



HUSEIN
SUGAR

INNOVATING
TODAY
DEFINING
TOMORROW

**UN-AUDITED
CONDENSED
FINANCIAL
INFORMATION**

FOR THE NINE MONTHS ENDED
30 JUNE 2021



CONTENTS

Company Information	2
Directors' Report to the Shareholders - English	4
Directors' Report to the Shareholders - Urdu	6
Condensed Interim Statement of Financial Position	8
Condensed Interim Statement of Profit or Loss	10
Condensed Interim Statement of Comprehensive Income	11
Condensed Interim Statement of Cash Flows	12
Condensed Interim Statement of Changes in Equity	13
Notes to the Condensed Interim Financial Information	14

COMPANY INFORMATION

DIRECTORS

Mian Ahmed Ali Tariq	Chairman
Mian Mustafa Ali Tariq	Chief Executive Director
Mrs. Nusrat Shamim	Non Executive Director
Mrs. Maryam Habib	Executive Director
Mr. Taufiq Ahmed Khan	Independent Director
Mr. M. Imran Khan	Independent Director
Mr. Saif Hasan	Independent Director

CHIEF OPERATING AND FINANCIAL OFFICER

Mr. Wasim Saleem

COMPANY SECRETARY

Mr. Khalid Mahmood

HEAD OF INTERNAL AUDIT

Mr. Jalal-ud-Din Khan

AUDIT COMMITTEE

Mr. Taufiq Ahmad Khan	Chairman
Mian Ahmed Ali Tariq	Member
Mr. Muhammad Imran Khan	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mian Ahmed Ali Tariq	Chairman
Mian Mustafa Ali Tariq	Member
Mr. Taufiq Ahmad Khan	Member

RISK MANAGEMENT COMMITTEE

Mian Mustafa Ali Tariq	Chairman
Mrs. Maryam Habib	Member
Mr. Saif Hasan	Member

LEGAL ADVISOR

Saad Rasool Law Associates

BANKERS OF THE COMPANY

ISLAMIC

Askari Bank Limited
Bankislami Pakistan Limited
Dubai Islamic Bank Limited
Habib Bank Limited
Meezan Bank Limited
Orix Modaraba

CONVENTIONAL

Bank Al Falah Limited
First Credit and Investment Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
The Bank of Punjab

SHARE REGISTRAR

M/s Corptec Associates (Pvt) Limited
503 – E, Johar Town, Lahore, Pakistan
Ph: 042-35170336-7
Fax: 042-35170338

EXTERNAL AUDITORS

Kreston Hyder Bhimjee & Co
Chartered Accountants

MILLS

Lahore Road, Jaranwala
Ph: 041-4312499

REGISTERED & HEAD OFFICE

180 Abu Bakar Block, New Garden Town,
Canal Road, Lahore.
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WEBSITE INFORMATION

www.husein.pk

PSX SYMBOL

HSM

DIRECTORS' REPORT

I am pleased to present the third quarter interim condensed financial information of the Company for the period ending on June 30, 2021.

The highlights of the Company's performance for the nine months and its comparison with the corresponding period from last year are illustrated below:

	30 June 2021	30 June 2020
OPERATIONAL		
Sugarcane crushed (M. Tons)	822,621	476,431
Sugar produced (M. Tons)	74,564	43,307
Sugar recovery percentage	9.06	9.12
 (Rupees)	
FINANCIAL		
Sales	5,189,828,195	1,331,076,184
Gross profit	457,977,868	165,218,726
Operating cost	177,738,711	149,401,087
Finance cost	240,033,441	285,585,976
Profit/(Loss) before taxation	118,979,549	(182,521,997)
Profit/(Loss) after taxation	41,132,127	(178,290,997)
Earnings/ (Loss) per share	1.07	(4.63)

A continued reduction in sugarcane plantation across Pakistan similar to last year has led to a comparable production of sugar this year. Due to climatic conditions and higher fertilizer costs, sugarcane yields and recoveries continue to be lower than previous years. Despite a similar crop size as last year, this year, the company was able to crush 822,621 Tons of sugarcane and produced 74,564 Tons of refined sugar at an average recovery of 9.06 as compared to last year's sugarcane crushing of 476,431 Tons and production of 43,307 M.Tons refined sugar at an average recovery of 9.12. The tremendous operational performance of the company has been made possible by the ongoing progress of our Efficiency Improvement Project that is currently in Phase 2 and projected to complete Phase 3 by 2023.

As compared to the 9 months ending FY2020, this year, the company has sold a significantly higher amount of inventory according to respective sugar prices. Due to a shortage of sugarcane, the average procurement price of sugarcane was about 30% higher than the notified sugarcane price. This high price of sugarcane has ultimately led to a high price of sugar in the wholesale and retail markets.

We are confident that starting Q4 and heading into FY21-22, prices of sugar will rally higher towards rates that will lead to decent profitability. With the opening up of the lockdown and lower cases of Covid-19 in Pakistan, we are confident the levels of demand of sugar will return to normal. As we have started to observe already, sugar prices in Pakistan have started to recover to feasible and fair values and will continue to rally into the later part of the year. Due to our selling strategy, the management is highly confident that we will recuperate the losses we have made in our first quarters and close this financial year in profit. Having operated in perhaps the most difficult year in the Sugar Industry's history, our strategy will turn a year of crisis into a year of relief.

The Efficiency Improvement Project of the company has increased the revenues of our company and has reduced energy costs as predicted. The company's revenue for Q3 2021 has hit the 5 Billion-Rs. Mark which is the highest in the company's history. In an effort to reduce our finance cost which is currently greater than 50% of our gross profit, the Board of Directors of the company has decided increase the size of its paid-up capital through the issuance of rights stock and the offering of preference shares. The monies utilized through these offerings will ensure the completion of our long-term projects and reduce the company's debt obligations

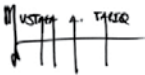
FUTURE OUTLOOK

Our agricultural survey department predicts that for the forthcoming year, sugarcane plantation in terms of total area under cultivation in our area is expected to be at higher levels than last year. Furthermore, due to substantial monsoon rains, and ample utilization of fertilizer and pesticides by cane growers, the expected yield per acre is projected to be significantly higher than last year. We are confident in a stable and economical supply of sugarcane for next crushing season. This hypothesis will be confirmed by end of August 2021 by which time the sugarcane survey of all mills will be complete.

Your company is continuously investing funds in project to improve its machinery efficiency and steam consumption per ton of sugarcane processed.

The Board acknowledges with thanks the continued support and cooperation extended by all stakeholders including bankers, financial institutions, and growers. The Board also places on record its appreciation for employees of the Company for their dedication, commitment, and hard work.

For and on behalf of Board of Directors,



Mian Mustafa Ali Tariq
Chief Executive Officer



Mian Ahmed Ali Tariq
Chairman

LAHORE: 16 July 2021

ڈائریکٹرز رپورٹ

میں 30 جون 2021ء کو ختم ہونے والی مدت کیلئے کمپنی کی نو ماہی عبوری منجمد مالی معلومات پیش کرتے ہوئے خوش محسوس کرتا ہوں۔
نو ماہی کے لئے کمپنی کی کارکردگی کی جھلکیاں اور گزشتہ سال کی اسی مدت سے اس کا موازنہ حسب ذیل ہے:-

2020	2021	آپریٹل
476,431	822,621	گنے کی کرشنگ (میٹرک ٹن)
43,307	74,564	چینی کی پیداوار (میٹرک ٹن)
9.12	9.06	چینی کی فیصد ریکوری (%)
روپے	روپے	مالیات
1,331,076,184	5,189,828,195	فروخت
165,218,726	457,977,868	مجموعی منافع
149,401,087	177,738,711	آپریٹنگ لاگت
285,585,976	240,033,441	مالی لاگت
(182,521,997)	118,979,549	ٹیکس سے قبل منافع / (نقصان)
(178,290,997)	41,132,127	ٹیکس کے بعد منافع / (نقصان)
(4.63)	1.07	فی شیئر آمدنی / (نقصان) (روپے)

گزشتہ سال کی طرح پورے پاکستان میں گنے کی کاشت میں مسلسل کمی کی وجہ سے اس سال چینی کی تقابلی پیداوار حاصل ہوئی۔ ماحول کے حالات اور کھادوں کی زیادہ قیمتوں کے باعث، گنے کی فی ایکڑ پیداوار اور ریکوریز گزشتہ سالوں سے مسلسل کم ہو رہی ہے۔ گزشتہ سال جتنے فصل ساز کے باوجود، اس سال، کمپنی نے 822,621 ٹن گنا کرش کیا اور 9.06% کی اوسط ریکوری پر 74,564 ٹن ریفاائنڈ چینی بنائی جبکہ گزشتہ سال 476,431 ٹن گنا کرش کیا اور 9.12% کی اوسط ریکوری پر 43,307 ٹن ریفاائنڈ چینی بنائی۔ کمپنی کی زبردست آپریٹل کارکردگی ہمارے ایف ٹینٹی امپروومنٹ پروجیکٹ کی جاری پرائگریس کی بدولت ممکن ہوئی ہے جو فی الحال فیئر 2 میں ہے اور 2023 تک فیئر 3 مکمل ہونے کا امکان ہے۔

مالی سال 2020 کو ختم ہونے والی نو ماہی کے مقابلے، اس سال، کمپنی نے چینی کی متعلقہ قیمتوں کے مطابق انویسٹری کی نمایاں زیادہ مقدار فروخت کردی۔ گنے کی قلت کے باعث، گنے کی اوسط قیمت خرید گنے کی اعلان کردہ قیمت سے تقریباً 30% زیادہ تھی۔ گنے کی اس زیادہ قیمت کے نتیجے میں ہول سیل اور خوردہ مارکیٹ میں چینی کی قیمت بڑھ گئی۔

ہمیں یقین ہے کہ Q4 آغاز اور FY21-22 میں، چینی کی قیمتیں اس شرح سے بڑھ جائیں گی جو معقول منافع کا باعث ہوں گی۔ پاکستان میں لاک ڈاؤن کھلنے اور کوویڈ-19 کے کم مریضوں کے ساتھ، ہمیں یقین ہے کہ چینی کی طلب کی سطح معمول پر آجائے گی۔ جیسا کہ ہم پہلے ہی مشاہدہ کر رہے ہیں، پاکستان میں چینی کی قیمتیں قابل قدر بڑھنے لگی ہیں اور سال کے باقی عرصہ میں یہ سلسلہ جاری رکھیں گی۔ ہماری فروخت کی حکمت عملی کی وجہ سے، انتظامیہ انتہائی یقین رکھتی ہے کہ ہم اپنی گزشتہ سہ ماہیوں میں ہونے والے نقصانات کی تلافی کریں گے اور اس مالی سال کا اختتام منافع بخش ہوگا۔ شوگر انڈسٹری کی تاریخ کے سب سے مشکل سال میں کام کرنے کے بعد، ہماری حکمت عملی، بحران کے

سال کو راحت بخش سال میں بدل دے گی۔

کمپنی کی کارکردگی کو بہتر بنانے کے منصوبے نے ہماری کمپنی کی آمدنی میں اضافہ کیا ہے اور پیش گوئی کے مطابق توانائی کے اخراجات کم ہو گئے ہیں۔ کمپنی کی Q3 2021 کی آمدنی 5 بلین روپے تک پہنچ گئی ہے جو کمپنی کی تاریخ میں سب سے زیادہ ہے۔ ہماری مالیاتی لاگت جو اس فی الحال ہمارے مجموعی منافع کے 50% سے زیادہ ہے، کمپنی کے بورڈ آف ڈائریکٹرز نے رائٹس اسٹاک کے اجراء اور ترجیحی حصص کی پیش کش کے ذریعے اپنے پیڑا سرمایہ کے سائز میں اضافے کا فیصلہ کیا ہے۔ ان پیش کشوں کے ذریعے استعمال ہونے والی رقم ہمارے طویل مدتی منصوبوں کی تکمیل کو یقینی بنائے گی اور کمپنی کے قرضوں کی ذمہ داریوں کو کم کرے گی۔

مستقبل کا نقطہ نظر

ہمارے زرعی سروے ڈیپارٹمنٹ نے پیشین گوئی کی ہے کہ ہمارے علاقہ میں زیر کاشت کل رقبہ کے لحاظ سے آئندہ سال کے لئے گنے کی کاشت گزشتہ سال کی سطح سے زیادہ ہونے کی توقع ہے۔ مزید برآں، مون سون کی کافی بارشوں، اور گنے کے کاشت کاروں کی طرف سے کھادوں اور کیڑے مار ادویات کے وسیع استعمال کے باعث، فی ایکڑ متوقع پیداوار گزشتہ سال سے زیادہ ہونے کی توقع ہے۔ ہم اگلے کرٹنگ سیزن کے لئے گنے کی مستحکم اور سستی رسد میں یقین رکھتے ہیں۔ اس مفروضہ کی توثیق اگست 2021 کے اختتام تک ہو جائے گی جس وقت تمام بلز کے گنے کا سروے مکمل ہو جائے گا۔

آپ کی کمپنی اپنی مشینری کی کارکردگی اور گنے کی پراسیسنگ کی فی ٹن اسٹیم کنزومیشن کو بہتر بنانے کے لئے مسلسل اپنے منصوبے میں فیڈر کی سرمایہ کاری کر رہی ہے۔

اظہار تشکر

بورڈ تمام اسٹیک ہولڈرز بشمول بینکرز، مالی اداروں اور کاشتکاروں کی مسلسل حمایت اور تعاون کا شکریہ ادا کرتا ہے۔ بورڈ کمپنی کے ملازمین کی جان نثاری، وفاداری، اور سخت محنت کو بھی سراہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

میاں احمد علی طارق

چیرمین

میاں مصطفیٰ علی طارق

چیف ایگزیکٹو آفیسر

لاہور: 16 جولائی 2021ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021 (UN-AUDITED)

	Note	(Un-Audited) 30 June 2021 (Rupees)	(Audited) 30 September 2020
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 53,000,000 ordinary shares of Rs. 10 each		530,000,000	530,000,000
Preference shares 15,000,000@10 each		150,000,000	150,000,000
		<u>680,000,000</u>	<u>680,000,000</u>
Issued, subscribed and paid-up share capital		385,200,000	385,200,000
Share premium account		115,893,550	115,893,550
Surplus on revaluation of fixed assets account - net of deferred tax		2,108,165,180	2,108,775,752
Reserve arising as consequence of amalgation		70,694,859	70,694,859
Accumulated Profit (loss)		(95,687,143)	(137,887,770)
		<u>2,584,266,446</u>	<u>2,542,676,391</u>
Director's loans - related parties		418,128,823	424,428,823
		<u>3,002,395,269</u>	<u>2,967,105,214</u>
NON-CURRENT LIABILITIES			
Long Term Loan		735,354,496	702,028,227
Long Term Security Deposits		67,370,341	-
Lease Liability		64,305,068	3,713,686
Deferred tax liability		267,893,770	268,351,697
		<u>332,198,838</u>	<u>272,065,383</u>
CURRENT LIABILITIES			
Trade and other payables		1,050,323,763	893,103,388
Contract Liabilities		56,450,916	444,619,183
Accrued mark-up on secured borrowings		119,242,561	80,052,541
Short term borrowings	7	2,786,589,854	1,407,998,902
Current maturity of Long term loan		196,882,849	119,355,938
Current maturity of Lease Liability		2,822,368	4,392,625
Un-Paid Dividends		43,970	43,970
Un-claimed Dividends		1,195,984	1,195,984
		<u>4,213,552,265</u>	<u>2,950,762,531</u>
CONTINGENCIES AND COMMITMENTS			
	8		
TOTAL EQUITY AND LIABILITIES		<u>8,350,871,208</u>	<u>6,891,961,355</u>

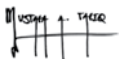
The annexed notes form an integral part of this condensed interim financial information.


Chief Executive Officer


Chief Financial Officer


Director

	Note	(Un-Audited) 30 June 2021 (Rupees)	(Audited) 30 September 2020
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	4,749,328,882	4,489,999,101
Right of Use-Assets		8,325,733	8,325,733
Long term deposits		48,002,389	26,800,128
		4,805,657,004	4,525,124,962
CURRENT ASSETS			
Stores, spare parts and loose tools		767,240,387	364,987,905
Stock-in-trade		1,768,415,351	652,811,392
Trade debts		685,158,386	955,664,958
Advances and prepayments		207,338,842	300,256,041
Financial assets		6,716,005	6,716,005
Tax refund due from Government - income tax		33,215,229	44,643,508
Cash and bank balances		77,130,005	41,756,584
		3,545,214,205	2,366,836,393
TOTAL ASSETS		8,350,871,208	6,891,961,355



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE NINE MONTHS ENDED 30 JUNE 2021 (UN-AUDITED)

Note	Nine Months Ended 30 June		Quarter Ended 30 June		
	2021	2020	2021	2020	
 (Rupees) (Rupees)		
NET SALES	10	5,189,828,195	1,331,076,184	1,747,264,105	533,396,593
COST OF SALES	11	(4,731,850,327)	(1,165,857,458)	(1,581,715,771)	(363,770,437)
GROSS PROFIT		457,977,868	165,218,726	165,548,334	169,626,156
OPERATING EXPENSES					
Administrative and general expenses		(151,730,433)	(136,854,521)	(35,503,820)	(37,081,560)
Selling and distribution expenses		(19,746,196)	(12,546,566)	2,062,171	559,714
Other operating expenses		(6,262,082)	-	(90,996)	-
		(177,738,711)	(149,401,087)	(33,532,645)	(36,521,846)
PROFIT FROM OPERATIONS		280,239,157	15,817,639	132,015,689	133,104,310
OTHER INCOME		78,773,833	87,246,340	55,782,273	11,030,530
FINANCE COST		(240,033,441)	(285,585,976)	(106,008,859)	(112,049,995)
PROFIT BEFORE TAXATION		118,979,549	(182,521,997)	81,789,103	32,084,845
TAXATION		(77,847,423)	4,231,000	(18,233,013)	(2,000,949)
PROFIT AFTER TAXATION		41,132,127	(178,290,997)	63,556,090	30,083,896
EARNINGS PER SHARE - BASIC AND DILUTED		1.07	(4.63)	1.65	0.78

The annexed notes form an integral part of this condensed interim financial information.


Chief Executive Officer


Chief Financial Officer

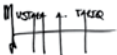

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED 30 JUNE 2021 (UN-AUDITED)

	(Un-Audited) 30 June 2021 (Rupees)	(Audited) 30 September 2020
ASSETS		
NON-CURRENT ASSETS		
PROFIT AFTER TAXATION	41,132,127	(178,290,997)
Surplus on revaluation of fixed assets	-	-
Deffered Tax on revaluation of assets		
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2018	41,132,127	(178,290,997)

The annexed notes form an integral part of this condensed interim financial information.



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED 30 JUNE 2021 (UN-AUDITED)

Note	Nine Months Ended	
	30 June 2021	30 June 2020
 (Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	118,979,549	182,521,997
Adjustments for non-cash charges and other items:		
Depreciation	115,613,155	86,047,185
Profit on bank deposits	(191,850)	270,578
Fair Value gain on short term investment	-	(968,787)
Advance against sale of sugar forfeited	-	(3,078,000)
Gain on disposal of Fixed Assets	(338,055)	(1,354)
Bad Debts written off	-	2,713,693
Finance cost	240,033,441	285,585,976
Cash generated from operating activities before working capital changes	474,096,240	553,091,288
Working capital changes	15	(1,373,952,283)
Cash used in operations	(899,856,043)	(2,132,184,899)
Net Increase/decrease in term deposits	21,202,261	28,100
Finance Cost Paid	(200,843,421)	(93,219,412)
Income Tax Paid	(19,832,919)	(18,425,641)
Net cash used in operating activities	(1,099,330,122)	(2,243,801,852)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(165,540,869)	(233,414,748)
Proceed from disposal of fixed assets	338,055	-
Short Term Investment-Net	6,716,005	18,504,747
Dividend Received	60,675	708,150
Capital work in progress incurred	(408,446,149)	-
Increase in long term deposits	(18,457,461)	-
Profit on bank deposits received	191,850	249,073
Net cash used in investing activities	(585,137,894)	(213,952,778)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend Paid	-	(10,800,000)
Long term finance obtained	164,686,435	421,571,230
Repayment of directors' loan - related parties	(6,300,000)	(13,900,000)
Lease Liability	(3,210,842)	(1,584,073)
Repayment of loan obtained from related party	-	(300,000)
Short Term Borrowings obtained	1,378,590,952	2,609,928,469
Net cash generated from financing activities	1,533,766,545	3,004,915,626
Net increase in cash and cash equivalents	(150,701,471)	547,160,996
Cash and cash equivalents at the beginning of the period	41,756,584	70,929,231
Cash and cash equivalents at the end of the period	(108,944,887)	618,090,227
The reconciliation in cash and cash equivalent is as follows:		
Cash and bank balances	77,130,005	87,287,975
Temporary book overdrawn	(186,074,891)	(1,739,742)
	(108,944,887)	85,548,233

The annexed notes form an integral part of this condensed interim financial information.


Chief Executive Officer


Chief Financial Officer


Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 30 JUNE 2021 (UN-AUDITED)

SHARE CAPITAL	Share Capital after merger	RESERVES						TOTAL RESERVES	Directors Loan	TOTAL EQUITY
		Capital			Revenue					
		Amalgamation Reserve after merger	Right issue subscription	Premium on issue of right shares	Surplus on revaluation of property, plant and equipment	Sub total	General			
385,200,000	70,694,859	115,893,550	2,108,775,752	2,295,364,161	(137,887,770)	(137,887,770)	2,157,476,391	424,428,823	2,967,105,214	
385,200,000	-	70,694,859	-	115,893,550	2,108,775,752	2,295,364,161	-	(137,887,770)	(137,887,770)	2,157,476,391
-	-	-	-	-	-	-	41,132,127	41,132,127	-	41,132,127
-	-	-	-	-	-	-	-	-	2,678,640	2,678,640
-	-	-	-	-	-	-	-	-	(8,978,640)	(8,978,640)
-	-	-	(1,068,500)	(1,068,500)	(1,068,500)	1,068,500	-	-	-	-
-	-	-	457,928	457,928	457,928	-	-	-	457,928	457,928
385,200,000	-	70,694,859	-	115,893,550	2,108,165,180	2,294,753,599	-	(69,687,143)	(95,687,143)	418,128,823
										3,002,395,269

Rupees

Balance as at September 30, 2020 (audited)

Profit for the period
 Further Loan injected
 Repayment of Loan
 Surplus realized during the period on account of incremental depreciation
 Effect of change in the tax rate on deferred tax related to revaluation of surplus
 Adjustment due to repayment

Balance as on 30 June, 2021

The annexed notes form an integral part of this condensed interim financial information.



Chief Executive Officer

Amal Singh
 Chief Financial Officer

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 30 JUNE 2021 (UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

- 1.1 Husein Sugar Mills Limited (“the Company”) is a public limited company incorporated in Pakistan under the repealed Companies Act, 1913 (now the Companies Act, 2017). The shares of the Company are listed on Pakistan Stock Exchange Limited. The Company is principally engaged in the business of production and sale of sugar and by products. Its registered office is situated at 180 Abu Bakar Block, New Garden Town, Canal Road, Lahore whereas its mill / plant is situated at Lahore Road, Jaranwala, district Faisalabad.

2. BASIS OF PREPARATION

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:

- o International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- o Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company’s annual audited financial statements for the year ended September 30, 2020. The figures included in the condensed interim statement of profit and loss for the quarters ended June 30, 2021 and in the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the years ended September 30, 2020.

3. STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual financial statements of the company except as follows:

TAXATION

Income tax expense is recognised based on management’s best estimate of the weighted average annual income tax rate expected for the full financial year.

4. CHANGE IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

a) Amendments to published approved accounting standards which are effective during the period ended June 30, 2021

There are certain amendments to approved accounting standards which are mandatory for the Company's annual accounting period which began after July 1, 2021. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in this condensed interim financial information.

b) Standards and amendments to published approved accounting standards that are not yet effective

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's annual accounting periods beginning after July 1, 2021. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in this condensed interim financial information. During the current period the SECP has adopted IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Customers', the impacts of which on the Company's future financial statements are being assessed. Further, certain new standards are yet to be adopted by the Securities and Exchange Commission of Pakistan.

In addition to the foregoing, the Companies Act, 2017 which is not effective on this condensed interim financial information has added certain disclosure requirements which will be applicable in the future.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied in the preceding audited annual published financial statements of the Company for the year ended 30 September 2020.

6. SEASONALITY OF OPERATIONS

Due to the seasonal availability of sugarcane, the manufacture of sugar is carried out during the period of availability of sugarcane and costs incurred/accrued up to the reporting date have been accounted for. Accordingly, the costs incurred/accrued after the reporting date will be reported in the subsequent interim and annual financial statements.

	Note	(Un-Audited) 30 June 2021 (Rupees)	(Audited) 30 September 2020
7. SHORT TERM BORROWINGS			
From banking companies - secured			
National Bank of Pakistan			
	7.1	99,996,206	99,995,182
		499,100,000	-
			-
Habib Bank Limited			
	7.2	250,800,000	-
		358,668,398	379,741,720
		148,792,628	-
		19,000,000	22,875,262
Dubai Islamic Bank Pakistan Limited			
		380,400,000	-
Dubai Islamic Bank Pakistan Limited Salam cum wakala OTT			
Bank Islami Pakistan Limited			
	7.3	539,901,372	514,660,005
Askari Bank Limited - Islamic banking Salam (Pledge)			
		489,931,250	400,000,000
		<u>2,786,589,854</u>	<u>1,417,272,169</u>

- 7.1 This Running finance facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs.100 million (2019: Rs. 100 million), to meet working capital requirements of the company. It carries markup at the rate of 3 months KIBOR + 3.00% (2019: 3 months KIBOR + 3.00%) per annum, payable quarterly. It is secured by way of first pari passu charge over all present and future current assets of the company to the extent of Rs. 134.00 million (2019: Rs. 134.00 million), first pari passu charge over fixed assets of the company to the extent of Rs. 134.00 million measuring 77 acres - 14 maralas including land, building & machinery having market value of Rs. 3,417.592 million situated at Lahore road, Jaranwala evaluated by Harvester Services (Pvt) Limited as on 22.06.2020 and personal guarantees along with PNWS of the two directors of the company.
- 7.2 This Istisna facility has been obtained from Meezan Bank Ltd, out of the total sanctioned limit of Rs. 500 million (2019: Rs. 500 million) to procure raw material i.e. sugarcane for manufacturing of refined sugar/stock-in-trade financing. It carries markup at the rate of 9 months KIBOR + 2.75% (2019: 9 months KIBOR + 2.75%) per annum, payable quarterly. It is secured by way of exclusive charge of RS. 667.67 million with 25% margin against pledge facility of the company to be registered with SECP, pledge of refined sugar in standard bags of 50 kgs each in shared godowns, ranking charge of Rs. 667 million (2019: Rs. 667 million) already registered with SECP over fixed assets of the company as additional security and personal guarantees and PNWS of two directors of the Company.
- 7.3 This karobar finance facility has been obtained from Bankislami Pakistan Ltd, out of total sanctioned limit of Rs. 515 million for purchase of raw materials / stores and spares / and to meet the working capital requirements of the company. It carries profit at the rate of respective KIBOR + 3% per annum, payable quarterly. It is secured by way of ranking charge over all present and future assets (both current and fixed) of the company to the extent of Rs 667 million duly insured, pledge charge on pledge assets of the company (white refined crystalline sugar) to the extent of Rs 687 million, personal guarantees of three directors of the company along with PNWS and cross corporate guarantee of Style and Trend (Private) Limited.

8. CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

There is no change in the status of contingencies as reported in the annual financial statements of the company for the year ended September 30, 2020.

Note	(Un-Audited) 30 June 2021 (Rupees)	(Audited) 30 September 2020
COMMITMENTS		
Company is committed to pay the following:		
Ijarah Rentals		
	7,744,814	7,381,200
Due within one year		
Due after one year but not later than five year	9,743,707	21,057,482
Diminishing Musharika Rentals		
	4,116,408	4,138,224
Due within one year		
Due after one year but not later than five year	3,087,306	6,164,133
	<u>24,692,235</u>	<u>38,741,039</u>
Commitments against CAPEX	<u>294,845,939</u>	<u>294,845,939</u>

9. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	9.1	3,511,777,096	3,648,180,908
Capital work in progress	9.2	1,245,877,519	799,150,603
		<u>4,757,654,615</u>	<u>4,447,331,511</u>

9.1 Operating fixed assets

Opening balance - net book value		3,648,180,908	2,766,230,718
Additions(deletion) during the period / year	9.1.1	(20,790,657)	444,002,239
Disposals during the period - net book value		-	(2,746,280)
Revaluation surplus arose during the period / year		-	565,116,070
Depreciation charged during the period / year		(115,613,155)	(124,421,839)
Closing balance - net book value		<u>3,511,777,096</u>	<u>3,648,180,908</u>

9.1.1 The following additions were made during the period in operating fixed assets:

	Additions Cost 2021 (Rupees)	Additions Cost 2020
Plant and machinery	(10,610,000)	426,253,257
Civil Works	116,000	-
Gas and electric installation	(10,021,041)	1,901,775
Office equipment	242,000	481,568
Furniture&Fixture	14,940	3,248,444
Vehicles	(541,306)	(1,779,402)
Computer equipment's	-	294,900
Arms&Ammu	8,750	10,855,417
	<u>(20,790,657)</u>	<u>441,255,959</u>

(Un-Audited) 30 June 2021 (Rupees)	(Audited) 30 September 2020
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9.2 Capital work in progress

Opening balance	799,150,603	551,820,761
Additions during the period / year:		
Civil Works - building	7,858,833	50,175,508
Plant & Machinery	65,543,518	344,887,462
Advance for capital expenditure	373,324,585	443,092,775
	446,726,936	838,155,745
	1,245,877,539	1,389,976,506
Civil Works - building	-	11,320,952
Plant & Machinery	-	197,484,499
Advance for capital expenditure	-	382,020,472
	-	590,825,923
Closing balance	<u>1,245,877,519</u>	<u>799,150,603</u>

	NINE MONTHS (Un-audited)		FOR THE QUARTER (Un-audited)	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
 (Rupees)			
10. NET SALES				
Local sales - net of sales tax and federal excise duty	5,189,828,195	794,450,311	1,747,264,105	533,396,593
Export-Sugar	-	3,229,280	-	-
	<u>5,189,828,195</u>	<u>797,679,591</u>	<u>1,747,264,105</u>	<u>533,396,593</u>
11. COST OF SALES				
Raw materials consumed:				
Sugarcane purchased	5,372,224,973	2,697,075,597	(2,675,972)	44,448
Sugarcane development cess	30,847,914	17,873,914	-	-
Market committee fee	8,384,625	4,766,416	158,427	122,090
	<u>5,411,457,512</u>	<u>2,719,715,927</u>	<u>(2,517,545)</u>	<u>166,538</u>
Salaries, wages and other benefits	128,305,653	94,444,367	27,881,969	18,070,905
Workers' welfare	9,783,110	8,019,569	714,915	742,694
Stores, spares and loose tools consumed	11,022,849	8,964,653	493,673	636,379
Chemicals consumed	40,640,251	24,366,445	10,523	712,476
Packing material consumed	42,401,589	27,470,622	487,446	138,198
Fuel and power	17,437,842	13,179,713	7,389,937	6,202,225
Repair and maintenance	56,390,269	46,252,321	2,977,450	378,386
Vehicle Running Expense	10,510,321	8,804,135	1,053,409	-
Insurance	2,870,208	4,336,776	1,156,957	2,062,135
Other factory overheads	3,125,545	3,170,543	153,503	185,947
Depreciation	113,509,137	52,318,450	41,717,630	30,305,022
	<u>435,996,774</u>	<u>291,327,594</u>	<u>84,037,412</u>	<u>59,434,367</u>
	<u>5,847,454,286</u>	<u>3,011,043,521</u>	<u>81,519,867</u>	<u>59,600,905</u>
Work-in-process:				
Opening stock	15,437,264	7,157,809	14,257,695	14,932,374
Closing stock	(15,010,104)	(14,932,374)	(15,010,104)	(15,143,197)
	<u>427,160</u>	<u>(7,774,565)</u>	<u>(752,409)</u>	<u>(210,823)</u>
Cost of goods manufactured	<u>5,847,881,446</u>	<u>3,003,268,956</u>	<u>80,767,458</u>	<u>59,390,082</u>
Finished goods:				
Opening stock	637,374,128	173,048,481	3,254,353,560	2,379,518,172
Closing stock	(1,753,405,247)	(2,379,518,172)	(1,753,405,247)	(2,075,137,817)
	<u>(1,116,031,119)</u>	<u>(2,206,469,691)</u>	<u>1,500,948,313</u>	<u>304,380,355</u>
	<u>4,731,850,327</u>	<u>796,799,265</u>	<u>1,581,715,771</u>	<u>363,770,437</u>

12. EARNINGS PER SHARE - BASIC AND DILUTED

	(Un-Audited) 30 June 2021 (Rupees)	(Un-Audited) 30 June 2020
Profit attributable to Shareholders	41,132,127	(178,290,997)
Weighted average number of shares outstanding	38,520,000	38,520,000
Earning per share-basic and diluted	1.07	(4.63)

13. RELATIONSHIP WITH THE ISLAMIC AND CONVENTIONAL FINANCIAL INSTITUTION

The Company in the normal course of business deals with sole Islamic financial institutions as well as the financial institutions who operate both the conventional side and Islamic window. The details and segregation between Shariah complaints and conventional assets/liabilities and income/ expenditure are given below::

	June 30, 2021			June 30, 2020		
	Islamic Mode	Conventional	Total	Islamic Mode	Conventional	Total
	----- Rupees -----					
Account balances:						
Accrued Markup on Secured Borrowings	87,545,731	31,696,830	119,242,561	31,518,651	12,850,716	44,169,367
Short Term Borrowings	2,187,493,648	599,096,206	2,786,589,854	968,776,021	599,720,182	1,568,496,203
Bank Balances	2,919,693	74,210,312	77,130,005	(62,744,756)	(38,057,858)	(100,802,614)
	<u>2,277,959,072</u>	<u>705,003,348</u>	<u>2,982,962,420</u>	<u>937,549,916</u>	<u>574,313,040</u>	<u>1,511,862,956</u>

14. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the period ended 31 December 2020

15. CHANGE IN WORKING CAPITAL

Change in Working capital

(Increase) / decrease in current assets:

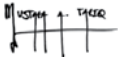
	(Un-Audited) 30 June 2021 (Rupees)	(Audited) 30 September 2020
Stores, spare parts and loose tools	(402,252,482)	50,562,010
Stock in trade	(1,115,603,959)	(281,857,587)
Trade debts	270,506,572	310,156,042
Advances and prepayments	92,917,199	(122,355,437)
Due from Govt Income Tax	11,428,279	(21,994,936)
Trade and other payables	157,220,375	277,749,800
Contract Liabilities	(388,168,267)	-
	<u>(1,373,952,283)</u>	<u>212,259,892</u>

16. DATE OF AUTHORIZATION

This condensed interim financial information was approved by the Board of Directors and authorized for issue on July 16,2021.

17. GENERAL

- 17.1 Figures of the corresponding period have been re-arranged and regrouped to represent better / true presentation and to facilitate appropriate comparison. However, there were no major reclassifications during the period.
- 17.2 Allocation to the Worker's Profit Participation Fund, Workers' Welfare Fund and figures of taxation are provisional. Final liabilities thereof would be determined on the basis of annual results.
- 17.3 The figures have been rounded off to the nearest rupee.



Chief Executive Officer



Chief Financial Officer



Director



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