:			
Current accounts		37,480	9,298
Treasury call accounts	11.1	519,240	165,057
Term Deposit Receipts	11.2	650,000	2,290,000
	11.3	<u>1,206,720</u>	<u>2,464,355</u>
		<u>1,208,099</u>	<u>2,464,584</u>
<b>11.1</b>	Profit rates on Treasury call accounts ranged between 11.25% to 11.75% (September 2019: 6.52% to 11.75%) per annum.		
<b>11.2</b>	Profit rates on Term Deposit Receipts is 12% to 12.25% (September 2019: 6.80% to 12.25%) per annum. Maturity of these Term Deposit Receipts are one month.		
<b>11.3</b>	Includes Rs.1,133.04 (September 2019: Rs.2,453.11) million kept with Bank AL Habib Limited - a related party.		
	Note	(Unaudited) March 31, 2020 (Rupees in thousands)	(Audited) Sept. 30, 2019
<b>12. Deferred taxation</b>			
Deferred Tax liability on accelerated tax depreciation allowance on operating fixed assets taxable temporary differences:		209,000	210,000
Deferred tax asset on deductible temporary differences:			
Provision for obsolescence and slow moving stores & spare parts		(9,000)	(9,000)
Unabsorbed tax depreciation allowance		(126,000)	(132,000)
		<u>(135,000)</u>	<u>(141,000)</u>
		<u>74,000</u>	<u>69,000</u>



	(Unaudited) March 31, 2020	(Audited) Sept. 30, 2019
	(Rupees in thousands)	
<b>13. Trade and other payables</b>		
Creditors	1,515,462	1,702,057
Accrued liabilities	302,391	213,717
Workers' Profit Participation Fund (WPPF)	24,512	71,041
Workers' Welfare Fund	18,415	17,124
Income-tax deducted at source	219	138
	1,860,999	2,004,077

**14. Short-term borrowings - secured**

1,480,000	-
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The aggregate financing facility available from commercial banks amounted to Rs.8,212 (September 2019: Rs.8,212) million. These financing facilities are secured by way of registered charge against hypothecation of stock-in-trade, stores and spares, assignment of trade debts and other receivables. The rate of mark-up charged during the period was 3% to 15.05% (September 2019: 2.20% to 11.39%) per annum.

**15. Contingencies and commitments**

**15.1 Contingencies**

There were no major changes in the status of contingencies as reported in the annual financial statements for the year ended September 30, 2019.

**15.2 Commitments**

The Company has provided counter guarantees to Bank AL Habib Limited, a related party, amounting to Rs.400.00 (September 30, 2019: Rs. 350.00) million against agriculture finance facilities to the growers supplying sugarcane to the mills and counter guarantees to other banks amounting to Rs.1,311.25 (September 30, 2019: 1,710.82) 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.

**15.3 Commitments for capital expenditure amounting to Rs.47.25 (September 2019: 31.61) million.**

	(Unaudited) March 31, 2020	(Audited) Sept. 30, 2019
	(Rupees in thousands)	
<b>15.4 Rentals payable over next four years</b> under operating lease agreements with First Habib Modaraba in respect of vehicles	42,706	50,276



### 16. Segment operating results for the half year ended March 31, 2020 (Unaudited)

		Sugar Division		Distillery Division		Textile Division		Trading Division		(Rupees in thousands) Total	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Net sales and services</b>											
Sales	Local	2,585,198	1,301,088	166,705	186,339	2,054	3,912	107,254	10,552	2,861,211	1,501,891
	Export	–	–	1,237,539	1,318,035	256,077	297,280	–	–	1,493,616	1,615,315
		2,585,198	1,301,088	1,404,244	1,504,374	258,131	301,192	107,254	10,552	4,354,827	3,117,206
Services - Storage income - net		–	–	2,227	1,223	–	–	–	–	2,227	1,223
		2,585,198	1,301,088	1,406,471	1,505,597	258,131	301,192	107,254	10,552	4,357,054	3,118,429
Less: Cost of sales		(2,450,824)	(1,158,067)	(1,170,499)	(1,042,540)	(228,701)	(266,891)	(93,234)	(10,843)	(3,943,258)	(2,478,341)
<b>Gross Profit / (Loss)</b>		134,374	143,021	235,972	463,057	29,430	34,301	14,020	(291)	413,796	640,088
Less: Selling and distribution expenses		(31,252)	(45,962)	(57,549)	(62,172)	(15,804)	(15,743)	(470)	–	(105,075)	(123,877)
Administrative expenses		(87,107)	(79,913)	(8,597)	(7,724)	(2,807)	(2,696)	(245)	(123)	(98,756)	(90,456)
		(118,359)	(125,875)	(66,146)	(69,896)	(18,611)	(18,439)	(715)	(123)	(203,831)	(214,333)
<b>Profit / (Loss) before other operating expenses and other income</b>		16,015	17,146	169,826	393,161	10,819	15,862	13,305	(414)	209,965	425,755
Other operating expenses - note 17										(29,512)	(33,919)
Impairment on long-term investments - available for sale										–	(30,579)
Other income - note 18										131,668	157,805
<b>Operating Profit</b>										312,121	519,062

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



**16a. Segment operating results for the quarter ended March 31, 2020 (Unaudited)**

		(Rupees in thousands)									
		Sugar Division		Distillery Division		Textile Division		Trading Division		Total	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Net sales and services</b>											
Sales	Local	1,107,121	742,429	90,613	76,859	1,995	2,746	103,199	–	1,302,928	822,034
	Export	–	–	629,219	748,196	93,650	146,747	–	–	722,869	894,943
		1,107,121	742,429	719,832	825,055	95,645	149,493	103,199	–	2,025,797	1,716,977
	Services - Storage income - net	–	–	1,156	919	–	–	–	–	1,156	919
		1,107,121	742,429	720,988	825,974	95,645	149,493	103,199	–	2,026,953	1,717,896
	Less: Cost of sales	(957,608)	(648,380)	(635,201)	(611,566)	(84,575)	(131,959)	(89,644)	–	(1,767,028)	(1,391,905)
	<b>Gross Profit</b>	149,513	94,049	85,787	214,408	11,070	17,534	13,555	–	259,925	325,991
	Less: Selling and distribution expenses	(15,976)	(35,369)	(27,227)	(32,948)	(7,044)	(7,806)	(470)	–	(50,717)	(76,123)
	Administrative expenses	(41,869)	(40,606)	(2,268)	(1,751)	(1,343)	(1,453)	(126)	(61)	(45,606)	(43,871)
		(57,845)	(75,975)	(29,495)	(34,699)	(8,387)	(9,259)	(596)	(61)	(96,323)	(119,994)
	<b>Profit / (Loss) before other operating expenses and other income</b>	91,668	18,074	56,292	179,709	2,683	8,275	12,959	(61)	163,602	205,997
	Other operating expenses -note 17									(18,743)	(16,355)
	Impairment on long-term investments - available for sale									–	(30,579)
	Other income - note 18									115,738	103,614
	<b>Operating Profit</b>									260,597	262,677



	Half year ended		Quarter ended	
	March 31, 2020 (Unaudited)	March 31, 2019 (Unaudited)	March 31, 2020 (Unaudited)	March 31, 2019 (Unaudited)
(Rupees in thousands)				
<b>17. Other operating expenses</b>				
Workers' Profit Participation Fund	24,512	29,919	15,743	14,255
Workers' Welfare Fund	5,000	4,000	3,000	2,100
	<u>29,512</u>	<u>33,919</u>	<u>18,743</u>	<u>16,355</u>
<b>18. Other income</b>				
Cash Freight Subsidy	–	11,128	–	11,128
Dividend income	101,480	80,831	91,726	66,267
Scrap sales	3,867	9,514	1,043	1,008
Gain on disposal of fixed assets	3,952	3,649	2,467	2,569
Agriculture income	3,319	471	2,352	471
Sale of Electricity	6,782	22,791	6,782	18,102
Exchange gain / (loss) - net	12,268	29,421	11,368	4,069
	<u>131,668</u>	<u>157,805</u>	<u>115,738</u>	<u>103,614</u>
<b>19. Finance income / (cost) - net</b>				
Profit on treasury call accounts	14,203	5,394	11,368	3,187
Profit on term deposit receipts	112,058	80,817	12,458	27,114
Government Securities	47,401	–	20,194	–
Interest on loan to employees	104	111	56	54
	<u>173,766</u>	<u>86,322</u>	<u>44,076</u>	<u>30,355</u>
Less:				
Mark-up / interest on:				
Short-term borrowings	(25,333)	(27,610)	(14,445)	(20,521)
Workers' Profit Participation Fund	(1,592)	(884)	–	–
Lease liability	(1,115)	–	(1,115)	–
Bank charges	(6,512)	(12,437)	(2,388)	(3,772)
	<u>(34,552)</u>	<u>(40,931)</u>	<u>(17,948)</u>	<u>(24,293)</u>
	<u>139,214</u>	<u>45,391</u>	<u>26,128</u>	<u>6,062</u>
<b>20. Taxation</b>				
Income tax - current	60,000	52,000	35,000	36,000
Deferred tax	5,000	(2,000)	10,000	(11,000)
	<u>65,000</u>	<u>50,000</u>	<u>45,000</u>	<u>25,000</u>



	(Unaudited)	
	March 31, 2020	March 31, 2019
	(Rupees in thousands)	
<b>21. Cash used in operations</b>		
Profit before taxation	451,335	564,453
<b>Adjustment for non-cash charges and other items</b>		
Depreciation	122,765	123,714
Gain on disposal of fixed assets	(3,952)	(3,649)
Finance income / (cost) - net	(140,329)	(45,391)
Finance charges on lease liability	1,115	-
Impairment on long term investment - available for sale	-	30,579
Dividend income	(101,480)	(80,831)
Working capital changes - note 21.1	(2,042,809)	(2,284,738)
	(1,713,355)	(1,695,863)
<b>21.1 Working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Stores and spare parts	(14,882)	2,353
Stock-in-trade	(2,268,726)	(3,412,714)
Trade debts	(164,903)	187,202
Loans and advances	(172,340)	(169,138)
Trade deposits and prepayments	(1,615)	1,395
Other receivables	68	61,920
	(2,622,398)	(3,328,982)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	(143,078)	255,753
Advance from customers	722,667	788,491
<b>Net changes in working capital</b>	(2,042,809)	(2,284,738)
<b>22. Cash and cash equivalents at the end of the period</b>		
These comprise of the following		
Cash and bank balances	1,208,099	564,431
Short-term borrowings	(1,480,000)	(1,999,900)
	(271,901)	(1,435,469)
<b>23. Financial Risk Management, Objectives and Policies</b>		

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, 2019. 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 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	Half year ended		Quarter ended	
		March 31, 2020 (Unaudited)	March 31, 2019 (Unaudited)	March 31, 2020 (Unaudited)	March 31, 2019 (Unaudited)
		(Rupees in thousands)			
<b>Subsidiary</b>	Payment on behalf of the subsidiary	508	2,940	35	1,477
<b>Other related party</b>	Investment in shares / units of mutual fund	23,498	38,400	18,792	26,400
	Insurance premium paid	17,263	10,029	6,854	5,029
	Insurance claim received	9,120	1,355	420	-
	Profit on treasury call account / term deposits	122,718	85,394	20,462	30,145
	Dividend income	84,478	60,342	84,478	60,342
	Dividend paid	40,964	40,964	40,964	40,964
	Bank charges	79	273	47	254
<b>Key management personnel</b>	Managerial remuneration	29,410	27,900	25,426	13,950
<b>Retirement benefit funds</b>	Contribution to retirement funds	8,398	7,433	4,414	3,757

25.1 All transactions with related parties are entered into at agreed term duly approved by the Board of Directors of the Company.

#### 26. Date of authorisation for issue

These unconsolidated condensed interim financial statements were authorised for issue on May 28, 2020 by the Board of Directors of the Company.

#### 27. General

27.1 Figures for the quarters ended March 31, 2020 and March 31, 2019 have not been subjected to limited scope review by the external auditors.

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

**Amir Bashir Ahmed**  
Chief Financial Officer

**Raeesul Hasan**  
Chief Executive

**Murtaza H. Habib**  
Director



### Consolidated Condensed Interim Statement of Financial Position as at March 31, 2020

	Note	Unaudited March 31, 2020 (Rupees in thousands)	Audited Sept. 30, 2019 (Rupees in thousands)
<b>Assets</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Property, plant and equipment	5	2,590,173	2,525,316
Long-term investments	6	2,010,333	2,249,658
Long-term loans		6,773	6,789
Long-term deposits		3,928	3,928
		<u>4,611,207</u>	<u>4,785,691</u>
<b>Current Assets</b>			
Stores and spare parts		186,817	171,935
Stock-in-trade	7	4,109,131	1,840,405
Trade debts		552,200	387,297
Loans and advances	8	1,063,192	890,852
Trade deposits and short-term prepayments		11,494	9,879
Profit accrued on bank deposits		4,199	4,767
Other receivables	9	188,710	106,279
Taxation - net		53,450	74,339
Short-term investments	10	544,181	—
Cash and bank balances	11	1,208,518	2,464,979
		<u>7,921,892</u>	<u>5,950,732</u>
<b>Total Assets</b>		<u>12,533,099</u>	<u>10,736,423</u>
<b>Equity and Liabilities</b>			
<b>Share Capital and Reserves</b>			
Share Capital			
Authorised			
150,000,000 (September 30, 2019: 150,000,000)			
Ordinary shares of Rs. 5 each		750,000	750,000
Issued, subscribed and paid-up capital			
150,000,000 (September 30, 2019: 150,000,000)			
Ordinary shares of Rs. 5 each		750,000	750,000
Reserves		7,000,847	7,313,051
		<u>7,750,847</u>	<u>8,063,051</u>
<b>Non-Current Liabilities</b>			
Deferred taxation	12	74,000	69,000
Lease liability		13,621	—
		<u>87,621</u>	<u>69,000</u>
<b>Current Liabilities</b>			
Trade and other payables	13	1,861,089	2,004,137
Advance from customers		1,241,072	518,405
Short-term borrowings	14	1,480,000	—
Unclaimed dividends		90,416	81,830
Accrued mark-up on short-term borrowing		14,397	—
Current portion of lease liability		7,657	—
		<u>4,694,631</u>	<u>2,604,372</u>
<b>Contingencies and Commitments</b>	15		
<b>Total Equity and Liabilities</b>		<u>12,533,099</u>	<u>10,736,423</u>

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

  
**Amir Bashir Ahmed**  
 Chief Financial Officer

  
**Raeesul Hasan**  
 Chief Executive

  
**Murtaza H. Habib**  
 Director





## Consolidated Condensed Interim Statement of Profit or Loss for the half year ended March 31, 2020 (Unaudited)

		Half year ended		Quarter ended	
	Note	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
(Rupees in thousands)					
<b>Segment operating results</b>	16				
Net sales and services		4,357,054	3,118,429	2,026,953	1,717,896
Cost of sales		(3,943,258)	(2,478,341)	(1,767,028)	(1,391,905)
<b>Gross profit</b>		413,796	640,088	259,925	325,991
Selling and distribution expenses		(105,075)	(123,877)	(50,717)	(76,123)
Administrative expenses		(99,291)	(93,373)	(45,627)	(45,368)
Other operating expenses	17	(29,512)	(33,919)	(18,743)	(16,355)
Impairment on long-term investments - available for sale		-	(30,579)	-	(30,579)
Other income	18	131,668	157,805	115,738	103,614
		(102,210)	(123,943)	651	(64,811)
<b>Operating profit</b>		311,586	516,145	260,576	261,180
Finance income / (cost) - net	19	139,205	45,386	26,092	6,031
<b>Profit before taxation</b>		450,791	561,531	286,668	267,211
Taxation	20	(65,008)	(50,000)	(45,001)	(24,993)
<b>Profit after taxation</b>		385,783	511,531	241,667	242,218
<b>Earnings per share - Basic and diluted</b>	Rs.	2.57	3.41	1.61	1.61

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

  
**Amir Bashir Ahmed**  
 Chief Financial Officer

  
**Raeesul Hasan**  
 Chief Executive

  
**Murtaza H. Habib**  
 Director



**Consolidated Condensed Interim Statement of Comprehensive Income  
for the half year ended March 31, 2020 (Unaudited)**

	Half year ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	(Rupees in thousands)			
<b>Profit after taxation</b>	385,783	511,531	241,667	242,218
<b>Other comprehensive income :</b>				
<b>Items that will not be reclassified to the statement of profit or loss:</b>				
Loss on re-measurement of equity investments classified as fair value through other comprehensive income (FVOCI)	(285,487)	-	(723,637)	-
	100,296	511,531	(481,970)	242,218
Unrealised gain on revaluation of investments for the period	-	41,496	-	403,132
	100,296	553,027	(481,970)	645,350
<b>Total Comprehensive income for the period</b>	100,296	553,027	(481,970)	645,350

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

  
**Amir Bashir Ahmed**  
 Chief Financial Officer

  
**Raeesul Hasan**  
 Chief Executive

  
**Murtaza H. Habib**  
 Director



## Consolidated Condensed Interim Statement of Changes in Equity for the half year ended March 31, 2020 (Unaudited)

	Issued Subscribed and Paid-up Capital	Capital Reserve	Revenue Reserves			Total Reserves	Total Equity
			General Reserve	Unappro- priated Profit	Unrealised gain / (loss) on investments available for sale		
(Rupees in thousands)							
<b>Balance as on September 30, 2018</b>	750,000	34,000	4,173,500	896,988	2,243,189	7,347,677	8,097,677
Effect of change in accounting policy	-	-	-	-	(41,472)	(41,472)	(41,472)
<b>Balance as on October 01, 2018 - restated</b>	750,000	34,000	4,173,500	896,988	2,201,717	7,306,205	8,056,205
Cash dividend for 2018 @ 55%	-	-	-	(412,500)	-	(412,500)	(412,500)
Transfer to general reserve	-	-	485,000	(485,000)	-	-	-
Total comprehensive income for the half year ended March 31, 2019	-	-	-	511,531	82,968	594,499	594,499
<b>Balance as on March 31, 2019</b>	<u>750,000</u>	<u>34,000</u>	<u>4,658,500</u>	<u>511,019</u>	<u>2,284,685</u>	<u>7,488,204</u>	<u>8,238,204</u>
<b>Balance as on October 1, 2019</b>	750,000	34,000	4,658,500	1,195,655	1,424,896	7,313,051	8,063,051
Cash dividend for 2019 @ 55%	-	-	-	(412,500)	-	(412,500)	(412,500)
Transfer to general reserve	-	-	790,000	(790,000)	-	-	-
Realised gain on sale of investments	-	-	-	9,392	(9,392)	-	-
Total comprehensive income for the half year ended March 31, 2020	-	-	-	385,783	(285,487)	100,296	100,296
<b>Balance as on March 31, 2020</b>	<u>750,000</u>	<u>34,000</u>	<u>5,448,500</u>	<u>388,330</u>	<u>1,130,017</u>	<u>7,000,847</u>	<u>7,750,847</u>

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

  
**Amir Bashir Ahmed**  
 Chief Financial Officer

  
**Raeesul Hasan**  
 Chief Executive

  
**Murtaza H. Habib**  
 Director



## Consolidated Condensed Interim Statement of Cash Flows for the half year ended March 31, 2020 (Unaudited)

	Note	March 31, 2020	March 31, 2019
(Rupees in thousands)			
<b>Cash flows from operating activities</b>			
Cash used in operations	21	(1,713,319)	(1,695,879)
Finance income received - net		155,285	63,228
Income tax paid		(39,119)	(57,301)
Long-term loans		16	(661)
Net cash used in operating activities		(1,597,137)	(1,690,613)
<b>Cash flows from investing activities</b>			
Fixed capital expenditure		(164,397)	(25,832)
Sale proceeds / redemption of investments		1,068,457	-
Dividend received		18,474	21,195
Purchase of investments		(1,658,800)	(115,374)
Sale proceeds of fixed assets		4,010	6,489
Net cash used in investing activities		(732,256)	(113,522)
<b>Cash flows from financing activities</b>			
Lease rental paid		(3,154)	-
Dividend paid		(403,914)	(398,245)
Net cash used in financing activities		(407,068)	(398,245)
Net decrease in cash and cash equivalents		(2,736,461)	(2,202,380)
Cash and cash equivalents at the beginning of the period		2,464,979	767,781
Cash and cash equivalents at the end of the period	22	(271,482)	(1,434,599)

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

  
**Amir Bashir Ahmed**  
 Chief Financial Officer

  
**Raeesul Hasan**  
 Chief Executive

  
**Murtaza H. Habib**  
 Director



## Notes to the Consolidated Condensed Interim Financial Statements for the half year ended March 31, 2020 (Unaudited)

### 1. The Company and its operations

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

#### 1.1. Holding Company

The Holding Company is a public limited company incorporated in Pakistan, with its shares quoted on the Pakistan Stock Exchange Limited. The Holding Company is engaged in the manufacturing and marketing of refined sugar, molasses, ethanol, liquidified carbon dioxide (CO<sub>2</sub>), 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 Company is in start-up phase and in the process of setting up a 26.5 MW high pressure bagasse based Cogeneration power project. The Company has been granted Generation license and upfront Tariff for the period of 30 years by the National Electric Power Regulatory Authority (NEPRA).

### 2. BASIS OF PREPARATION

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

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

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

2.2 These consolidated condensed interim financial statements are unaudited and subject to limited scope review by the auditors. These are being submitted to the members in accordance with Section 237 of the Companies Act, 2017 (the Act) 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 consolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2019.



### 3. Significant accounting policies and disclosures

The accounting policies and methods of computations followed for the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Company for the year ended September 30, 2019 except for adoption of IFRS 16.

#### 3.1 IFRS 16 – Leases

IFRS 16 supersedes IAS 17 'Leases', 'IFRIC 4' Determining whether an Arrangement contains a Lease, 'SIC-15' Operating Leases Incentives and 'SIC-27' Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. Under IFRS 16, distinction between operating and finance leases has been removed and all lease contracts, with limited exceptions will be recognized in statement of financial position by way of right-of-use assets along with their corresponding lease liabilities.

Lease obligations of the Company comprises of lease arrangements giving it the right-of-use over properties utilized as office premises only.

The Company adopted IFRS 16 with effect from October 1, 2019 using the modified retrospective method. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application with no restatement of comparative information. The Company elected to use the transition practical expedient allowing the Company to use a single discount rate to a portfolio of leases with the similar characteristics.

IFRS 16 allows two options for transition under the modified retrospective method as follows:

- recognize the lease liability at the date of initial application for operating leases at the present value of remaining lease payments and a right of use asset equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to those leases, or;
- recognize the lease liability at the date of initial application for operating leases at the present value of remaining lease payments and a right of use asset at its carrying value as if the new standard had always been applied.

In applying the standard, the Company has recognised lease liability at the date of initial application as present value of remaining lease payments and a right-of-use asset equal to the lease liability, adjusted by the amount of prepaid or accrued lease payments previously recognised. The present value has been determined using a single discount rate for portfolio of leases exhibiting similar characteristics based on practical expedient provided in the standard.

Lease term is the non-cancelable period for which the Company has right to use the underlying asset in line with the lease contract together with the periods covered by an option to extend which the Company is reasonably certain to exercise and option to terminate which the Company is not reasonably certain to exercise.

The lease liabilities as at October 01, 2019 can be reconciled to the operating lease commitments as of September 30, 2019 as follows:



	<b>(Rupees in thousands)</b>
Operating lease commitments as at September 30, 2019	28,208
Impact of discounting	<u>(4,892)</u>
<b>Lease liabilities at October 01, 2019</b>	<b><u>23,316</u></b>
<b>Incremental borrowing rate as at October 1, 2019</b>	<b><u>11.06%</u></b>
The impact of adoption of IFRS 16 as at October 01, 2019 [(increase/ (decrease))] is as follows:	
<b>Assets</b>	
Property, plant and equipment- right of use asset	<u>23,316</u>
<b>Liabilities</b>	
Lease liabilities	<u>23,316</u>
<b>Consolidated condensed interim statement of profit or loss</b>	
Depreciation charge on right-of-use asset	<u>2,914</u>
Financial charges on lease liability	<u>1,115</u>

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2017. Such improvements are generally effective for annual reporting period beginning on or after January 01, 2019. The Company expects that such improvements to the standards will not have any material impact on the Company's consolidated condensed interim financial statements in the period of initial application.

#### 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, 2019, except as disclosed otherwise.

	(Unaudited)	(Audited)
	March 31,	Sept. 30,
	2020	2019
	(Rupees in thousands)	
<b>5. Fixed assets</b>		
<b>5.1 Property, plant and equipment</b>		
Operating fixed assets	2,500,013	2,432,307
Capital work-in-progress	69,758	91,877
Major stores and spare parts	-	1,132
Right of Use asset	20,402	-
	<u>2,590,173</u>	<u>2,525,316</u>



**5.2** Cost of additions to and written down value of deletions from fixed assets during the half year ended March 31, 2020 were as follows:

	(Unaudited) March 31, 2020		(Audited) September 30, 2019	
	Additions (Rupees in thousands)	Deletions	Additions (Rupees in thousands)	Deletions (Rupees in thousands)
Plant and machinery				
Sugar	111,670	-	55,086	20,790
Distillery	44,853	-	2,575	-
Textile	-	-	150	-
Factory and Building - Distillery	2,103	-	-	-
Furniture, fittings and office equipment	4,759	35	8,844	56
Accounting Software	541	-	-	-
Vehicles	471	23	15,171	925
	<u>164,397</u>	<u>58</u>	<u>81,826</u>	<u>21,771</u>
		Note	(Unaudited) March 31, 2020 (Rupees in thousands)	(Audited) Sept. 30, 2019 (Rupees in thousands)

**6. Long-term investments**

Investments in related parties	- Quoted - at fair value	1,346,735	1,657,274
"	- Un-Quoted - at fair value	102,971	93,172
Investments in other companies	- Quoted - at fair value	560,627	499,212
		<u>2,010,333</u>	<u>2,249,658</u>

**6.1** Investments in subsidiary company, associated companies or undertakings have been made in accordance with the requirements under the Act.

**6.2** The aggregate cost of these investments, net of impairment is Rs.930.32 (September 30, 2019: Rs.874.76) million.

	(Unaudited)	(Audited)
	March 31, 2020 (Rupees in thousands)	Sept. 30, 2019 (Rupees in thousands)
<b>7. Stock-in-trade</b>		
Raw materials	1,308,054	225,311
Work-in-process	31,554	43,828
Finished goods	2,687,702	1,553,567
Bagasse	78,491	15,068
Fertilizers	3,330	2,631
	<u>4,109,131</u>	<u>1,840,405</u>

**8. Loans and advances**

Loans - secured		
Current maturity of long-term loans		
Executives	-	29
Other Employees	4,829	6,304
	4,829	6,333
Advances - unsecured		
Suppliers	1,058,363	884,519
	<u>1,063,192</u>	<u>890,852</u>





	(Unaudited) March 31, 2020 (Rupees in thousands)	(Audited) Sept. 30, 2019
<b>9. Other receivables - Considered good</b>		
Duty drawback and research & development support claim	17,532	17,903
Dividend receivable	86,120	3,114
Sales-Tax refundable / adjustable	84,892	85,137
Others	166	125
	<u>188,710</u>	<u>106,279</u>
	(Unaudited) March 31, 2020 (Rupees in thousands)	(Audited) Sept. 30, 2019
	Note	
<b>10. Short-term investments</b>		
Investments in Government Securities (Treasury Bills) - At amortised Cost	544,181	-
	<u>544,181</u>	<u>-</u>
<b>11. Cash and bank balances</b>		
Cash in hand	1,379	229
Balances with banks in:		
Current accounts	37,899	9,298
Treasury call accounts	519,240	165,452
Term Deposit Receipts	650,000	2,290,000
	11.1	
	11.2	
	11.3	
	<u>1,207,139</u>	<u>2,464,750</u>
	<u>1,208,518</u>	<u>2,464,979</u>
<b>11.1</b>	Profit rates on Treasury call accounts ranged between 11.25% to 11.75% (September 2019: 6.52% to 11.75%) per annum.	
<b>11.2</b>	Profit rates on Term Deposit Receipts is 12% to 12.25% (September 2019: 6.80% to 12.25%) per annum. Maturity of these Term Deposit Receipts are one month.	
<b>11.3</b>	Includes Rs.1,133.04 (September 2019: Rs.2,453.11) million kept with Bank AL Habib Limited - a related party.	
	(Unaudited) March 31, 2020 (Rupees in thousands)	(Audited) Sept. 30, 2019
<b>12. Deferred taxation</b>		
Deferred Tax liability on accelerated tax depreciation allowance on operating fixed assets taxable temporary differences:	209,000	210,000
Deferred tax asset on deductible temporary differences:		
Provision for obsolescence and slow moving stores & spare parts	(9,000)	(9,000)
Unabsorbed tax depreciation allowance	(126,000)	(132,000)
	<u>(135,000)</u>	<u>(141,000)</u>
	<u>74,000</u>	<u>69,000</u>



	(Unaudited) March 31, 2020	(Audited) Sept. 30, 2019
	(Rupees in thousands)	
<b>13. Trade and other payables</b>		
Creditors	1,515,462	1,702,057
Accrued liabilities	302,481	213,777
Workers' Profit Participation Fund (WPPF)	24,512	71,041
Workers' Welfare Fund	18,415	17,124
Income-tax deducted at source	219	138
	<u>1,861,089</u>	<u>2,004,137</u>
<b>14. Short-term borrowings - secured</b>	<u>1,480,000</u>	<u>—</u>

The aggregate financing facility available from commercial banks amounted to Rs.8,212 (September 2019: Rs.8,212) million. These financing facilities are secured by way of registered charge against hypothecation of stock-in-trade, stores and spares, assignment of trade debts and other receivables. The rate of mark-up charged during the period was 3% to 15.05% (September 2019: 2.20% to 11.39%) per annum.

#### 15. Contingencies and commitments

##### 15.1 Contingencies

There were no major changes in the status of contingencies as reported in the annual financial statements for the year ended September 30, 2019.

##### 15.2 Commitments

The Holding Company has provided counter guarantees to Bank AL Habib Limited, a related party, amounting to Rs.400.00 (September 30, 2019: Rs. 350.00) million against agriculture finance facilities to the growers supplying sugarcane to the mills and counter guarantees to other banks amounting to Rs.1,311.25 (September 30, 2019: 1,710.82) million against guarantees issued by banks in favour of third parties on behalf of the Holding Holding Holding Holding 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.

##### 15.3 Commitments for capital expenditure amounting to Rs.47.25 (September 2019: 31.61) million.

	(Unaudited) March 31, 2020	(Audited) Sept. 30, 2019
	(Rupees in thousands)	
<b>15.4 Rentals payable over next four years</b>		
under operating lease agreements with		
First Habib Modaraba in respect of vehicles	<u>42,706</u>	<u>50,276</u>



### 16. Segment operating results for the half year ended March 31, 2019 (Unaudited)

	(Rupees in thousands)											
	Sugar Division		Distillery Division		Textile Division		Trading Division		Subsidiary Company		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Net sales and service</b>												
Sales Local	2,585,198	1,301,088	166,705	186,339	2,054	3,912	107,254	10,552	-	-	2,861,211	1,501,891
Expert	-	-	1,237,539	1,318,035	256,077	297,280	-	-	-	-	1,493,616	1,615,315
Service - Storage income - net	2,585,198	1,301,088	1,404,244	1,504,374	258,131	301,192	107,254	10,552	-	-	4,354,827	3,117,206
	-	-	2,227	1,223	-	-	-	-	-	-	2,227	1,223
	2,585,198	1,301,088	1,406,471	1,505,597	258,131	301,192	107,254	10,552	-	-	4,357,054	3,118,429
Less: Cost of sales	(2,450,824)	(1,158,067)	(1,170,499)	(1,042,540)	(228,701)	(266,891)	(93,234)	(10,843)	-	-	(3,943,258)	(2,478,341)
<b>Gross Profit / (Loss)</b>	134,374	143,021	235,972	463,057	29,430	34,301	14,020	(291)	-	-	413,796	640,088
Less: Selling and distribution expenses	(31,252)	(45,962)	(57,549)	(62,172)	(15,804)	(15,743)	(470)	-	-	-	(105,075)	(123,877)
Administrative expenses	(87,107)	(79,913)	(8,597)	(7,724)	(2,807)	(2,696)	(245)	(123)	(535)	(2,917)	(99,291)	(93,373)
	(118,359)	(125,875)	(66,146)	(69,896)	(18,611)	(18,439)	(715)	(123)	(535)	(2,917)	(204,366)	(217,250)
<b>Profit / (Loss) before other operating expenses and other income</b>	16,015	17,146	169,826	393,161	10,819	15,862	13,305	(414)	(535)	(2,917)	209,430	422,838
Other operating expenses - Note 17											(29,512)	(33,919)
Impairment on long-term investments - available for sale											-	(30,579)
Other income - Note 18											131,668	157,805
<b>Operating Profit</b>											311,586	516,145

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



### 16a. Segment operating results for the quarter ended March 31, 2019 (Unaudited)

		(Rupees in thousands)											
		Sugar Division		Distillery Division		Textile Division		Trading Division		Subsidiary Company		Total	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Net sales and service</b>													
Sales	Local	1,107,121	742,429	90,613	76,859	1,995	2,746	103,199	-	-	-	1,302,928	822,034
	Export	-	-	629,219	748,196	93,650	146,747	-	-	-	-	722,869	894,943
		1,107,121	742,429	719,832	825,055	95,645	149,493	103,199	-	-	-	2,025,797	1,716,977
Service - Storage income - net		-	-	1,156	919	-	-	-	-	-	-	1,156	919
		1,107,121	742,429	720,988	825,974	95,645	149,493	103,199	-	-	-	2,026,953	1,717,896
Less: Cost of sales		(957,608)	(648,380)	(635,201)	(611,566)	(84,575)	(131,959)	(89,644)	-	-	-	(1,767,028)	(1,391,905)
<b>Gross Profit / (Loss)</b>		149,513	94,049	85,787	214,408	11,070	17,534	13,555	-	-	-	259,925	325,991
Less: Selling and distribution expenses		(15,976)	(35,369)	(27,227)	(32,948)	(7,044)	(7,806)	(470)	-	-	-	(50,717)	(76,123)
Administrative expenses		(41,869)	(40,606)	(2,268)	(1,751)	(1,343)	(1,453)	(126)	(61)	(21)	(1,497)	(45,627)	(45,368)
		(57,845)	(75,975)	(29,495)	(34,699)	(8,387)	(9,259)	(596)	(61)	(21)	(1,497)	(96,344)	(121,491)
<b>Profit / (Loss) before other operating expenses and other income</b>		91,668	18,074	56,292	179,709	2,683	8,275	12,959	(61)	(21)	(1,497)	163,581	204,500
Other operating expenses - Note 17												(18,743)	(16,355)
Impairment on long-term investments - available for sale												-	(30,579)
Other income - Note 18												115,738	103,614
<b>Operating Profit</b>												260,576	261,180



	Half year ended		Quarter ended	
	March 31, 2020 (Unaudited)	March 31, 2019 (Unaudited)	March 31, 2020 (Unaudited)	March 31, 2019 (Unaudited)
(Rupees in thousands)				
<b>17. Other operating expenses</b>				
Workers' Profit Participation Fund	24,512	29,919	15,743	14,255
Workers' Welfare Fund	5,000	4,000	3,000	2,100
	<u>29,512</u>	<u>33,919</u>	<u>18,743</u>	<u>16,355</u>
<b>18. Other income</b>				
Cash Freight Subsidy	-	11,128	-	11,128
Dividend income	101,480	80,831	91,726	66,267
Scrap sales	3,867	9,514	1,043	1,008
Gain on disposal of fixed assets	3,952	3,649	2,467	2,569
Agriculture income	3,319	471	2,352	471
Sale of Electricity	6,782	22,791	6,782	18,102
Exchange gain / (loss) - net	12,268	29,421	11,368	4,069
	<u>131,668</u>	<u>157,805</u>	<u>115,738</u>	<u>103,614</u>
<b>19. Finance income / (cost) - net</b>				
Profit on treasury call accounts	14,229	5,420	11,367	3,213
Profit on term deposit receipts	112,058	80,817	12,458	27,114
Government Securities	47,401	-	20,194	-
Interest on loan to employees	104	111	56	54
	<u>173,792</u>	<u>86,348</u>	<u>44,075</u>	<u>30,381</u>
Less:				
Mark-up / interest on:				
Short-term borrowings	(25,333)	(27,610)	(14,445)	(20,521)
Workers' Profit Participation Fund	(1,592)	(884)	-	-
Lease liability	(1,115)	-	(1,115)	-
Bank charges	(6,547)	(12,468)	(2,423)	(3,829)
	<u>(34,587)</u>	<u>(40,962)</u>	<u>(17,983)</u>	<u>(24,350)</u>
	<u>139,205</u>	<u>45,386</u>	<u>26,092</u>	<u>6,031</u>
<b>20. Taxation</b>				
Income tax - current	60,008	52,000	35,001	35,993
Deferred tax	5,000	(2,000)	10,000	(11,000)
	<u>65,008</u>	<u>50,000</u>	<u>45,001</u>	<u>24,993</u>



	(Unaudited)	
	March 31, 2020	March 31, 2019
	(Rupees in thousands)	
<b>21. Cash used in operations</b>		
Profit before taxation	450,791	561,531
<b>Adjustment for non-cash charges and other items</b>		
Depreciation	122,799	123,760
Gain on disposal of fixed assets	(3,952)	(3,649)
Finance income - net	(139,205)	(45,386)
Impairment on long term investment - available for sale	-	30,579
Dividend income	(101,480)	(80,831)
Working capital changes - note 21.1	(2,042,272)	(2,281,883)
	(1,713,319)	(1,695,879)
<b>21.1 Working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Stores and spare parts	(14,882)	2,353
Stock-in-trade	(2,268,726)	(3,412,714)
Trade debts	(164,903)	187,202
Loans and advances	(172,340)	(169,138)
Trade deposits and prepayments	(1,615)	1,395
Other receivables	575	64,895
	(2,621,891)	(3,326,007)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	(143,048)	255,633
Advance from customers	722,667	788,491
	(2,042,272)	(2,281,883)
<b>22. Cash and cash equivalents at the end of the period</b>		
These comprise of the following		
Cash and bank balances	1,208,518	565,301
Short-term borrowings	(1,480,000)	(1,999,900)
	(271,482)	(1,434,599)
<b>23. Financial Risk Management, Objectives and Policies</b>		

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, 2019. 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 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 consolidated condensed interim financial statements, are as follows:

		Half year ended		Quarter ended	
		March 31, 2020 (Unaudited)	March 31, 2019 (Unaudited)	March 31, 2020 (Unaudited)	March 31, 2019 (Unaudited)
		(Rupees in thousands)			
<b>Transactions during the period</b>					
<b>Related party</b>	Investment in shares / units of mutual fund	23,498	38,400	18,792	26,400
<b>Associates</b>	Insurance premium paid	17,263	10,029	6,854	5,029
	Insurance claim received	9,120	1,355	420	-
	Profit on treasury call account / term deposits	122,718	85,394	20,462	30,145
	Dividend income	84,478	60,342	84,478	60,342
	Dividend paid	40,964	40,964	40,964	40,964
	Bank charges	79	273	47	254
<b>Key management personnel</b>	Managerial remuneration	29,410	27,900	25,426	13,950
<b>Retirement benefit funds</b>	Charge / Contribution for the period	8,398	7,433	4,414	3,757

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

25.1 All transactions with related parties are entered into at agreed term duly approved by the Board of Directors of the Company.

#### 26. Date of authorisation for issue

These consolidated condensed interim financial statements were authorised for issue on May 28, 2020 by the Board of Directors of the Company.

#### 27. General

27.1 Figures for the quarters ended March 31, 2020 and March 31, 2019 have not been subjected to limited scope review by the external auditors.

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

  
**Amir Bashir Ahmed**  
Chief Financial Officer

  
**Raeesul Hasan**  
Chief Executive

  
**Murtaza H. Habib**  
Director



شکر ڈویژن نے آپریٹنگ منافع 16.02 ملین روپے کیا جس کے مقابل پچھلے سال اسی مدت کے دوران 17.15 ملین روپے کا منافع کیا تھا۔

ڈسٹری ڈویژن:

زیر جائزہ مدت کے دوران اس ڈویژن کا پلانٹ 166 دن چلا اور 11,963 میٹرک ٹن میتھانول تیار ہوا اور گزشتہ سال اسی مدت کے دوران 165 دن میں 16,511 میٹرک ٹن پیداوار رہی تھی۔ پیداوار میں کمی شیرے کی دستیابی میں کمی کی وجہ سے ہوئی۔  
ڈویژن نے 169.83 ملین روپے کا آپریٹنگ منافع حاصل کیا مقابلاً گزشتہ سال اسی مدت کے دوران 393.16 ملین روپے منافع حاصل کیا تھا۔ منافع میں کمی پیداواری لاگت اور شیرے کی قیمت میں اضافہ اور پیداوار میں کمی کی وجہ سے ہوا۔  
لیکویٹیز کاربن ڈائی آکسائیڈ یونٹ کی کارکردگی اطمینان بخش رہی اور 2,966 میٹرک ٹن کی پیداوار ہوئی مقابلاً گزشتہ سال اسی مدت کے دوران 3,354 میٹرک ٹن تھی۔

ٹیکسٹائل ڈویژن:

ڈویژن نے زیر نظر مدت کے دوران 10.82 ملین روپے آپریٹنگ منافع حاصل کیا جس کے برعکس گزشتہ سال اسی مدت کے دوران 15.86 ملین روپے کا منافع تھا۔ منافع میں کمی فروخت کے حجم میں کمی کی وجہ سے ہوا۔

ٹریڈنگ ڈویژن:

زیر نظر مدت کے دوران ڈویژن نے 13.31 ملین روپے منافع چینی اور بگاس کی تجارت پر حاصل کیا۔ گزشتہ سال اسی مدت کے دوران 0.41 کا خسارہ ہوا تھا۔


بگاس پرمی کو۔ جزیٹن منصوبہ:

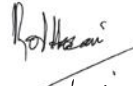
کمپنی کا بگاس پرمی منصوبہ گورنمنٹ کی جانب سے بگاس پرمی توانائی کے منصوبوں پر غیر واضح صورت حال کی وجہ سے رکا ہوا ہے۔ اسلام آباد ہائی کورٹ میں CPPA کی جانب سے پمپ کے متعلق مقدمہ زیر التوا ہے اس کیس کے نتائج اس منصوبے کے مستقبل کیلئے اہم ہونگے۔ انتظامیہ حالات کا جائزہ لے رہی ہے اور آئندہ کے لائحہ عمل کا فیصلہ کمپنی کے حق میں آنے کے بعد کیا جائے گا۔

عام امور:

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

از طرف بورڈ آف ڈائریکٹرز

  
مر تقی علی  
ڈائریکٹر

  
حسین الحسن  
چیف ایگزیکٹو

کراچی مورخہ 28 مئی 2020





## ڈائریکٹرز کی رپورٹ

محترم ممبران۔ السلام علیکم

بورڈ آف ڈائریکٹرز کی جانب سے ہم 31 مارچ 2020 کو ختم ہونے والی ششماہی مدت کے کمپنی کی غیر آڈٹ شدہ مجموعی اور غیر مجموعی عبوری مالیاتی حسابات پیش کر رہے ہیں۔

11 مارچ 2020 کو عالمی ادارہ صحت (ڈبلیو۔ ایچ۔ او) نے Covid-19 کو عالمی وباء قرار دے دیا اور انتہا کیا کہ یہ وباء ایک بڑی آبادی پر اثر انداز ہوگی اور کئی بلاکتوں کا باعث ہوگی۔ دنیا کے سائنسدانوں نے Covid-19 کے تریاق کیلئے ویکسین بنانے پر تحقیقات کر رہے ہیں جب تک کہ اس وائرس کے پھیلاؤ کو روکنے کیلئے سخت سماجی فاصلے اور عالمی ادارہ صحت کے بتائے ہوئے احتیاطی تدابیر کے اصولوں کے مطابق عمل کرنا ہے۔

حکومت پاکستان کے اس ہیجی صورت حال کو دیکھتے ہوئے احتیاطی طور پر پہلے مرحلے میں لاک ڈاؤن نافذ کر دیا ہے اس پھیلاؤ کو روکنے کے اقدامات کے نتیجے میں معاشی سست روی اور کاروبار میں رکاوٹ پیدا ہو گئی ہے۔

مالیاتی نتائج:

اللہ کے فضل و کرم سے زیر جائزہ مدت کے دوران آپ کی کمپنی کا قبل از ٹیکس منافع کی رقم ملین 451.34 ملین روپے رہی۔ اس ششماہی مدت کے مالیاتی نتائج درج ذیل ہیں۔

(روپے ہزاروں میں)

451,335	منافع قبل از ٹیکس
65,000	ٹیکسیشن
36,335	منافع بعد از ٹیکسیشن
5,797	غیر منقسمہ منافع براٹ فارورڈ
392,132	غیر منقسمہ منافع گیری فارورڈ
2.58	منافع فی شیئر۔ بنیادی اور معتدل۔ روپیہ

کارکردگی کا جائزہ:

شکر ڈویژن:

گنے کی کرشنگ کا سیزن 2019-2020 کا نومبر 26 نومبر 2019 کو شروع ہوا اور پلانٹ کو 5 مارچ 2020 تک 101 دن چلایا گیا، اس کے مقابلے میں گزشتہ سیزن میں 98 دن چلایا گیا۔ اس سیزن میں گنے کی کرشنگ 620,425 میٹرک ٹن رہی جبکہ شکر کی اوسط ریکوری کا تناسب 9.91 فیصد رہا اور شکر کی پیداوار 61,488 میٹرک ٹن ہوئی۔ مقابلتا گزشتہ سیزن میں گنے کی کرشنگ 771,864 میٹرک ٹن رہی تھی جبکہ شکر کی اوسط ریکوری 10.87 فیصد تھی اور شکر کی پیداوار 83,910 میٹرک ٹن تھی۔

حکومت سندھ نے 9 دسمبر 2019 کو گنے کی کم از کم سپورٹ پرائس برائے سیزن 2019-2020 کے نوٹیفیکیشن کا اجراء کیا جس میں گنے کی قیمت 192/- روپے فی 40 کلوگرام مقرر کی گئی اور اس کے مقابلے میں کرشنگ سیزن 2018-19 کی 182/- روپے فی 40 کلوگرام تھی۔ علاوہ ازیں ملز کو الٹی پریسٹیم شکر کی اوسط ریکوری کے نتیجے میں 8.70 فیصد سے زائد ہر 0.10 فیصد پر 0.50 روپے فی 40 کلوگرام ادا کرے گی۔