



# **Habib Sugar Mills Limited**

**Report and Condensed Interim  
Financial Statements  
for the Quarter ended  
December 31, 2018  
(Unaudited)**



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## Company Information

<b>Board of Directors</b>	Asgar D. Habib Ali Raza D. Habib Muhammad Nawaz Tishna Murtaza H. Habib Amin Ali Abdul Hamid Shams Mohammad Haji Farouq Habib Rahimtoola Raeesul Hasan	<i>Chairman</i>       <i>Chief Executive</i>
<b>Audit Committee</b>	Amin Ali Abdul Hamid Ali Raza D. Habib Shams Mohammad Haji	Chairman Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Shams Mohammad Haji Amin Ali Abdul Hamid Raeesul Hasan	Chairman Member Member
<b>Company Secretary</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 : habib.com/sugar 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 Manghopir 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 Standard Chartered Bank (Pakistan) Limited 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 : secretariat@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, we are pleased to present you the unaudited condensed interim unconsolidated and consolidated financial statements of the Company for the first quarter ended December 31, 2018.

### Financial Results

During the period under review the operations of the Company resulted in pre-tax profit of Rs.295.71 million. The financial results for the quarter are as follows :

	(Rupees in thousands)
Profit before taxation	295,714
Taxation	25,000
Profit after taxation	270,714
Unappropriated profit brought forward	5,781
Unappropriated profit carried forward	276,495
Earnings per share – Basic and diluted	Rs. 1.80

### Performance Review

#### Sugar Division

The crushing season 2018-19 commenced on December 10, 2018 and upto December 31, 2018, 186,867 M.Tons of sugarcane was crushed with average sucrose recovery of 10.02 % and sugar production of 18,731 M.Tons including sugar in process as compared with crushing of 156,905 M.Tons with average sucrose recovery of 9.38 % and sugar production of 14,727 M.Tons during the corresponding quarter of the previous year.

The Government of Sindh on December 7, 2018 issued notification fixing the minimum support price of sugarcane for the crushing season 2018-19 at Rs.182 per 40 kgs. 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 minimum sugarcane support price fixed by the Sindh government at Rs. 182/40 kgs would not be justified in relation to the prevailing sugar price both in domestic and international markets. Your company along with other sugar mills filed a petition before the Hon'ble High Court of Sindh praying that the minimum support price fixed by the Sindh government was totally arbitrary and unjustified as it would result in financial catastrophe and economic disaster to the sugar industry in the Province of Sindh. The case is pending before the Hon'ble High Court for adjudication.

In December 2018, after reviewing the sugar stock position in the country the Economic Co-ordination Committee (ECC) of government allowed export of 1.100 million tons of sugar without any financial support and inland freight subsidy.



The sugar division suffered operating loss of Rs.0.93 million as against operating loss of Rs.121.63 million during the corresponding quarter of the previous year.

In view of the scanty rainfall and canal rotation, the acreage under sugar cultivation reduced by approximately 15% – 20% resulting in lower crushing quantum and production and is likely to affect profitability of the division.

#### **Distillery Division**

The division operated satisfactorily during the period and upto December 31, 2018 produced 6,787 M.Tons of ethanol as compared with 5,040 M.Tons during the corresponding period of the previous year. The division earned operating profit of Rs.213.45 million as compared with Rs.52.23 million during the corresponding quarter of previous year. The increase in operating profit is on account of higher sales volume and better sale price on account of appreciation of dollar against Pak rupee.

The liquidified carbon dioxide (CO<sub>2</sub>) unit produced 1,886 M.Tons as compared with 1,551 M.Tons during the corresponding period of the previous year. The operating profit earned by the unit is included in the profit of the division.

#### **Textile Division**

The division earned operating profit of Rs.7.59 million during the quarter under review, as against operating profit of Rs.4.87 million during the corresponding period of the previous year. The increase in profit is on account of better selling prices and rebate announced by the government for the textile exporters.

#### **Trading Division**

During the period under review, the division incurred a loss of Rs.0.35 million on account of trading of sugar.

#### **Bagasse Based Co-Generation Project of 26.5 MW**

The company has invested Rs. 50.0 million in HSM Energy Limited (a wholly owned subsidiary) to setup a bagasse based Co-generation project of 26.5 MW. Presently, the project is 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 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: January 28, 2019

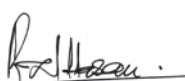


## Unconsolidated Condensed Interim Statement of Financial Position as at December 31, 2018 (Unaudited)

	Note	Unaudited Dec. 31, 2018 (Rupees in thousands)	Audited Sept. 30, 2018
<b>Assets</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Property, plant and equipment	4	2,610,675	2,645,188
Long-term investments	5	2,598,983	2,948,619
Long-term loans		4,463	4,799
Long-term deposits		3,928	3,928
		<u>5,218,049</u>	<u>5,602,534</u>
<b>Current Assets</b>			
Stores and spare parts		184,890	162,734
Stock-in-trade	6	3,198,807	2,764,095
Trade debts		205,441	511,542
Loans and advances	7	670,760	390,470
Trade deposits and short-term prepayments		9,265	9,517
Profit accrued on bank deposits		19,978	2,741
Other receivables	8	43,492	128,283
Taxation - net		142,244	121,320
Cash and bank balances	9	3,416,082	766,875
		<u>7,890,959</u>	<u>4,857,577</u>
<b>Total Assets</b>		<u><u>13,109,008</u></u>	<u><u>10,460,111</u></u>
<b>Equity and Liabilities</b>			
<b>Share Capital and Reserves</b>			
Share Capital			
Authorised			
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 Ordinary shares of Rs. 5 each		<u>750,000</u>	<u>750,000</u>
Reserves		<u>6,850,548</u>	<u>7,353,970</u>
		<u>7,600,548</u>	<u>8,103,970</u>
<b>Non-Current Liabilities</b>			
Deferred taxation	10	95,000	86,000
<b>Current Liabilities</b>			
Trade and other payables	11	2,189,585	1,500,164
Short-term borrowings	12	1,310,000	-
Advance from customers		1,427,371	702,369
Accrued mark-up on short-term borrowings		7,090	-
Unclaimed dividends		66,914	67,608
Proposed dividend		412,500	-
		<u>5,413,460</u>	<u>2,270,141</u>
<b>Contingencies and Commitments</b>	13		
<b>Total Equity and Liabilities</b>		<u><u>13,109,008</u></u>	<u><u>10,460,111</u></u>

The annexed notes 1 to 21 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

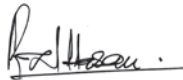


**Unconsolidated Condensed Interim Statement of Profit or Loss  
for the quarter ended December 31, 2018 (Unaudited)**

	Note	Dec. 31, 2018 (Rupees in thousands)	Dec. 31, 2017
<b>Segment operating results</b>	14		
Net sales and services		1,400,533	1,827,075
Cost of sales		(1,086,436)	(1,874,536)
<b>Gross Profit / (loss)</b>		314,097	(47,461)
Selling and distribution expenses		(47,754)	(32,810)
Administrative expenses		(46,585)	(41,207)
Other operating expenses	15	(17,564)	(850)
Other income	16	54,191	29,813
		(57,712)	(45,054)
<b>Operating Profit / (loss)</b>		256,385	(92,515)
Finance income - net		39,329	23,111
<b>Profit / (loss) before taxation</b>		295,714	(69,404)
Taxation		(25,000)	(5,500)
<b>Profit / (loss) after taxation</b>		270,714	(74,904)
<b>Earnings / (loss) per share - Basic and diluted (Rupee)</b>		1.80	(0.50)

The annexed notes 1 to 21 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 quarter ended December 31, 2018 (Unaudited)**

	Dec. 31, 2018	Dec. 31, 2017
	(Rupees in thousands)	
<b>Profit / (loss) after taxation</b>	270,714	(74,904)
<b>Other comprehensive income :</b>		
<b>Items that may be reclassified subsequently to the statement of Profit or loss:</b>		
Unrealised (loss) on revaluation of investments for the period - net of tax	(361,636)	(42,836)
Reclassification adjustments included in the statement of profit or loss for:		
Loss / (gain) on sale of investments - net of tax	—	224
	(361,636)	(42,612)
<b>Total Comprehensive (loss) for the quarter ended December 31, 2018</b>	<u>(90,922)</u>	<u>(117,516)</u>

The annexed notes 1 to 21 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 quarter ended December 31, 2018 (Unaudited)

	Issued Subscribed and Paid-up Capital	Capital Reserve	General Reserve	Revenue Reserves Unappropriated Profit	Unrealised gain on investments available for sale	Total Reserves	Total Equity
	(Rupees in thousands)						
<b>Balance as on October 1, 2017</b>	750,000	34,000	3,878,500	559,895	1,760,940	6,233,335	6,983,335
Cash dividend for the year ended September 30, 2017 @ 35%	-	-	-	(262,500)	-	(262,500)	(262,500)
Transfer to general reserve	-	-	295,000	(295,000)	-	-	-
Total comprehensive (loss) / income for the quarter ended December 31, 2017	-	-	-	(74,904)	(42,612)	(117,516)	(117,516)
<b>Balance as on December 31, 2017</b>	<u>750,000</u>	<u>34,000</u>	<u>4,173,500</u>	<u>(72,509)</u>	<u>1,718,328</u>	<u>5,853,319</u>	<u>6,603,319</u>
<b>Balance as on October 1, 2018</b>	750,000	34,000	4,173,500	903,281	2,243,189	7,353,970	8,103,970
Proposed cash dividend for the year ended September 30, 2018 @ 55%	-	-	-	(412,500)	-	(412,500)	(412,500)
Proposed transfer to general reserve	-	-	485,000	(485,000)	-	-	-
Total comprehensive income / (loss) for the quarter ended December 31, 2018	-	-	-	270,714	(361,636)	(90,922)	(90,922)
<b>Balance as on December 31, 2018</b>	<u>750,000</u>	<u>34,000</u>	<u>4,658,500</u>	<u>276,495</u>	<u>1,881,553</u>	<u>6,850,548</u>	<u>7,600,548</u>

The annexed notes 1 to 21 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 quarter ended December 31, 2018 (Unaudited)

	Note	Dec. 31, 2018	Dec. 31, 2017
(Rupees in thousands)			
<b>Cash flows from operating activities</b>			
Cash generated from operations	17	1,367,124	533,155
Finance income received - net		29,182	23,302
Income tax paid		(36,924)	(28,335)
Long-term loans		336	358
Net cash generated from operating activities		1,359,718	528,480
<b>Cash flows from investing activities</b>			
Fixed capital expenditure		(27,038)	(91,856)
Redemption / sale proceeds of investments		—	54,354
Dividend received		18,131	19,628
Purchase of investments		(12,000)	(80,434)
Sale proceeds of fixed assets		1,090	3,274
Net cash used in investing activities		(19,817)	(95,034)
<b>Cash flows from financing activities</b>			
Dividend paid		(694)	(57)
Net cash used in financing activities		(694)	(57)
Net Increase in cash and cash equivalents		1,339,207	433,389
Cash and cash equivalents at the beginning of the quarter		766,875	924,206
Cash and cash equivalents at the end of the quarter	18	2,106,082	1,357,595

The annexed notes 1 to 21 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 quarter ended December 31, 2018 (Unaudited)

### 1. The Company and its operations

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.

These are separate unconsolidated financial statements of the Company in which investments in subsidiary is accounted for on the basis of direct equity interest.

### 2. Statement of compliance

These unconsolidated condensed interim financial statements are unaudited 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.

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, 2018.

### 3. Significant accounting policies and disclosures

The accounting policies and methods of computation 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, 2018.

	(Unaudited) Dec. 31, 2018	(Audited) Sept. 30, 2018
	(Rupees in thousands)	
<b>4. Fixed assets</b>		
<b>4.1 Property, plant and equipment</b>		
Operating fixed assets	2,545,198	2,605,198
Capital work-in-progress	65,477	39,990
	<u>2,610,675</u>	<u>2,645,188</u>



**4.2** Cost of additions to and written down value of deletions from fixed assets during the quarter ended December 31, 2018 were as follows:

	Additions (Rupees in thousands)	Deletions (Rupees in thousands)
Plant and machinery		
Sugar	25,487	–
Furniture, fittings and office equipment	1,551	–
Vehicle	–	10
	<u>27,038</u>	<u>10</u>
	(Unaudited) Dec. 31, 2018 (Rupees in thousands)	(Audited) Sept. 30, 2018 (Rupees in thousands)

**5. Long-term investments**

Investments in subsidiary company – at cost	50,000	50,000
<b>available for sale</b>		
Investments in related parties – Quoted - at fair value	1,719,823	2,012,212
– Un-Quoted - at cost	132,500	120,500
Investments in other companies – Quoted - at fair value	696,660	765,907
	<u>2,598,983</u>	<u>2,948,619</u>

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

**5.2** The aggregate cost of these investments, net of impairment is Rs.717.43 (September 30, 2018: Rs.705.43) million.

	Note	(Unaudited) Dec. 31, 2018 (Rupees in thousands)	(Audited) Sept. 30, 2018 (Rupees in thousands)
<b>6. Stock-in-trade</b>			
Raw materials		330,693	443,865
Work-in-process		101,467	45,989
Finished goods		2,752,295	2,249,788
Bagasse		12,500	20,332
Fertilizers		1,852	4,121
		<u>3,198,807</u>	<u>2,764,095</u>

**7. Loans and advances**

Loans - secured		
Current maturity of long-term loans		
Executives	572	767
Other Employees	5,273	4,940
	<u>5,845</u>	<u>5,707</u>
Advances - unsecured		
Suppliers	664,915	384,763
	<u>670,760</u>	<u>390,470</u>

**8. Other receivables - Considered good**

Duty drawback and research & development support claim	33,666	31,582
Cash freight support receivable	–	89,280
Dividend receivable	106	3,673
Others	9,720	3,748
	<u>43,492</u>	<u>128,283</u>



- 8.1** Includes Rs.4.92 (2018: Rs.3.46) million from HSM Energy Limited - wholly owned subsidiary. Maximum aggregate amount due from the subsidiary company at the end of any month during the year was 4.92 (2018: 50.70) million.

		(Unaudited) Dec. 31, 2018	(Audited) Sept. 30, 2018
	Note	(Rupees in thousands)	
<b>9. Cash and bank balances</b>			
Cash in hand		342	275
Balances with banks in:			
Current accounts		13,312	99,752
Treasury call accounts	9.1	32,420	126,848
Term Deposit Receipts	9.2	3,370,000	540,000
	9.3	3,415,740	766,600
		<u>3,416,082</u>	<u>766,875</u>

- 9.1** Profit rates on Treasury call accounts ranged between 6.50% to 9.0% (September 2018: 3.75% to 6.40%) per annum.
- 9.2** Profit rates on Term Deposit Receipts 6.80% to 9.25% (September 2018: 5.80% to 6.80%) per annum. Maturity of these Term Deposit Receipts are one month.
- 9.3** Includes Rs.3,406.74 (September 2018: Rs.695.16) million kept with Bank AL Habib Limited - a related party.

		(Unaudited) Dec. 31, 2018	(Audited) Sept. 30, 2018
		(Rupees in thousands)	
<b>10. Deferred taxation</b>			
Deferred tax liability on accelerated tax depreciation allowance on operating fixed assets taxable temporary differences:		210,000	210,000
Deferred tax asset on deductible temporary differences:			
Provision for obsolescence and slow moving stores & spare parts		(7,000)	(7,000)
Unabsorbed tax depreciation allowance		(108,000)	(117,000)
		<u>(115,000)</u>	<u>(124,000)</u>
		<u>95,000</u>	<u>86,000</u>

<b>11. Trade and other payables</b>			
Creditors		1,855,835	1,191,593
Accrued liabilities		232,975	219,560
Payable to Employees Gratuity Fund		—	390
Sales-tax / Federal excise duty		68,156	22,793
Workers' Profit Participation Fund (WPPF)		15,664	50,783
Workers' Welfare Fund		16,845	14,945
Income-tax deducted at source		110	100
		<u>2,189,585</u>	<u>1,500,164</u>



## 12. Short-term borrowings - secured

1,310,000

—

The aggregate financing facility available from commercial banks amounted to Rs.8,212 (September 2018: 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 2.20% (September 2018: 2.20% ) per annum.

## 13. Contingencies and commitments

### 13.1 Contingencies

There were no major changes in the status of contingencies as reported in the annual financial statements for the year ended September 30, 2018.

### 13.2 Commitments

The Company has provided counter guarantees to Bank AL Habib Limited, a related party, amounting to Rs.350.00 (September 30, 2018: Rs. 250.00) million against agriculture finance facilities to the growers supplying sugarcane to the mills and counter guarantees to other banks amounting to Rs.2,276.09 (September 30, 2018: 2,021.34) 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.

### 13.3 Commitments for capital expenditure amounting to Rs.0.70 (September 2018: 1.79) million.

(Unaudited)	(Audited)
Dec. 31,	Sept. 30,
2018	2018
(Rupees in thousands)	

### 13.4 Rentals payable over next four years under operating lease agreements with First Habib Modaraba in respect of vehicles

37,798

42,573



#### 14. Unconsolidated Segment operating results and related information for the quarter ended December 31, 2018 (Unaudited)

		(Rupees in thousands)									
		Sugar Division		Distillery Division		Textile Division		Trading Division		Total	
		Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
<b>Net sales and services</b>											
Sales	Local	558,659	903,864	109,480	95,473	1,166	985	10,552	268,745	679,857	1,269,067
	Export	—	—	569,839	428,106	150,533	129,902	—	—	720,372	558,008
		558,659	903,864	679,319	523,579	151,699	130,887	10,552	268,745	1,400,229	1,827,075
Services - Storage income - net		—	—	304	—	—	—	—	—	304	—
		558,659	903,864	679,623	523,579	151,699	130,887	10,552	268,745	1,400,533	1,827,075
Less: Cost of sales		(509,687)	(985,771)	(430,974)	(443,973)	(134,932)	(119,144)	(10,843)	(325,648)	(1,086,436)	(1,874,536)
<b>Gross Profit / (loss)</b>		48,972	(81,907)	248,649	79,606	16,767	11,743	(291)	(56,903)	314,097	(47,461)
Less: Selling and distribution expenses		(10,593)	(5,208)	(29,224)	(21,900)	(7,937)	(5,702)	—	—	(47,754)	(32,810)
	Administrative expenses	(39,307)	(34,514)	(5,973)	(5,470)	(1,243)	(1,168)	(62)	(55)	(46,585)	(41,207)
		(49,900)	(39,722)	(35,197)	(27,370)	(9,180)	(6,870)	(62)	(55)	(94,339)	(74,017)
<b>Profit / (loss) before other operating expenses and other income</b>		(928)	(121,629)	213,452	52,236	7,587	4,873	(353)	(56,958)	219,758	(121,478)
Other operating expenses -note 15										(17,564)	(850)
Other income - note 16										54,191	29,813
<b>Operating Profit / (loss)</b>										256,385	(92,515)





	(Unaudited)	
	Dec. 31, 2018	Dec. 31, 2017
	(Rupees in thousands)	
<b>15. Other operating expenses</b>		
Workers' Profit Participation Fund	15,664	–
Workers' Welfare Fund	1,900	850
	<u>17,564</u>	<u>850</u>
<b>16. Other income</b>		
<b>Income from financial assets</b>		
(Loss) on redemption / sale of investments	–	(224)
Dividend income	14,564	16,662
Exchange gain - net	25,352	4,339
	<u>39,916</u>	<u>20,777</u>
<b>Income from non financial assets</b>		
Gain on disposal of fixed assets	1,080	2,178
Sale of Electricity	4,689	3,001
Scrap sale	8,506	3,857
	<u>14,275</u>	<u>9,036</u>
	<u>54,191</u>	<u>29,813</u>
<b>17. Cash generated / (used in) from operations</b>		
Profit / (loss) before taxation	295,714	(69,404)
<b>Adjustment for non-cash charges and other items</b>		
Depreciation	61,541	60,621
Gain on disposal of fixed assets	(1,080)	(2,178)
(Loss) on redemption / sale of investments	–	224
Finance income - net	(39,329)	(23,111)
Dividend income	(14,564)	(16,662)
Working capital changes - note 17.1	1,064,842	583,665
	<u>1,367,124</u>	<u>533,155</u>
<b>17.1 Working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Stores and spare parts	(22,156)	(45,351)
Stock-in-trade	(434,712)	291,615
Trade debts	306,101	34,323
Loans and advances	(280,290)	349,511
Trade deposits and prepayments	252	342
Other receivables	81,224	177
	<u>(349,581)</u>	<u>630,617</u>
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	689,421	518,021
Advance from customers	725,002	(564,973)
	<u>1,414,423</u>	<u>(46,952)</u>
<b>Net changes in working capital</b>	<u>1,064,842</u>	<u>583,665</u>



(Unaudited)  
Dec. 31, Dec. 31,  
2018 2017  
(Rupees in thousands)

**18. Cash and cash equivalents at the end of the quarter**

These comprise of the following:

Cash and bank balances	3,416,082	2,585,095
Short-term borrowings	(1,310,000)	(1,227,500)
	2,106,082	1,357,595

**19. 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:

	(Unaudited) Dec. 31, Dec. 31, 2018 2017 (Rupees in thousands)	
Insurance premium paid	5,000	8,080
Insurance claim received	1,355	—
Profit on treasury call accounts / term deposits	55,249	32,785
Investment in share / units of mutual funds	12,000	70,200
Redemption of investments	—	50,209
Payment made on behalf of the subsidiary	1,463	9,341
Bank charges	19	21
Compensation of Key management personnel	13,950	12,150
Contribution to retirement funds	3,676	3,391

Transactions with related parties are carried out at arm's length.


**20. Dividend**

The Board of Directors of the Company in their meeting held on December 26, 2018 had proposed a final cash dividend of Rs.2.75 per share (55%) for the year ended September 30, 2018. The cash dividend as proposed by the Board of Directors of the Company was approved by the members at the Annual General Meeting of the Company held on January 28, 2019. The proposed cash dividend has been accounted for in these condensed interim financial statements.

**21. General**

- Figures presented in these condensed interim financial statements have been rounded off to the nearest thousand rupees.
- These condensed interim financial statements were authorised for issue on January 28, 2019 by the Board of Directors of the Company.

  
**Amir Bashir Ahmed**  
Chief Financial Officer

  
**Raeesul Hasan**  
Chief Executive

  
**Murtaza H. Habib**  
Director




**Consolidated Condensed Interim Statement of Financial Position as at December 31, 2018 (Unaudited)**

	Note	Unaudited Dec. 31, 2018 (Rupees in thousands)	Audited Sept. 30, 2018
<b>Assets</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Property, plant and equipment	4	2,657,140	2,691,676
Long-term investments	5	2,548,983	2,898,619
Long-term loans		4,463	4,799
Long-term deposits		3,928	3,928
		<u>5,214,514</u>	<u>5,599,022</u>
<b>Current Assets</b>			
Stores and spare parts		184,890	162,734
Stock-in-trade	6	3,198,807	2,764,095
Trade debts		205,441	511,542
Loans and advances	7	670,760	390,470
Trade deposits and short-term prepayments		9,265	9,517
Profit accrued on bank deposits		20,004	2,741
Other receivables	8	38,570	124,823
Taxation - net		142,160	121,243
Cash and bank balances	9	3,416,988	767,781
		<u>7,886,885</u>	<u>4,854,946</u>
<b>Total Assets</b>		<u><u>13,101,399</u></u>	<u><u>10,453,968</u></u>
<b>Equity and Liabilities</b>			
<b>Share Capital and Reserves</b>			
Share Capital			
Authorised			
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 Ordinary shares of Rs. 5 each		<u>750,000</u>	<u>750,000</u>
Reserves		<u>6,842,854</u>	<u>7,347,677</u>
		<u>7,592,854</u>	<u>8,097,677</u>
<b>Non-Current Liabilities</b>			
Deferred taxation	10	95,000	86,000
<b>Current Liabilities</b>			
Trade and other payables	11	2,189,670	1,500,314
Short-term borrowings	12	1,310,000	—
Advance from customers		1,427,371	702,369
Accrued mark-up on short-term borrowings		7,090	—
Unclaimed dividends		66,914	67,608
Proposed dividend		412,500	—
		<u>5,413,545</u>	<u>2,270,291</u>
<b>Contingencies and Commitments</b>	13		
<b>Total Equity and Liabilities</b>		<u><u>13,101,399</u></u>	<u><u>10,453,968</u></u>

The annexed notes 1 to 21 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

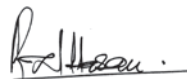


**Consolidated Condensed Interim Statement of Profit or Loss  
for the quarter ended December 31, 2018 (Unaudited)**

	Note	Dec. 31, 2018 (Rupees in thousands)	Dec. 31, 2017
<b>Segment operating results</b>	14		
Net sales and services		1,400,533	1,827,075
Cost of sales		(1,086,436)	(1,874,536)
<b>Gross Profit / (loss)</b>		314,097	(47,461)
Selling and distribution expenses		(47,754)	(32,810)
Administrative expenses		(48,005)	(42,286)
Other operating expenses	15	(17,564)	(850)
Other income	16	54,191	29,813
		(59,132)	(46,133)
<b>Operating profit / (loss)</b>		254,965	(93,594)
Finance income - net		39,355	23,068
<b>Profit / (loss) before taxation</b>		294,320	(70,526)
Taxation		(25,007)	(5,500)
<b>Profit / (loss) after taxation</b>		269,313	(76,026)
<b>Earnings / (loss) per share - Basic and diluted (Rupee)</b>		1.80	(0.51)

The annexed notes 1 to 21 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 quarter ended December 31, 2018 (Unaudited)**

	Dec. 31, 2018	Dec. 31, 2017
	(Rupees in thousands)	
<b>Profit / (loss) after taxation</b>	269,313	(76,026)
<b>Other comprehensive income :</b>		
<b>Items that may be reclassified subsequently to the statement of Profit or loss:</b>		
Unrealised (loss) on revaluation of investments for the period - net of tax	(361,636)	(42,836)
Reclassification adjustments included in the statement of profit or loss for:		
Loss / (gain) on sale of investments - net of tax	—	224
	(361,636)	(42,612)
<b>Total Comprehensive income / (loss) for the quarter ended December 31, 2018</b>	<u>(92,323)</u>	<u>(118,638)</u>

The annexed notes 1 to 21 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 quarter ended December 31, 2018 (Unaudited)

	Issued Subscribed and Paid-up Capital	Capital Reserve	Revenue Reserves	Unrealised gain on investments available for sale	Total Reserves	Total Equity
			General Reserve	Unappro- priated Profit		
	(Rupees in thousands)					
<b>Balance as on October 1, 2017</b>	750,000	34,000	3,878,500	559,797	1,760,940	6,233,237
Cash dividend for the year ended September 30, 2017 @ 35%	-	-	-	(262,500)	-	(262,500)
Transfer to general reserve	-	-	295,000	(295,000)	-	-
Total comprehensive (loss) / income for the quarter ended December 31, 2017	-	-	-	(76,026)	(42,612)	(118,638)
<b>Balance as on December 31, 2017</b>	<u>750,000</u>	<u>34,000</u>	<u>4,173,500</u>	<u>(73,729)</u>	<u>1,718,328</u>	<u>6,602,099</u>
<b>Balance as on October 1, 2018</b>	750,000	34,000	4,173,500	896,988	2,243,189	7,347,677
Proposed cash dividend for the year ended September 30, 2018 @ 55%	-	-	-	(412,500)	-	(412,500)
Proposed transfer to general reserve	-	-	485,000	(485,000)	-	-
Total comprehensive income for the quarter ended December 31, 2018	-	-	-	269,313	(361,636)	(92,323)
<b>Balance as on December 31, 2018</b>	<u>750,000</u>	<u>34,000</u>	<u>4,658,500</u>	<u>268,801</u>	<u>1,881,553</u>	<u>7,592,854</u>

The annexed notes 1 to 21 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 quarter ended December 31, 2018 (Unaudited)

	Note	Dec. 31, 2018	Dec. 31, 2017
(Rupees in thousands)			
<b>Cash flows from operating activities</b>			
Cash generated from operations	17	1,367,124	541,846
Finance income received - net		29,182	23,259
Income tax paid		(36,924)	(28,335)
Long-term loans		336	358
Net cash generated from operating activities		1,359,718	537,128
<b>Cash flows from investing activities</b>			
Fixed capital expenditure		(27,038)	(100,504)
Redemption / sale proceeds of investments		–	54,354
Dividend received		18,131	19,628
Purchase of investments		(12,000)	(80,434)
Sale proceeds of fixed assets		1,090	3,274
Net cash used in investing activities		(19,817)	(103,682)
<b>Cash flows from financing activities</b>			
Dividend paid		(694)	(57)
Net cash used in financing activities		(694)	(57)
Net Increase in cash and cash equivalents		1,339,207	433,389
Cash and cash equivalents at the beginning of the quarter		767,781	924,306
Cash and cash equivalents at the end of the quarter	18	2,106,988	1,357,695

The annexed notes 1 to 21 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 quarter ended December 31, 2018 (Unaudited)

### 1. Group 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. Statement of compliance

These consolidated condensed interim financial statements are unaudited 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.

These consolidated condensed interim financial statements do not include all the information and disclosures required in the consolidated financial statements and should be read in conjunction with the Holding Company's consolidated annual financial statements for the year ended September 30, 2018.

### 3. Significant accounting policies and disclosures

The accounting policies and methods of computation 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, 2018.

### 4. Fixed assets

#### 4.1 Property, plant and equipment

	(Unaudited) Dec. 31, 2018	(Audited) Sept. 30, 2018
Operating fixed assets	2,545,542	2,605,565
Capital work-in-progress	111,598	86,111
	<u>2,657,140</u>	<u>2,691,676</u>





**4.2** Cost of additions to and written down value of deletions from fixed assets during the quarter ended December 31, 2018 were as follows:

	Additions (Rupees in thousands)	Deletions (Rupees in thousands)
Plant and machinery		
Sugar	25,487	–
Furniture, fittings and office equipment	1,551	–
Vehicle	–	10
	<u>27,038</u>	<u>10</u>
	(Unaudited) Dec. 31, 2018 (Rupees in thousands)	(Audited) Sept. 30, 2018 (Rupees in thousands)
<b>5. Long-term investments - available for sale</b>		
Investments in related parties	– Quoted - at fair value 1,719,823	2,012,212
	– Un-Quoted - at cost 132,500	120,500
Investments in other companies	– Quoted - at fair value 696,660	765,907
	<u>2,548,983</u>	<u>2,898,619</u>
<b>5.1</b> Investments in associated companies or undertakings have been made in accordance with the requirements under the Act.		
<b>5.2</b> The aggregate cost of these investments, net of impairment is Rs.667.43 (September 30, 2018: Rs.655.43) million.		
	(Unaudited) Dec. 31, 2018 (Rupees in thousands)	(Audited) Sept. 30, 2018 (Rupees in thousands)
<b>6. Stock-in-trade</b>		
Raw materials	330,693	443,865
Work-in-process	101,467	45,989
Finished goods	2,752,295	2,249,788
Bagasse	12,500	20,332
Fertilizers	1,852	4,121
	<u>3,198,807</u>	<u>2,764,095</u>
<b>7. Loans and advances</b>		
Loans - secured		
Current maturity of long-term loans		
Executives	572	767
Other Employees	5,273	4,940
	5,845	5,707
Advances - unsecured		
Suppliers	664,915	384,763
	<u>670,760</u>	<u>390,470</u>
<b>8. Other receivables - Considered good</b>		
Duty drawback and research & development support claim	33,666	31,582
Cash freight support receivable	–	89,280
Dividend receivable	106	3,673
Others	4,798	288
	<u>38,570</u>	<u>124,823</u>



	Note	(Unaudited) Dec. 31, 2018 (Rupees in thousands)	(Audited) Sept. 30, 2018 (Rupees in thousands)
<b>9. Cash and bank balances</b>			
Cash in hand		342	275
Balances with banks in:			
Current accounts		14,218	100,658
Treasury call accounts	9.1	32,428	126,848
Term Deposit Receipts	9.2	3,370,000	540,000
	9.3	3,416,646	767,506
		<u>3,416,988</u>	<u>767,781</u>
<b>9.1</b>	Profit rates on Treasury call accounts ranged between 6.50% to 9.0% (September 2018: 3.75% to 6.40%) per annum.		
<b>9.2</b>	Profit rates on Term Deposit Receipts 6.80% to 9.25% (September 2018: 5.80% to 6.80%) per annum. Maturity of these Term Deposit Receipts are one month.		
<b>9.3</b>	Includes Rs.3,406.74 (September 2018: Rs.695.16) million kept with Bank AL Habib Limited - a related party.		
		(Unaudited) Dec. 31, 2018 (Rupees in thousands)	(Audited) Sept. 30, 2018 (Rupees in thousands)
<b>10. Deferred taxation</b>			
Deferred tax liability on accelerated tax depreciation allowance on operating fixed assets taxable temporary differences:		210,000	210,000
Deferred tax asset on deductible temporary differences:			
Provision for obsolescence and slow moving stores & spare parts		(7,000)	(7,000)
Unabsorbed tax depreciation allowance		(108,000)	(117,000)
		<u>(115,000)</u>	<u>(124,000)</u>
		<u>95,000</u>	<u>86,000</u>
<b>11. Trade and other payables</b>			
Creditors		1,855,835	1,191,593
Accrued liabilities		233,060	219,710
Payable to Employees Gratuity Fund		—	390
Sales-tax / Federal excise duty		68,156	22,793
Workers' Profit Participation Fund (WPPF)		15,664	50,783
Workers' Welfare Fund		16,845	14,945
Income-tax deducted at source		110	100
		<u>2,189,670</u>	<u>1,500,314</u>



## 12. Short-term borrowings - secured

1,310,000

—

The aggregate financing facility available from commercial banks amounted to Rs.8,212 (September 2018: 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 2.20% (September 2018: 2.20% ) per annum.

## 13. Contingencies and commitments

### 13.1 Contingencies

There were no major changes in the status of contingencies as reported in the annual financial statements for the year ended September 30, 2018.

### 13.2 Commitments

The Holding Company has provided counter guarantees to Bank AL Habib Limited, a related party, amounting to Rs.350.00 (September 30, 2018: Rs. 250.00) million against agriculture finance facilities to the growers supplying sugarcane to the mills and counter guarantees to other banks amounting to Rs.2,276.09 (September 30, 2018: 2,021.34) million against guarantees issued by banks in favour of third parties on behalf of the 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.

### 13.3 Commitments for capital expenditure amounting to Rs.0.70 (September 2018: 1.79) million.

(Unaudited) Dec. 31, 2018 (Rupees in thousands)	(Audited) Sept. 30, 2018
--	--------------------------------

### 13.4 Rentals payable over next four years under operating lease agreements with First Habib Modaraba in respect of vehicles

37,798

42,573



#### 14. Consolidated Segment operating results and related information for the quarter ended December 31, 2018 (Unaudited)

											(Rupees in thousands)		
		Sugar Division		Distillery Division		Textile Division		Trading Division		Subsidiary Company		Total	
		Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
Net sales and services													
Sales	Local	558,659	903,864	109,480	95,473	1,166	985	10,552	268,745	-	-	679,857	1,269,067
	Export	-	-	569,839	428,106	150,533	129,902	-	-	-	-	720,372	558,008
		558,659	903,864	679,319	523,579	151,699	130,887	10,552	268,745	-	-	1,400,229	1,827,075
Services - Storage income - net		-	-	304	-	-	-	-	-	-	-	304	-
		558,659	903,864	679,623	523,579	151,699	130,887	10,552	268,745	-	-	1,400,533	1,827,075
Less: Cost of sales		(509,687)	(985,771)	(430,974)	(443,973)	(134,932)	(119,144)	(10,843)	(325,648)	-	-	(1,086,436)	(1,874,536)
Gross Profit / (loss)		48,972	(81,907)	248,649	79,606	16,767	11,743	(291)	(56,903)	-	-	314,097	(47,461)
Less: Selling and distribution expenses		(10,593)	(5,208)	(29,224)	(21,900)	(7,937)	(5,702)	-	-	-	-	(47,754)	(32,810)
Administrative expenses		(39,307)	(34,514)	(5,973)	(5,470)	(1,243)	(1,168)	(62)	(55)	(1,420)	(1,079)	(48,005)	(42,286)
		(49,900)	(39,722)	(35,197)	(27,370)	(9,180)	(6,870)	(62)	(55)	(1,420)	(1,079)	(95,759)	(75,096)
Profit / (loss) before other operating expenses and other income		(928)	(121,629)	213,452	52,236	7,587	4,873	(353)	(56,958)	(1,420)	(1,079)	218,338	(122,557)
Other operating expenses -note 15												(17,564)	(850)
Other income - note 16												54,191	29,813
Operating Profit / (loss)												254,965	(93,594)



	(Unaudited)	
	Dec. 31, 2018	Dec. 31, 2017
	(Rupees in thousands)	
<b>15. Other operating expenses</b>		
Workers' Profit Participation Fund	15,664	–
Workers' Welfare Fund	1,900	850
	<u>17,564</u>	<u>850</u>
<b>16. Other income</b>		
<b>Income from financial assets</b>		
(Loss) on redemption / sale of investments	–	(224)
Dividend income	14,564	16,662
Exchange gain - net	25,352	4,339
	<u>39,916</u>	<u>20,777</u>
<b>Income from non financial assets</b>		
Gain on disposal of fixed assets	1,080	2,178
Sale of Electricity	4,689	3,001
Scrap sale	8,506	3,857
	<u>14,275</u>	<u>9,036</u>
	<u>54,191</u>	<u>29,813</u>
<b>17. Cash (used in) / generated from operations</b>		
Profit / (loss) before taxation	294,320	(70,526)
<b>Adjustment for non-cash charges and other items</b>		
Depreciation	61,564	60,621
Gain on disposal of fixed assets	(1,080)	(2,178)
(Loss) on redemption / sale of investments	–	224
Finance income - net	(39,355)	(23,068)
Dividend income	(14,564)	(16,662)
Working capital changes - note 17.1	1,066,239	593,435
	<u>1,367,124</u>	<u>541,846</u>
<b>17.1 Working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Stores and spare parts	(22,156)	(45,351)
Stock-in-trade	(434,712)	291,615
Trade debts	306,101	34,323
Loans and advances	(280,290)	349,927
Trade deposits and prepayments	252	342
Other receivables	82,686	9,518
	<u>(348,119)</u>	<u>640,374</u>
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	689,356	518,034
Advance from customers	725,002	(564,973)
	<u>1,414,358</u>	<u>(46,939)</u>
<b>Net changes in working capital</b>	<u>1,066,239</u>	<u>593,435</u>



(Unaudited)  
Dec. 31, Dec. 31,  
2018 2017  
(Rupees in thousands)

**18. Cash and cash equivalents at the end of the quarter**

These comprise of the following:

Cash and bank balances	3,416,988	2,585,195
Short-term borrowings	(1,310,000)	(1,227,500)
	2,106,988	1,357,695

**19. 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:

	(Unaudited) Dec. 31, Dec. 31, 2018 2017 (Rupees in thousands)	
Insurance premium paid	5,000	8,080
Insurance claim received	1,355	—
Profit on treasury call accounts / term deposits	55,249	32,785
Investment in share / units of mutual funds	12,000	70,200
Redemption of investments	—	50,209
Bank charges	19	21
Compensation of Key management personnel	15,150	13,208
Contribution to retirement funds	3,676	3,391

Transactions with related parties are carried out at arm's length.


**20. Dividend**

The Board of Directors of the Company in their meeting held on December 26, 2018 had proposed a final cash dividend of Rs.2.75 per share (55%) for the year ended September 30, 2018. The cash dividend as proposed by the Board of Directors of the Company was approved by the members at the Annual General Meeting of the Company held on January 28, 2019. The proposed cash dividend has been accounted for in these condensed interim financial statements.

**21. General**

- Figures presented in these condensed interim financial statements have been rounded off to the nearest thousand rupees.
- These condensed interim financial statements were authorised for issue on January 28, 2019 by the Board of Directors of the Company.

  
**Amir Bashir Ahmed**  
 Chief Financial Officer

  
**Raeesul Hasan**  
 Chief Executive

  
**Murtaza H. Habib**  
 Director




### گاس پڑنی کو جزیشن 26.5 میگا واٹ کا منصوبہ:

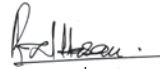
کمپنی نے ایچ ایس ایم انرجی لمیٹڈ (ایک مکمل ملکیتی ماتحت ادارہ) میں 50 ملین روپے کی سرمایہ کاری کی ہے یہ منصوبہ گاس پڑنی کو جزیشن 26.5 میگا واٹ کا ہے۔ فی الحال یہ منصوبہ گورنمنٹ کی جانب سے گاس پڑنی توانائی کے منصوبوں پر غیر واضح صورت حال کی وجہ سے رکا ہوا ہے اور اسلام آباد ہائی کورٹ میں سی پی اے کی طرف سے ٹیرف کے متعلق دائر کردہ درخواست کی پیشی زیر التوا ہے۔ اس کیس کے نتائج اس منصوبہ کے مستقبل کے لئے اہم ہونگے۔ انتظامیہ حالات کا جائزہ لے رہی ہے اور آئندہ کالائیکٹل فیصلہ آنے کے بعد کرے گی۔

### عام امور:

جزل ڈائریکٹر 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

  
مرضی ایچ حبیب  
ڈائریکٹر

  
رئیس الحسین  
چیف ایگزیکٹو

کراچی مورخہ 28 جنوری 2019ء



سندھ گورنمنٹ نے گنے کی کم از کم سپورٹ پرائس-182 روپیہ فی 40 کلوگرام مقرر کرنے میں نا انصافی کی اور اسکی مطابقت شکر کی قیمتوں میں قومی اور بین الاقوامی منڈیوں کے حساب سے نہیں کی۔ آپ کی کمپنی نے دوسری شوگر ملز کے ساتھ مل کر ایک پٹیشن معزز ہائی کورٹ آف سندھ میں دائر کی ہے اور استدعا کی ہے کہ مقرر کردہ قیمت یکطرفہ اور غیر منصفانہ ہے اور اس کے نتیجے میں سندھ کی شکر کی صنعت مالی بحران اور اقتصادی تباہی کا شکار ہوگی۔ یہ کیس معزز ہائی کورٹ آف سندھ میں قانونی کارروائی کے لئے زیر التوا ہے۔

ملک میں شکر کے ذخائر کو ملحوظ رکھتے ہوئے کمیٹی کی اکٹھا کیا روڈیشن کمیٹی (ای سی سی) نے 1.1 ملین ٹن شکر کی برآمد کرنے کی اجازت بغیر کسی مالی معاونت اور اندرون ملک کرایہ کی مد میں سبسڈی کے دی۔

شکر ڈویژن نے آپریٹنگ خسارہ 0.93 ملین روپے کیا اس کے مقابل گزشتہ سال اس مدت کے سہ ماہی میں 121.63 ملین روپے کا خسارہ کیا تھا۔

پانی کی قلت اور نہری گردش کی وجہ سے گنے کے زیر کاشت علاقے میں تقریباً 15 سے 20 فیصد تک کمی ہوئی ہے جس کی وجہ سے گنے کی کرشنگ کے حجم اور چینی کی پیداوار میں کمی کی وجہ سے ڈویژن کے منافع پر اثر انداز ہوگا۔

#### ڈسٹری ڈویژن:

ڈویژن کی کارکردگی 31 دسمبر 2018 کی مدت کے دوران اطمینان بخش رہی اور 6,787 میٹرک ٹن انتھانول تیاری اور گزشتہ سال اس مدت کے دوران 5,040 میٹرک ٹن پیداوار رہی۔ ڈویژن نے 213.45 ملین روپے کا آپریٹنگ منافع حاصل کیا مقابل گزشتہ سال اس مدت کے دوران 52.23 ملین روپے کا منافع حاصل کیا تھا۔ منافع میں اضافہ کی وجہ فروخت کے حجم میں اضافہ اور روپے کے مقابلے میں ڈالر کی قدر میں اضافے کی وجہ سے بہتر قیمت فروخت حاصل ہوئی۔

لیکونیڈ کاربن ڈائی آکسائیڈ کی پیداوار 1,886 میٹرک ٹن رہی مقابل گزشتہ سال اس مدت کے دوران 1,551 میٹرک ٹن تھی۔ یونٹ کا حاصل کردہ آپریٹنگ منافع ڈویژن کے منافع میں شامل ہے۔

#### ٹیکسٹائل ڈویژن:

ڈویژن نے زیر نظر سہ ماہی کے دوران 7.59 ملین روپے کا آپریٹنگ منافع حاصل کیا اس کے برعکس گزشتہ سال اسی سہ ماہی کے دوران 4.87 ملین روپے کا منافع تھا۔ منافع میں اضافہ کی وجہ قیمت فروخت میں اضافہ اور حکومت کی جانب سے برآمدات پر سبسڈی دینے کے اعلان سے ہوا۔

#### ٹریڈنگ ڈویژن:

زیر نظر مدت کے دوران ڈویژن کو 0.35 ملین روپے کا خسارہ شکر کی تجارت سے ہوا۔





## ڈائریکٹرز کی رپورٹ

محترم ممبران۔ السلام علیکم

بورڈ آف ڈائریکٹرز کی جانب سے میں 31 دسمبر 2018ء کو ختم ہونے والے پہلی سہ ماہی کیلئے کمپنی کی غیر آڈٹ شدہ غیر مجموعی اور مجموعی عبوری مالیاتی حسابات پیش کر رہا ہوں۔  
مالیاتی نتائج:

زیر جائزہ مدت کے دوران آپ کی کمپنی کا قبل از ٹیکس منافع کی رقم مبلغ 295.71 ملین روپے رہی۔ پہلی سہ ماہی کے مالیاتی نتائج درج ذیل ہیں:-

(روپے ہزاروں میں)

295,714

منافع قبل از ٹیکس

25,000

ٹیکس

270,714

منافع بعد از ٹیکس

5,781

غیر منقسمہ منافع براڈ فارورڈ

276,495

غیر منقسمہ منافع کیری فارورڈ

1.80

منافع فی شیئر۔ بنیادی اور معتدل۔ روپیہ

کارکردگی کا جائزہ:

شکر ڈویژن

گنے کی کرشنگ کا سیزن 2018-2019 10 دسمبر 2018 کو شروع ہوا اور 31 دسمبر 2018 تک گنے کی کرشنگ 186,867 میٹرک ٹن رہی جبکہ شکر کی اوسط ریکوری کا تناسب 10.02 فیصد رہا اور شکر کی پیداوار 18,731 میٹرک ٹن بشمول شکر ان پروسس ہوئی۔ مقابلہ گزشتہ سیزن کی پہلی سہ ماہی میں گنے کی کرشنگ 156,905 میٹرک ٹن رہی جبکہ شکر کی اوسط ریکوری 9.38 فیصد تھی اور شکر کی پیداوار 14,727 میٹرک ٹن بشمول شکر ان پروسس تھی۔

حکومت سندھ نے 7 دسمبر 2018 کو گنے کی کم از کم سپورٹ پرائس برائے سیزن 2018-2019 کے ٹولیکلیشن کا اجراء کیا جس میں گنے کی قیمت 182/- روپے فی 40 کلوگرام مقرر کی گئی۔ علاوہ ازیں ملز کو الٹی پریمنٹم شکر کی اوسط ریکوری کے بیچ مارک 8.70 فیصد سے زائد ہر 0.10 فیصد پر 0.50 روپے فی 40 کلوگرام ادا کرے گی۔