



Habib Sugar Mills Limited

**Report and Condensed Interim
Financial Statements
for the Quarter and Nine months
ended June 30, 2024
(Unaudited)**

Directors' Report

Dear Members – Assalam-o-Alekum

On behalf of the Board of Directors, we are pleased to present you the unaudited condensed interim financial statements of the Company for the three quarters ended on June 30, 2024. The Company has earned pre-tax profit of Rs. 2,397 million (2023: Rs. 1,799 million). The financial results of the Company for the three quarters ended June 30, 2024 are summarized below:

Financial Results

	<i>Three Quarters ended June 30, 2024</i>	<i>Three Quarters ended June 30, 2023</i>	<i>Variance</i>
	<i>(----- Rupees in Million -----)</i>		
Profit before taxation	2,397	1,799	598
Less: Taxation	(540)	(430)	(110)
Profit after taxation	1,857	1,369	488
Add: Realized gain/(loss) on sale of investment	58	(228)	286
Unappropriated profit brought forward	5	5	-
Unappropriated profit carried forward	1,920	1,146	774
Earnings per share–Basic – Rs.	12.38	9.13	3.25
Earnings per share–Diluted – Rs.	12.66	9.33	3.33

Sugar Division

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

The Government of Sindh on August 16, 2023 issued a notification fixing the minimum sugarcane support price at Rs. 425 per 40 kgs for the crushing season 2023 - 24 as against Rs. 302 per 40 kgs for the crushing season 2022 - 2023. In addition, the sugar mills in Sindh are also required to pay quality premium at the rate of Re. 0.50 for every 0.1 percent sucrose recovery in excess of the bench mark of 8.7%.

The sugar division earned operating profit of Rs. 734 million (2023: Rs. 418 million). The operating profit for the current period is higher by 316 million as compared to the preceding period.

In light of the decision of the Economic Coordination Committee (ECC) allowing export of 150,000 M. Tons of sugar, the Cane Commissioner-Sindh vide his letter dated July 1, 2024 allocated equal export Quota of 1,451 M. Tons to each of the 31 operational sugar mills in Sindh (i.e., total 45,000 M. Tons representing Sindh's share of 30% out of total 150,000 M. Tons of export allowed by the ECC).

The above allocation was challenged by a sugar mill on the premises that the above allocation should have been made on the basis of actual crushing/production by each sugar mill during the preceding season. The Sindh High Court vide order dated July 5, 2024 suspended the above allocation. Thereafter, all sugar mills filed a joint settlement before the Sindh High Court on July 10, 2024 whereunder equal export quota of 1,250 M. Tons shall be allowed to each of the 28 sugar mills whereas 3 large sugar mills shall be collectively allowed remaining quota of 10,000 M. Tons. The order of the High Court confirming the above settlement is awaited.

Distillery Division

The ethanol production during the three quarters ended June 30, 2024 was 22,098 M. Tons (2023: 25,519 M. Tons). The division earned operating profit of Rs. 749 million (June 30, 2023: Rs. 1,398 million). The decrease in profit of Rs. 649 million during the period ended on June 30, 2024 was mainly due to depressed Ethanol selling prices in the international market and high manufacturing cost mainly on account of raw material.

The liquidified carbon dioxide (CO₂) unit produced 7,287 M. Tons (June 30, 2023: 7,182 M. Tons). The contribution of the unit is included in the profit of the division.

Textile Division

The division earned operating profit of Rs. 13 million during the three quarters under review (2023: Rs. 27 million). The decrease in profit was mainly attributable to high manufacturing cost mainly on account of raw material.

Trading Division

The Trading division earned operating profit of Rs. 82 million mainly on account of trading of sugar and molasses (2023: Rs. 144 million).

Buy-Back of Shares

The Board of directors in their meeting held on December 23, 2023 had recommended the scheme for Buy-Back of 15,000,000 ordinary shares of the Company, which was approved by the members in the Annual General Meeting held on January 24, 2024. The Company had completed the above purchase/Buy-Back of Shares on April 25, 2024 and the required legal and corporate formalities had also been completed. The above 15,000,000 shares had been cancelled in the books of the Company in light of the Buy-Back Scheme approved by the members. The paid-up capital of the Company has been reduced accordingly.

Taxation of income from exports

Through the Finance Act, 2024, major amendment had been made regarding taxation of income from exports which will have a major impact on the export business of the Company. Previously, the income from exports was taxable at the rate of 1% on export proceeds under the Final Tax Regime (FTR). After the above amendment, income from exports is now taxable at the normal tax rate of 39% (i.e., Income Tax at the rate of 29% and Super Tax at the rate of 10%).

We understand that the above amendment is applicable w.e.f. July 1, 2024. The Company would therefore, charge tax at the rate of 39% on income from exports from July 1, 2024 i.e., for the last quarter ending on September 30, 2024. In the financial statements for the first three quarters ended on June 30, 2024, the tax on export income had been charged at the rate of 1% on export proceeds under the FTR.

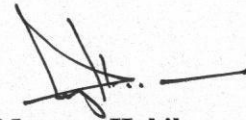
Acknowledgement

The Directors of the Company would like to thank all the staff, shareholders, financial institutions and other stakeholders of the Company for their continued support and cooperation.

On behalf of the Board of Directors



Khursheed A. Jamal
Chief Executive



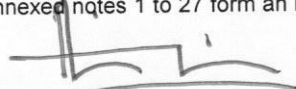
Murtaza Habib
Director

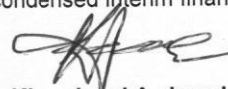
Karachi: July 30, 2024

HABIB SUGAR MILLS LIMITED
Condensed Interim Statement of Financial Position
As at June 30, 2024 (Unaudited)

	Note	(Unaudited) June 30, 2024 (Rupees in thousands)	(Audited) September 30, 2023 (Rupees in thousands)
Assets			
Non-Current Assets			
Property, plant and equipment	5	2,115,753	2,284,432
Right-of-use assets		16,704	7,237
Long-term investments	6	4,035,515	1,908,277
Long-term loans		15,045	17,529
Long-term deposits		<u>3,972</u>	<u>3,972</u>
		<u>6,186,989</u>	<u>4,221,447</u>
Current Assets			
Stores and spare parts		365,195	387,261
Stock-in-trade	7	9,134,917	3,957,133
Trade debts		1,140,887	1,160,742
Loans and advances	8	333,698	186,108
Trade deposits and short-term prepayments		63,463	64,087
Profit accrued		14,589	32,793
Other receivables		10,387	12,753
Short-term investments	9	1,649,794	6,412,471
Cash and bank balances	10	<u>1,843,127</u>	<u>1,274,264</u>
		<u>14,556,057</u>	<u>13,487,612</u>
Total Assets		<u><u>20,743,046</u></u>	<u><u>17,709,059</u></u>
Equity and Liabilities			
Share Capital and Reserves			
Share Capital			
Authorised Capital 150,000,000 (September 30, 2023: 150,000,000) Ordinary shares of Rs.5 each		<u>750,000</u>	<u>750,000</u>
Issued, subscribed and paid-up capital 135,000,000 (September 30, 2023: 150,000,000) Ordinary shares of Rs.5 each	11	675,000	750,000
Reserves	12	<u>12,598,473</u>	<u>10,565,406</u>
Total Equity		13,273,473	11,315,406
Non-Current Liabilities			
Deferred taxation	13	208,500	180,500
Gas Infrastructure Development Cess		73,632	71,432
Lease liability		<u>12,905</u>	<u>-</u>
		295,037	251,932
Current Liabilities			
Trade and other payables	14	3,016,073	2,956,821
Advance from customers		2,397,058	1,615,781
Short-term borrowings	15	1,155,661	1,156,626
Unclaimed dividends		271,823	195,425
Accrued mark-up		1,134	5,440
Taxation		325,358	202,055
Current portion of lease liability		<u>7,429</u>	<u>9,573</u>
		<u>7,174,536</u>	<u>6,141,721</u>
Contingencies and Commitments	16		
Total Equity and Liabilities		<u><u>20,743,046</u></u>	<u><u>17,709,059</u></u>

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


Amir Bashir Ahmed
Chief Financial Officer


Khurshheed A. Jamal
Chief Executive



Murtaza Habib
Director


HABIB SUGAR MILLS LIMITED

Condensed Interim Statement of Profit or Loss Account for the quarter and cumulative for three quarters ended June 30, 2024 (Unaudited)

	Note	Three Quarters ended		Quarter ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
(Rupees in thousands)					
Segment operating results	17				
Net sales and services		15,781,431	12,937,886	6,109,607	5,597,084
Cost of sales		<u>(13,614,978)</u>	<u>(10,427,642)</u>	<u>(5,269,957)</u>	<u>(4,412,522)</u>
Gross Profit		2,166,453	2,510,244	839,650	1,184,562
Selling and distribution expenses		(301,704)	(299,249)	(132,867)	(127,997)
Administrative expenses		(286,148)	(223,819)	(105,959)	(72,446)
Other operating expenses	18	(154,801)	(412,256)	(53,456)	(161,696)
Other income	19	1,076,225	415,514	316,748	29,711
		333,572	(519,810)	24,466	(332,428)
Operating profit		<u>2,500,025</u>	<u>1,990,434</u>	<u>864,116</u>	<u>852,134</u>
Finance cost - net	20	<u>(102,559)</u>	<u>(191,584)</u>	<u>(49,759)</u>	<u>(61,844)</u>
Profit before taxation		2,397,466	1,798,850	814,357	790,290
Taxation		(580,000)	(372,000)	(205,000)	(207,000)
- Current		40,000	(58,000)	(5,000)	(63,000)
- Deferred		(540,000)	(430,000)	(210,000)	(270,000)
Profit after taxation		<u>1,857,466</u>	<u>1,368,850</u>	<u>604,357</u>	<u>520,290</u>
Earnings per share					
- Basic		Rs. 12.38	9.13	4.03	3.47
- Diluted		Rs. 12.66	9.33	4.12	3.55

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


Amir Bashir Ahmed
 Chief Financial Officer



Khursheed A. Jamal
 Chief Executive

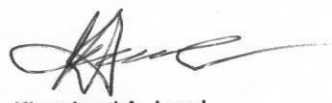

Murtaza Habib
 Director

HABIB SUGAR MILLS LIMITED
Condensed Interim Statement of Changes in Equity
For the three quarters ended June 30, 2024 (Unaudited)

	Issued Subscribed and Paid-up Capital	Share Premium	Revenue Reserves			Total Reserves	Total Equity
			General Reserve	Unappro- priated Profit	Unrealised gain / (loss) on re-measurement of FVOCI investment		
(Rupees in thousands)							
Balance as on October 01, 2022 (Audited)	750,000	34,000	6,408,500	1,340,185	987,317	8,770,002	9,520,002
Total comprehensive income for the period ended June 30, 2023	-	-	-	1,368,850	(369,256)	999,594	999,594
Realised loss on sale of investments	-	-	-	(227,867)	227,867	-	-
Transfer to general reserve	-	-	810,000	(810,000)	-	-	-
Cash dividend for 2022 @ 70%	-	-	-	(525,000)	-	(525,000)	(525,000)
Balance as on June 30, 2023	<u>750,000</u>	<u>34,000</u>	<u>7,218,500</u>	<u>1,146,168</u>	<u>845,928</u>	<u>9,244,596</u>	<u>9,994,596</u>
Balance as on October 1, 2023 (Audited)	750,000	34,000	7,218,500	2,314,540	998,366	10,565,406	11,315,406
Total comprehensive income for the period ended June 30, 2024	-	-	-	1,857,466	2,123,056	3,980,522	3,980,522
Realised gain on sale of investments	-	-	-	58,395	(58,395)	-	-
Transfer to general reserve	-	-	1,410,000	(1,410,000)	-	-	-
Cash dividend for 2023 @ 120%	-	-	-	(900,000)	-	(900,000)	(900,000)
Shares cancelled - purchased under buy back scheme	(75,000)	-	(1,047,455)	-	-	(1,047,455)	(1,122,455)
Balance as on June 30, 2024	<u>675,000</u>	<u>34,000</u>	<u>7,581,045</u>	<u>1,920,401</u>	<u>3,063,027</u>	<u>12,598,473</u>	<u>13,273,473</u>

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


Amir Bashir Ahmed
Chief Financial Officer


Khursheed A. Jamal
Chief Executive

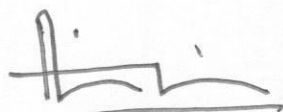

Murtaza Habib
Director


HABIB SUGAR MILLS LIMITED

Condensed Interim Statement of Comprehensive Income for the quarter and cumulative for three quarters ended June 30, 2024 (Unaudited)

	Three quarters ended		Quarter ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Rupees in thousands)			
Profit after taxation	1,857,466	1,368,850	604,357	520,290
Other comprehensive income :				
Items that will not be reclassified to the statement of profit or loss :				
Unrealised Gain / (Loss) on re-measurement of equity investments classified as fair value through other comprehensive income (FVOCI) - net of tax	2,123,056	(369,256)	831,607	27,254
	<u>3,980,522</u>	<u>999,594</u>	<u>1,435,964</u>	<u>547,544</u>

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


Amir Bashir Ahmed
Chief Financial Officer


Khursheed A. Jamal
Chief Executive



Murtaza Habib
Director


HABIB SUGAR MILLS LIMITED

Condensed Interim Statement of Cash Flow Statement for the three quarters ended June 30, 2024 (Unaudited)

	Note	June 30, 2024 (Rupees in thousands)	June 30, 2023
Cash flows from operating activities			
Cash (used) / generated in operations	21	(2,659,004)	(2,677,207)
Finance (cost) / income received - net		(88,659)	(109,323)
Income tax paid		(456,697)	(241,221)
Long-term loans		2,484	1,626
Long-term deposits		-	(100)
Net cash (used) / generated operating activities		(3,201,876)	(3,026,225)
Cash flows from investing activities			
Fixed capital expenditure		(58,619)	(54,862)
Sale proceeds / redemption of investments		7,107,594	7,509,895
Dividend received		871,728	383,777
Purchase of investments		(2,195,938)	(5,131,786)
Sale proceeds of fixed assets		3,757	4,566
Net cash used in from investing activities		5,728,522	2,711,590
Cash flows from financing activities			
Lease rentals paid		(10,761)	(5,893)
Buy back of shares for cancellation		(1,122,455)	-
Dividend paid		(823,602)	(434,737)
Net cash used in financing activities		(1,956,818)	(440,630)
Net Increase / (decrease) in cash and cash equivalents		569,828	(755,265)
Cash and cash equivalents at the beginning of the period		117,638	545,972
Cash and cash equivalents at the end of the period	22	687,466	(209,293)

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


Amir Bashir Ahmed
Chief Financial Officer


Khursheed A. Jamal
Chief Executive


Murtaza Habib
Director

HABIB SUGAR MILLS LIMITED
Notes to the Condensed Interim Financial Statements
For the three quarters ended June 30, 2024 (Unaudited)

1. THE COMPANY AND ITS OPERATIONS

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

1.2 These 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. Statement of Compliance

2.1 These 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 condensed interim financial statements are unaudited and are being submitted to the members in accordance with Section 237 of the Companies Act, 2017 (the Act) and have been prepared in accordance with the requirements of International Accounting Standard (IAS) - 34, 'Interim Financial Reporting', as applicable in Pakistan and provisions of and directives issued under the Act. In case where requirements differ, the provisions of or directives issued under the Act have been followed.

2.3 These 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, 2023.

3. Significant accounting policies and disclosures

The accounting policies and methods of computations followed for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Company for the year ended September 30, 2023.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements in conformity with approved accounting standards, as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of policies and the reported amount of assets and liabilities and income and expenses.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied in the Company's annual unconsolidated financial statements for the year ended September 30, 2023, except as disclosed otherwise.

	(Unaudited) June 30, 2024 (Rupees in thousands)	(Audited) September 30, 2023
5 Property, plant and equipment		
Operating fixed assets	2,115,753	2,220,789
Major stores and spare parts	-	63,643
	<u>2,115,753</u>	<u>2,284,432</u>

5.1 Cost of additions to and written down value of deletions from fixed assets during the three quarters ended June 30, 2024 were as follows:

	(Unaudited) June 30, 2024	
	Additions	Deletions
	(Rupees in thousands)	
Plant and machinery		
Sugar	27,829	
Furniture, fittings and office equipment	6,393	16
Agriculture Equipment	2,124	-
Vehicles	7,238	86
ROUA	15,035	-
	<u>58,619</u>	<u>102</u>

	Note	(Unaudited) June 30, 2024 (Rupees in thousands)	(Audited) September 30 2023 (Rupees in thousands)
6. Long-term investments - FVOCI			
Investments in related parties - Quoted		2,754,855	1,113,694
Investments in related parties - Un-Quoted		13,125	13,125
Investments in other companies - Quoted		1,267,535	781,458
	6.1	<u>4,035,515</u>	<u>1,908,277</u>

6.1 The aggregate cost of these investments, net of impairment is Rs.932.46 (September 30, 2023: Rs.949.52) million.

7. Stock-in-trade			
Raw materials		1,353,123	643,015
Work-in-process		72,104	81,365
Finished goods		7,642,067	3,227,670
Bagasse		67,623	5,083
		<u>9,134,917</u>	<u>3,957,133</u>

8. Loans and advances - considered good			
Current maturity of long-term loans - secured			
Executives		25,804	5,462
Other Employees		4,556	10,960
		30,360	16,422
Advances - unsecured			
Suppliers		303,338	169,686
		<u>333,698</u>	<u>186,108</u>

9. Short-term investments			
At amortised cost			
Government Securities			
Market Treasury Bills		-	220,065
Pakistan Investment Bond	9.1	101,641	101,641
		<u>101,641</u>	<u>321,706</u>
At FVOCI			
Units of Mutual Funds	9.2	1,548,153	6,090,765
		<u>1,649,794</u>	<u>6,412,471</u>

9.1 These carry effective yield of 13.23% (September 30, 2023: 13.65% to 21.95%).

9.2 The aggregate cost of the units of mutual funds is Rs.1,634.82 (September 30, 2023 : Rs.6,384.82) million.

10. Cash and bank balances			
Cash in hand		1,123	770
Balances with banks in :			
Current accounts		394,726	120,118
Treasury call accounts	10.1	1,399,278	1,105,376
Term Deposit Receipts	10.2	48,000	48,000
	10.3	1,842,004	1,273,494
		<u>1,843,127</u>	<u>1,274,264</u>

10.1 Profit rates on Treasury call accounts ranged between 20.60% to 20.80% (September 2023: 14.50% to 20.60%) per annum.

10.2 Profit rates on Term Deposit Receipts is 19.50% (September 2023: 19.50%) per annum.

10.3 Includes Rs.1,333.28 (September 2023: Rs.1,104.27) million kept with Bank AL Habib Limited - a related party.

	(Unaudited) June 30, 2024	(Audited) September 30, 2023
11. Issued, subscribed and paid-up capital	(Rupees in thousands)	
Ordinary shares of Rs.5/- each fully paid in cash	50,684	50,684
Ordinary shares of Rs.5/- each issued as bonus shares	699,316	699,316
Shares cancelled - purchased under buy back scheme	(75,000)	-
	<u>675,000</u>	<u>750,000</u>
12 Reserves		
Capital		
Share premium	34,000	34,000
Own shares purchased for cancellation	12.1 (1,047,455)	-
General Reserve	8,628,500	7,218,500
Unappropriated profit	1,920,401	2,314,540
Unrealised gain on re-measurement of FVOCI Investments	3,063,027	998,366
	<u>12,564,473</u>	<u>10,531,406</u>
	<u>12,598,473</u>	<u>10,565,406</u>
12.1 The Board of directors in their meeting held on December 23, 2023 had recommended the scheme for Buy-Back of 15,000,000 ordinary shares of the Company, which was approved by the members in the Annual General Meeting held on January 24, 2024. The Company had completed the above purchase/Buy-Back of Shares on April 25, 2024 and the required legal and corporate formalities for cancellation of shares has also been completed.		
13 Deferred taxation		
Deferred tax liability on taxable temporary difference:		
- accelerated tax depreciation	221,500	228,000
- re-measurement of investment accelerated tax depreciation	55,000	-
	<u>276,500</u>	<u>228,000</u>
Deferred tax asset on deductible temporary difference:		
- provision for obsolescence and slow moving stores & spare parts	(31,500)	(31,500)
- lease liability	(7,000)	(3,000)
- Minimum tax carried forward	(29,500)	-
- re-measurement of investments	-	(13,000)
	<u>(68,000)</u>	<u>(47,500)</u>
	<u>208,500</u>	<u>180,500</u>
14. Trade and other payables		
Creditors	2,030,006	2,054,357
Accrued liabilities	560,563	483,306
Payable to Employees Gratuity Fund	-	4,481
Sales Tax Payable	199,382	173,146
Gas Infrastructure Development Cess	32,489	32,302
Workers' Profit Participation Fund (WPPF)	130,470	161,518
Workers' Welfare Fund	57,583	43,231
Income-tax deducted at source	5,580	4,480
	<u>3,016,073</u>	<u>2,956,821</u>
15. Short-term borrowings - secured	<u>1,155,661</u>	<u>1,156,626</u>
The aggregate financing facility available from commercial banks amounted to Rs.10,417 (September 2023: Rs.9,562) million. These financing facilities are secured by way of registered charge against hypothecation of stock-in-trade, stores and spares, assignment of trade debts and other receivables. The rate of mark-up charged during the period was 2% to 22.42% (September 2023: 2% to 21.73%) per annum.		
16. Contingencies and commitments		
16.1 There has been no significant change in the status of contingencies as disclosed annual financial statements of the Company for the year ended September 30, 2023.		
16.2 The Company has provided counter guarantees to Bank AL Habib Limited, a related party, amounting to Rs.600 (September 30, 2023: Rs.500) million against agriculture finance facilities to the growers supplying sugarcane to the mills and counter guarantees to other banks amounting to Rs.3,795.91 (September 30, 2023: Rs.2,411.54) million against guarantees issued by banks in favour of third parties on behalf of the Company. These guarantees are secured by way of registered charge against hypothecation of stores and spares, stock-in-trade, assignment of trade debts and other receivables.		
16.3 Commitments for capital expenditure amounting to Rs.10,710 (September 2023: Nil) million.		
	(Unaudited) June 30, 2024	(Audited) Sept. 30, 2023
	(Rupees in thousands)	
16.4 Rentals payable over next four years under Ijarah agreements with First Habib Modaraba in respect of vehicles	<u>104,974</u>	<u>161,881</u>

17 Segment operating results

17.1 Segment operating results for the three quarters ended June 30, 2024 (Unaudited)

[Rupees in thousands]

	Sugar Division		Distillery Division		Textile Division		Trading Division		Total	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Net sales and services										
Sales										
Local	8,564,019	6,027,877	653,057	575,079	2,303	1,792	1,098,879	580,570	10,318,258	7,185,318
Export	-	212,231	4,635,465	5,136,109	512,045	397,652	310,597	-	5,458,107	5,745,992
	8,564,019	6,240,108	5,288,522	5,711,188	514,348	399,444	1,409,476	580,570	15,776,365	12,931,310
Services - Storage income - net	-	-	5,066	6,576	-	-	-	-	5,066	6,576
	8,564,019	6,240,108	5,293,588	5,717,764	514,348	399,444	1,409,476	580,570	15,781,431	12,937,886
Less: Cost of sales	(7,478,103)	(5,540,917)	(4,351,388)	(4,103,918)	(467,892)	(346,228)	(1,317,595)	(436,579)	(13,614,978)	(10,427,642)
Gross profit	1,085,916	699,191	942,200	1,613,846	46,456	53,216	91,881	143,991	2,166,453	2,510,244
Less : Selling and distribution expenses	(96,370)	(83,637)	(171,201)	(196,435)	(24,938)	(19,169)	(9,195)	(8)	(301,704)	(299,249)
Administrative expenses	(255,201)	(197,628)	(21,685)	(19,042)	(8,647)	(6,675)	(615)	(474)	(286,148)	(223,819)
	(351,571)	(281,265)	(192,886)	(215,477)	(33,585)	(25,844)	(9,810)	(482)	(587,852)	(523,068)
Profit / (Loss) before other operating expenses and other income	<u>734,345</u>	<u>417,926</u>	<u>749,314</u>	<u>1,398,369</u>	<u>12,871</u>	<u>27,372</u>	<u>82,071</u>	<u>143,509</u>	1,578,601	1,987,176
Other operating expenses - Note 18									(154,801)	(412,256)
Other income - Note 19									1,076,225	415,514
Operating Profit									<u>2,500,025</u>	<u>1,990,434</u>

17.2 Segment operating results for the quarter ended June 30, 2024 (Unaudited)

[Rupees in thousands]

	Sugar Division		Distillery Division		Textile Division		Trading Division		Total	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Net sales and services										
Sales										
Local	3,921,919	2,259,304	255,964	236,075	49	-	484,289	574,012	4,662,221	3,069,391
Export	-	212,231	1,207,209	2,170,620	150,446	140,706	87,302	-	1,444,957	2,523,557
	3,921,919	2,471,535	1,463,173	2,406,695	150,495	140,706	571,591	574,012	6,107,178	5,592,948
Services - Storage income - net	-	-	2,429	4,136	-	-	-	-	2,429	4,136
	3,921,919	2,471,535	1,465,602	2,410,831	150,495	140,706	571,591	574,012	6,109,607	5,597,084
Less: Cost of sales	(3,493,702)	(2,172,653)	(1,081,986)	(1,690,177)	(144,296)	(116,031)	(549,973)	(433,661)	(5,269,957)	(4,412,522)
Gross profit	428,217	298,882	383,616	720,654	6,199	24,675	21,618	140,351	839,650	1,184,562
Less : Selling and distribution expenses	(45,794)	(38,307)	(73,574)	(82,894)	(6,890)	(6,788)	(6,609)	(8)	(132,867)	(127,997)
Administrative expenses	(100,718)	(65,818)	(2,901)	(4,237)	(2,143)	(2,054)	(197)	(337)	(105,959)	(72,446)
	(146,512)	(104,125)	(76,475)	(87,131)	(9,033)	(8,842)	(6,806)	(345)	(238,826)	(200,443)
Profit/(Loss) before other operating expenses and other income	281,705	194,757	307,141	633,523	(2,834)	15,833	14,812	140,006	600,824	984,119
Other operating expenses - Note 18									(53,456)	(161,696)
Other income - Note 19									316,748	29,711
Operating Profit									864,116	852,134

		Unaudited			
		Three quarters ended		Quarter ended	
Note		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
		(Rupees in thousands)			
18.	Other operating expenses				
	Workers' Profit Participation Fund	130,414	83,447	43,387	42,081
	Workers' Welfare Fund	22,000	14,500	10,000	8,000
	Exchange Loss - net	-	314,309	-	111,615
	Remeasurement loss on discounting of Provision for GIDC	2,387	-	69	-
		<u>154,801</u>	<u>412,256</u>	<u>53,456</u>	<u>161,696</u>
19.	Other income				
	Dividend income	865,651	376,567	219,724	23,370
	Remeasurement gain on discounting of Provision for GIDC	-	9,436	-	1,490
	Scrap sale	5,077	20,891	421	3,448
	Gain on disposal of fixed assets	3,654	4,322	-	734
	Agriculture income	42,729	4,298	11,362	669
	Exchange Gain	159,114	-	85,241	-
		<u>1,076,225</u>	<u>415,514</u>	<u>316,748</u>	<u>29,711</u>
20.	Finance income / (cost) - net				
	Profit / Interest on :				
	Treasury call accounts	291,653	57,759	89,656	29,891
	Term deposit receipts	7,002	21,904	2,332	4,297
	Government Securities	12,504	40,156	3,362	15,251
	Loan to employees	1,972	1,479	815	461
		313,131	121,298	96,165	49,900
	Less: Mark-up / interest on:				
	Short-term borrowings	(371,120)	(286,806)	(136,873)	(99,670)
	Workers' Profit Participation Fund	(5,361)	(1,175)	-	-
	Lease Liability	(3,098)	(966)	(2,710)	(251)
		(379,579)	(288,947)	(139,583)	(99,921)
	Bank charges	(36,111)	(23,935)	(6,341)	(11,823)
		<u>(102,559)</u>	<u>(191,584)</u>	<u>(49,759)</u>	<u>(61,844)</u>
21.	Cash generated from operations				
	Profit before taxation			2,397,466	1,798,850
	Adjustment for non-cash charges and other items				
	Depreciation			154,087	167,643
	Remeasurement gain on discounting of Provision for GIDC			2,387	(9,436)
	Gain on disposal of fixed assets			(3,654)	(4,322)
	Finance cost - net			102,559	191,584
	Dividend income			(865,651)	(376,567)
	Working capital changes - note 21.1			(4,446,198)	(4,444,959)
				<u>(2,659,004)</u>	<u>(2,677,207)</u>
21.1	Working capital changes				
	(Increase) / decrease in current assets				
	Stores and spare parts			22,066	(30,577)
	Stock-in-trade			(5,177,784)	(2,974,740)
	Trade debts			19,855	(968,722)
	Loans and advances			(147,590)	(627,077)
	Trade deposits and Short-term prepayments			624	(15,148)
	Other receivables			(3,711)	(33,220)
				(5,286,540)	(4,649,484)
	Increase / (decrease) in current liabilities				
	Trade and other payables			59,065	320,369
	Advance from customers			781,277	(115,844)
	Net changes in working capital			<u>(4,446,198)</u>	<u>(4,444,959)</u>

(Unaudited)
June 30, June 30,
2024 2023
(Rupees in thousands)

22. Cash and cash equivalents at the end of the period

These comprise of the following :

Cash and bank balances	1,843,127	1,968,214
Short-term borrowings	<u>(1,155,661)</u>	<u>(2,177,507)</u>
	<u>687,466</u>	<u>(209,293)</u>

23. Financial Risk Management, Objectives and Policies

The Company's activities expose it to a variety of financial risks. These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Company as at September 30, 2023. There has been no change in any risk management policies since the year end.

24. Fair values of Assets and Liabilities

There were no transfers amongst levels during the period.

25. Transactions with related parties

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

		Unaudited	
		Three quarters ended June 30, 2024	June 30, 2023
(Rupees in thousands)			
Nature of Relationship	Nature of transactions		
Other related party	Investment in shares / units of mutual fund	187,467	1,800,000
	Sale of Share / units of mutual Fund	2,991,867	3,408,929
	Insurance premium paid	38,489	32,826
	Insurance claim received	3,428	24,200
	Profit on treasury call accounts / term deposits	286,382	54,686
	Capital Gain on sale of units of mutual funds	22,611	32,708
	Dividend income	537,679	248,452
	Dividend paid	89,376	52,136
	Bank charges	102	263
Key management personnel	Managerial remuneration	65,771	53,417
Retirement benefit funds	Contribution to retirement funds	20,132	16,341

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

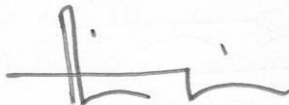
26. Date of authorisation for issue

These condensed interim financial statements were authorised for issue on July 30, 2024 by the Board of Directors of the Company.

27. General

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

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



Amir Bashir Ahmed
Chief Financial Officer



Khurshheed A. Jamal
Chief Executive



Murtaza Habib
Director