



# **Habib Sugar Mills Limited**

**Report and Condensed Interim  
Financial Statements  
for the Quarter and Nine months  
ended June 30, 2017  
(Unaudited)**



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## Company Information

<b>Board of Directors</b>	Asghar D. Habib Ali Raza D. Habib Muhammad Nawaz Tishna Murtaza H. Habib Amin Ali Abdul Hamid Shams Mohammad Haji Imran A. Habib Raeesul Hasan	Chairman     (Resigned on July 04, 2017) Chief Executive
<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 Mangopir Road S.I.T.E Karachi 75700. Phones : (+92-21) 32571325 (+92-21) 32572119 Fax : (+92-21) 32572118	
<b>Bulk Storage</b>	<b>Terminal</b> 60/1-B Oil Installation Area Kaemari Karachi. 75620 Phones : (+92-21) 32852003 (+92-21) 32852004 Fax : (+92-21) 32852005	

**Bankers**

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

**Statutory  
Auditors**

EY Ford Rhodes  
Chartered Accountants

**Share  
Registrar**

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, it is my privilege to present to you the unaudited condensed interim financial statements of the Company for the three quarters ended June 30, 2017.

### Financial Results

By the Grace of Allah, during the period under review, the operations of your Company resulted in a pre-tax profit of Rs.543.39 million. The financial results for the three quarters are as follows:

	(Rupees in thousands)
Profit before taxation	543,391
Taxation	<u>14,000</u>
Profit after taxation	529,391
Unappropriated profit brought forward	<u>2,753</u>
Unappropriated profit carried forward	<u><u>532,144</u></u>
Earnings per share - Basic and diluted	<u><u>Rs. 3.53</u></u>

### Performance Review

#### Sugar Division

The crushing season 2016-17 commenced on November 17, 2016 and the plant operated upto March 24, 2017 for 128 days as against 111 days in the preceding season. Sugarcane crushed during the current season was 865,530 M.Tons with average sucrose recovery of 9.97% and sugar production of 86,316 M.Tons, as compared with crushing of 821,801 M.Tons with average sucrose recovery of 10.74% and sugar production of 88,271 M.Tons during the preceding season.

The Government of Sindh on October 31, 2016 issued notification fixing the minimum support price of sugarcane for crushing season 2016-17 at Rs.182 per 40 kgs as compared with Rs.172 per 40 kgs for the crushing season 2015-16. In addition, mills would be 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%. However, in accordance with the notification while the matter is still pending with the Honourable Supreme Court of Pakistan and as per decision of the Federal Government Steering Committee, the quality premium shall remain suspended till the decision of the Honourable Supreme Court or the consensus on uniform formula developed by the Federal Government.

During the current crushing season, the supply of sugarcane had been erratic resulting in lower average per day sugarcane crushing as compared with the previous year. Moreover, due to global warming, the temperatures were high, resulting in delayed maturity as compared with the previous year.



The Economic Co-ordination Committee (ECC) of the cabinet allowed export of 0.225 million M.Tons and 0.200 million M.Tons of Sugar by January 19, 2017 and April 7, 2017 respectively. The above export was allowed without any rebate/ cash subsidy to the exporters and to be exported by May 31, 2017. Permission to export sugar was later extended to June 30, 2017. During March 2017 our Company exported 5,200 M.Tons of sugar, however, subsequently due to decline in the sugar price in the international market, further export of sugar was not considered viable.

The sugar division earned profit of Rs. 18.84 million as against profit of Rs. 263.73 million during the corresponding period of the previous year. The reduction in profit was due to slow off take of sugar and increased cost of production on account of lower recovery and higher sugarcane price as compared with the previous year.

Subsequent to March 2017, sugar price in the domestic and international market showed a drastic decline which would have a negative impact on the overall profitability of the division. Considering the surplus stock of sugar, the Sugar Advisory Board (SAB) recommended the Ministry to allow export of additional 1.200 million M.Tons of sugar without any time restriction. However, the Ministry suggested export of 0.600 million tons of sugar to ECC.

The Sugar industry sought export permission when international price was on higher side, however, the government delayed the decision and in the meantime, the international sugar price dropped to the level of US\$ 400 per ton which makes sugar export unviable. The Sugar industry approached the government to announce Rs 15/kg export rebate in order to ensure exports.

### **Distillery Division**

During the period under review, the division operated for 253 days and produced 24,138 M.Tons of ethanol as against 258 days of operations and production of 24,005 M.Tons as compared with the corresponding period of the previous year. The division earned operating profit of Rs. 264.25 million as compared with Rs. 246.12 million during the corresponding period of previous year.

The liquidified carbon dioxide (CO<sub>2</sub>) unit operated satisfactorily and produced 7,823 M.Tons as compared with 7,255 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 suffered loss of Rs. 3.77 million during the period under review, as against profit of Rs. 9.63 million during the corresponding period of previous year. The division suffered loss due to increase in yarn prices and lower sales volume.



### **Trading Division**

During the period under review, the division made operating profit of Rs. 34.74 million on account of trading of sugar and molasses as against profit of Rs.43.55 million during the corresponding period of the previous year.

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

HSM Energy Limited, a wholly owned subsidiary of Habib Sugar Mills Limited was incorporated on May 16, 2017. The company is in the process of obtaining Generation License and upfront tariff from National Electric Power Regulatory Authority (NEPRA). The expected time for commissioning of the project is four months from the award of upfront tariff.

### **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

**Asghar D. Habib**  
Chairman

Karachi: July 12, 2017





## Unconsolidated Condensed Interim Financial Position as at June 30, 2017 (Unaudited)

	Note	(Unaudited) June 30, 2017 (Rupees in thousands)	(Audited) September 30, 2016
<b>Assets</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Property, plant and equipment	4	2,646,198	2,161,885
Long-term investments	5	2,541,958	2,025,968
Long-term loans		6,518	4,211
Long-term deposits		4,028	3,928
		<u>5,198,702</u>	<u>4,195,992</u>
<b>Current Assets</b>			
Stores and spare parts		142,603	108,843
Stock-in-trade	6	3,763,805	401,847
Trade debts		211,566	64,168
Loans and advances	7	824,274	246,286
Trade deposits and short-term prepayments		7,968	8,781
Profit accrued on bank deposits		102	1,083
Other receivables	8	175,889	21,795
Taxation - net		28,900	-
Cash and bank balances	9	742,723	3,575,276
		<u>5,897,830</u>	<u>4,428,079</u>
<b>Total Assets</b>		<u>11,096,532</u>	<u>8,624,071</u>
<b>Equity and Liabilities</b>			
<b>Share Capital and Reserves</b>			
Share Capital			
Authorised			
150,000,000 (September 2016: 150,000,000)			
Ordinary shares of Rs. 5 each		<u>750,000</u>	<u>750,000</u>
Issued, subscribed and paid-up capital			
150,000,000 (September 2016: 150,000,000)			
Ordinary shares of Rs. 5 each		<u>750,000</u>	<u>750,000</u>
Reserves		<u>6,358,477</u>	<u>5,781,437</u>
		<u>7,108,477</u>	<u>6,531,437</u>
<b>Non-Current Liabilities</b>			
Deferred taxation	10	115,000	104,000
<b>Current Liabilities</b>			
Trade and other payables	11	1,329,483	1,590,403
Advance from customers		1,480,338	306,027
Short-term borrowings	12	1,000,000	-
Accrued mark-up on short-term borrowings		3,356	-
Unclaimed dividend		59,878	50,993
Taxation - net		-	41,211
		<u>3,873,055</u>	<u>1,988,634</u>
<b>Contingencies and Commitments</b>	13		
<b>Total Equity and Liabilities</b>		<u>11,096,532</u>	<u>8,624,071</u>

The annexed notes 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.

**Raeesul Hasan**  
Chief Executive

**Amin Ali Abdul Hamid**  
Director



**Unconsolidated Condensed Interim Profit and Loss Account for the quarter and cumulative for three quarters ended June 30, 2017 (Unaudited)**

	Note	Three quarters ended		Quarter ended	
		June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
		(Rupees in thousands)			
<b>Segment operating results</b>	14				
Net sales and services		4,325,354	6,575,821	2,184,095	3,646,814
Cost of sales		(3,758,020)	(5,756,735)	(1,900,542)	(3,251,818)
<b>Gross profit</b>		567,334	819,086	283,553	394,996
Selling and distribution expenses		(139,426)	(149,033)	(49,115)	(66,361)
Administrative expenses		(113,862)	(107,016)	(40,429)	(38,661)
Other operating expenses	15	(32,928)	(51,728)	(11,935)	(20,113)
Other income	16	248,205	241,750	41,008	19,959
		(38,011)	(66,027)	(60,471)	(105,176)
<b>Operating profit</b>		529,323	753,059	223,082	289,820
Finance income / (cost) - net	17	14,068	9,766	(12,640)	9,474
<b>Profit before taxation</b>		543,391	762,825	210,442	299,294
Taxation	18	(14,000)	(115,000)	(4,000)	(45,000)
<b>Profit after taxation</b>		529,391	647,825	206,442	254,294
<b>Earnings per share - Basic and diluted</b>	Rs.	3.53	4.32	1.38	1.70

The annexed notes 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.

**Raeesul Hasan**  
Chief Executive

**Amin Ali Abdul Hamid**  
Director



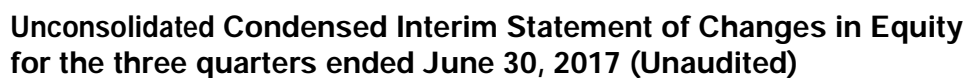
**Unconsolidated Condensed Interim Statement of Comprehensive Income for the quarter and cumulative for three quarters ended June 30, 2017 (Unaudited)**

	<u>Three quarters ended</u>		<u>Quarter ended</u>	
	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	(Rupees in thousands)			
<b>Profit after taxation</b>	529,391	647,825	206,442	254,294
<b>Other comprehensive income :</b>				
<b>Items that will be reclassified subsequently to profit &amp; loss:</b>				
<b>Net gain on investments - available for sale</b>				
Increase in unrealised gain on revaluation of investments for the period	574,130	83,730	120,760	121,194
Reclassification adjustments included in the profit and loss account for:				
Gain on sale / redemption of investments - net of tax	(113,981)	(44,686)	(21,502)	-
	460,149	39,044	99,258	121,194
<b>Total Comprehensive income for the period</b>	<u>989,540</u>	<u>686,869</u>	<u>305,700</u>	<u>375,488</u>

The annexed notes 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.

**Raeesul Hasan**  
Chief Executive

**Amin Ali Abdul Hamid**  
Director



The annexed notes 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.

**Raesul Hasan**  
Chief Executive

**Amin Ali Abdul Hamid**  
Director



## Unconsolidated Condensed Interim Cash Flow Statement for the three quarters ended June 30, 2017 (Unaudited)

	Note	June 30, 2017 (Rupees in thousands)	June 30, 2016 (Rupees in thousands)
<b>Cash flows from operating activities</b>			
Cash (used in) / generated from operations	19	(2,935,497)	49,435
Finance income received - net		18,405	3,803
Income tax paid		(73,111)	(100,633)
Long-term loans		(2,307)	268
Long-term deposits		(100)	-
Net cash used in operating activities		(2,992,610)	(47,127)
<b>Cash flows from investing activities</b>			
Fixed capital expenditure		(620,343)	(351,823)
Sale proceeds / redemption of investments		207,170	4,111,615
Dividend received		123,098	124,759
Purchase of investments		(149,030)	(1,287,913)
Sale proceeds of fixed assets		2,777	2,057
Net cash (used in) / generated from investing activities		(436,328)	2,598,695
<b>Cash flows from financing activities</b>			
Dividend paid		(403,615)	(367,045)
Net cash used in financing activities		(403,615)	(367,045)
Net (decrease) / increase in cash and cash equivalents		(3,832,553)	2,184,523
Cash and cash equivalents at the beginning of the period		3,575,276	296,863
Cash and cash equivalents at the end of the period	20	(257,277)	2,481,386

The annexed notes 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.

**Raeesul Hasan**  
Chief Executive

**Amin Ali Abdul Hamid**  
Director



## Notes to the Unconsolidated Condensed Interim Financial Statements for the three quarters ended June 30, 2017 (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.

### 2. Statement of compliance

These unconsolidated 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, are to be followed. The 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, 2016.

### 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, 2016.

	(Unaudited) June 30, 2017 (Rupees in thousands)	(Audited) September 30, 2016 (Rupees in thousands)
<b>4. Fixed assets</b>		
<b>4.1 Property, plant and equipment</b>		
Operating fixed assets	2,071,765	1,520,365
Capital work-in-progress	572,410	592,155
Major stores and spare parts	2,023	49,365
	<u>2,646,198</u>	<u>2,161,885</u>
<b>4.2 Cost of additions to and written down value of deletions from fixed assets during the three quarters ended June 30, 2017 were as follows:</b>		
	Additions (Rupees in thousands)	Deletions
Land		
Sugar	24,649	-
Building		
Sugar	37,149	-
Plant and machinery		
Sugar	475,198	-
Distillery	77,580	6
Furniture, fittings and office equipment	5,584	33
Vehicles	183	49
	<u>620,343</u>	<u>88</u>



	(Unaudited) June 30, 2017 (Rupees in thousands)	(Audited) September 30, 2016
<b>5. Long-term investments - available for sale</b>		
Investments in related party - subsidiary - Un-Quoted - at cost	100	-
Investments in related parties - Quoted - at fair value	1,454,407	1,176,917
- Un-Quoted - at cost	44,500	12,500
Investments in other companies - Quoted - at fair value	1,042,951	836,551
	<u>2,541,958</u>	<u>2,025,968</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.628.13 (September 30, 2016: Rs.572.28) million.		
	(Unaudited) June 30, 2017 (Rupees in thousands)	(Audited) September 30, 2016
<b>6. Stock-in-trade</b>		
Raw materials	756,130	165,519
Work-in-process	24,579	30,317
Finished goods	2,938,640	200,393
Fertilizers	4,435	5,618
Bagasse	40,021	-
	<u>3,763,805</u>	<u>401,847</u>
<b>7. Loans and advances</b>		
Loans - secured, considered good		
Current maturity of long-term loans		
Executives	952	406
Employees	5,674	5,831
	6,626	6,237
Advances - unsecured, considered good		
Suppliers	817,648	240,049
	<u>824,274</u>	<u>246,286</u>
<b>8. Other Receivables</b>		
Duty Drawback and research & development support claim	15,373	9,140
Sales tax refundable / adjustable	158,331	-
Dividend receivable	1,896	8,973
Others	289	3,682
	<u>175,889</u>	<u>21,795</u>
<b>9. Cash and bank balances</b>		
Cash in hand	1,770	222
Balances with banks in :		
Current accounts	45,632	4,600
Treasury call accounts	9.1 210,321	125,454
Term Deposit Receipts	9.2 485,000	3,445,000
	9.3 740,953	3,575,054
	<u>742,723</u>	<u>3,575,276</u>
<b>9.1</b> Profit rates on Treasury call accounts ranged between 3.75% to 5.50% (September 30, 2016: 4.00% to 5.50%) per annum.		



**9.2** Profit rates on Term Deposit Receipts ranged between 5.80% to 6.05% (September 30, 2016: 5.98% to 7.20%) per annum.  
Maturity of these Term Deposit Receipt is one month.

**9.3** Includes Rs.708.68 (September 30, 2016: Rs.2,648.03 ) million kept with Bank AL Habib Limited - a related party

(Unaudited) (Audited)  
June 30, September 30,  
2017 2016  
(Rupees in thousands)

#### 10. Deferred taxation

Deferred tax liability on taxable temporary difference:		
Accelerated tax depreciation on operating fixed assets	144,000	111,500
Deferred tax asset on deductible temporary differences:		
Provision for obsolescence and slow moving stores & spare parts	(7,000)	(7,500)
Unabsorbed tax depreciation	(22,000)	-
	(29,000)	(7,500)
	<u>115,000</u>	<u>104,000</u>

#### 11. Trade and other payables

Creditors	1,055,390	1,283,452
Accrued liabilities	209,307	180,255
Sales-tax / Federal excise duty	-	42,922
Workers' Profit Participation Fund	28,816	51,983
Workers' Welfare Fund	35,673	31,561
Income-tax deducted at source	297	230
	<u>1,329,483</u>	<u>1,590,403</u>

#### 12. Short-term borrowings - secured

	<u>1,000,000</u>	<u>-</u>
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The aggregate financing facility available from commercial banks amounted to Rs. 5,313 (September 30, 2016: Rs. 5,313) 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 2.50% to 7.54% (September 30, 2016: 4.3% to 6.85% ) per annum.

#### 13. Contingencies and commitments

**13.1** On May 22, 2015 the Government of Pakistan promulgated Gas Infrastructure Development (GID) Cess Act, 2015 and levied GID Cess on gas bills at the rate of Rs.100 / MMBTU on all industrial consumers. The GID Cess Act, 2015 was made applicable with immediate effect superseding the GID Cess Act, 2011 and GID Cess Ordinance, 2014.

The Company challenged the vires of GID Cess Act, 2015 before the Honourable High Court of Sindh. On July 24, 2015 the Honourable High Court of Sindh passed an order restraining the SSGC from demanding and collecting GID Cess as levied by the GID Cess Act, 2015. Subsequent to year end, on October 26, 2016, the case was decided by the Honourable High Court of Sindh in favour of the Company. Against the above order Government have a right to file an appeal before the Honourable Supreme Court of Pakistan.

The Financial exposure of the Company upto June 30, 2017 is Rs.34.71 (September 30, 2016: 22.75) million. However, in view of the advice of legal counsel no provision has been made in these unconsolidated condensed interim financial statements.





**13.2** The Government of Sindh vide notification dated July 8, 2014 levied a fee of Rs.0.50 / litre for storage of rectified spirit in bonded warehouse at Terminal Kaemari, Karachi. The Company disputed the above levy and filed constitutional petition before the Honourable High Court of Sindh, challenging the above fee. On July 23, 2014, the Honourable High Court of Sindh granted stay and suspended the operation of the above notification. The case was lastly fixed for hearing on March 20, 2015 and was not taken up for hearing. The financial exposure as at June 30, 2017 is Rs.41.89 (September 30, 2016: 31.77) million. In view of the advice of legal counsel, the company is confident of a favourable outcome of the case and accordingly no provision has been made in these unconsolidated condensed interim financial statements.

**13.3** Pursuant to the decision of ECC on January 10, 2013, the FBR vide its SRO No. 77(1)/2013 dated February 7, 2013, allowed benefit to sugar exporters by reducing FED rate from 8.0% to 0.5% on local sales, equivalent to quantity exported by the mills. The Company availed the benefit and claimed Rs.56.56 million on account of reduced rate of FED.

Against the aforementioned claim, FBR disallowed an amount of Rs.7.0 million and also levied default surcharge of Rs.0.3 million. The disallowances was on the basis that the benefit of claim accrues and arises from February 7, 2013, the date of SRO No: 77(1) /2013 and not from January 10, 2013, the date of ECC meeting wherein the benefit was approved by ECC. The Company maintains that the sugar mills are entitled to avail the benefit of reduced rate of FED on sugar exported against the export quota allotted by ECC in its meeting held on January 10, 2013. Accordingly, the Company filed a suit before Honourable High Court of Sindh and the operations of the said order were suspended by the Honourable Court vide its order dated April 23, 2014. The case was lastly fixed for hearing on December 4, 2014 and was adjourned to date in office. In view of the advice of legal counsel, the company is confident of a favourable outcome and accordingly no provision has been made in these unconsolidated condensed interim financial statements.

**13.4** During the year 2009-10 the Company alongwith other sugar mills filed a Constitutional Petition before the Honourable High Court of Sindh against Pakistan Standards and Quality Control Authority - PSQCA challenging the notifications issued in respect of registration of the Standard Mark for refined sugar manufactured and sold by the Company and levy of marking fee at the rate of 0.1% of ex-factory price of sugar sold with effect from January 1, 2009.

On December 4, 2012 the Honourable High Court of Sindh decided the case in favour of the Company. Against the above order, PSQCA filed an appeal before the Honourable Supreme Court of Pakistan. On November 25, 2013 the Honourable Supreme Court of Pakistan passed an interim order against PSQCA restraining them from demanding any registration of standard marks / licensing fee from the sugar mills till further order and the case was adjourned to date in office.

According to the advice of legal counsel, the demand raised is without any lawful authority and is in violation of the Constitution, hence, no provision is made in this regard.

**13.5** During 2009-10 the Company received a show cause notice from Competition Commission of Pakistan (CCP) under the Competition Ordinance, 2009 for alleged violation of certain provisions of the Ordinance. The Company alongwith other sugar mills filed a Constitutional Petition before the Honourable High Court of Sindh challenging the Ordinance. The Honourable High Court of Sindh, granted stay and restrained the Commission not to pass final order in respect of the show cause notice. The CCP filed an appeal before the Honourable Supreme Court of Pakistan which was disposed off by the Honourable Supreme Court based on the grounds that the matter was pending before the Honourable High Courts of Sindh and Lahore.



The Competition Ordinance of 2009 was repealed on March 25, 2010 and thereafter a new Ordinance, 2010 was promulgated which also stood repealed on August 15, 2010. The Parliament thereafter enacted the Competition Act, 2010 (ACT XIX of 2010). The Company filed amended application in view of the promulgation of the Competition Act 2010 which was accepted by the Honourable High Court of Sindh, with the consent of both the parties.

The petitions were last fixed for hearing on April 22, 2015, however, these were not taken up for hearing and adjourned to date in office. The CCP has not imposed any fine / penalty against the alleged violation of any provisions of the Competition Act, 2010.

**13.6** The Company has provided counter guarantees to:

Bank AL Habib Limited, a related party, amounting to Rs. 250.00 (September 30, 2016: Rs. 250.00) million against agriculture finance facilities to growers.

Other banks amounting to Rs.1,989.68 (September 30, 2016: 382.18) 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.

**13.7** During the period Company made advance payment at the gross rate of Rs.55,000 per Ton against the committed purchase of 15,600 Tons of sugar for its Trading division. At June 30, 2017, a quantity of 14,777 Tons of sugar remained unsold and considering the depressed prevailing prices of sugar a loss of Rs.5,252 per Ton aggregating to Rs.77.611 million is anticipated for which no provision has been made in these unconsolidated condensed Interim financial statements.

**13.8** Commitments for capital expenditure amounting to Rs.46.06 (September 30, 2016: 330.73) million.

	(Unaudited) June 30, 2017 (Rupees in thousands)	(Audited) September 30, 2016
<b>13.9</b> Rentals payable over next four years under operating lease agreements with First Habib Modraba in respect of vehicles	<u>30,890</u>	<u>28,973</u>

**14. Segment operating results for the three quarters ended June 30, 2017 (Unaudited)**

(Rupees in thousands)

	Sugar Division		Distillery Division		Textile Division		Trading Division		Total	
	Three quarters ended June 30, 2017	June 30, 2016	Three quarters ended June 30, 2017	June 30, 2016	Three quarters ended June 30, 2017	June 30, 2016	Three quarters ended June 30, 2017	June 30, 2016	Three quarters ended June 30, 2017	June 30, 2016
<b>Net sales and services</b>										
Sales – Local	1,644,128	4,126,999	357,409	313,015	2,680	2,717	253,513	467,055	2,257,730	4,909,786
– Export	296,563	-	1,466,407	1,442,471	189,414	222,647	114,951	-	2,067,335	1,665,118
	1,940,691	4,126,999	1,823,816	1,755,486	192,094	225,364	368,464	467,055	4,325,065	6,574,904
Services - Storage income - net	-	-	289	917	-	-	-	-	289	917
	1,940,691	4,126,999	1,824,105	1,756,403	192,094	225,364	368,464	467,055	4,325,354	6,575,821
Less: Cost of sales	(1,779,801)	(3,736,455)	(1,464,558)	(1,397,116)	(180,830)	(199,822)	(332,831)	(423,342)	(3,758,020)	(5,756,735)
<b>Gross Profit</b>	160,890	390,544	359,547	359,287	11,264	25,542	35,633	43,713	567,334	819,086
Less: Selling and distribution expenses	(42,242)	(32,567)	(84,529)	(104,152)	(11,908)	(12,314)	(747)	-	(139,426)	(149,033)
Administrative expenses	(99,808)	(94,243)	(10,764)	(9,012)	(3,128)	(3,595)	(162)	(166)	(113,862)	(107,016)
	(142,050)	(126,810)	(95,293)	(113,164)	(15,036)	(15,909)	(909)	(166)	(253,288)	(256,049)
<b>Profit/(Loss) before other operating expenses and other income</b>	18,840	263,734	264,254	246,123	(3,772)	9,633	34,724	43,547	314,046	563,037
Other operating expenses -note 15									(32,928)	(51,728)
Other income - note 16									248,205	241,750
<b>Operating profit</b>									529,323	753,059



#### 14a. Segment operating results for the quarter ended June 30, 2017 (Unaudited)

	<b>Sugar Division</b>		<b>Distillery Division</b>		<b>Textile Division</b>		<b>Trading Division</b>		<b>Total</b>	
	<b>Quarter ended</b>		<b>Quarter ended</b>		<b>Quarter ended</b>		<b>Quarter ended</b>		<b>Quarter ended</b>	
	<b>June 30,</b>	<b>June 30,</b>	<b>June 30,</b>	<b>June 30,</b>	<b>June 30,</b>	<b>June 30,</b>	<b>June 30,</b>	<b>June 30,</b>	<b>June 30,</b>	<b>June 30,</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
(Rupees in thousands)										
<b>Net sales and services</b>										
Sales - Local	1,014,532	2,593,025	153,157	145,737	1,201	105	43,866	273,534	1,212,756	3,012,401
- Export	-	-	789,461	572,328	66,777	61,799	114,951	-	971,189	634,127
	1,014,532	2,593,025	942,618	718,065	67,978	61,904	158,817	273,534	2,183,945	3,646,528
Services - Storage income - net	-	-	150	286	-	-	-	-	150	286
	1,014,532	2,593,025	942,768	718,351	67,978	61,904	158,817	273,534	2,184,095	3,646,814
Less: Cost of sales	(959,109)	(2,396,668)	(734,499)	(553,736)	(63,646)	(54,753)	(143,288)	(246,661)	(1,900,542)	(3,251,818)
<b>Gross Profit</b>	55,423	196,357	208,269	164,615	4,332	7,151	15,529	26,873	283,553	394,996
Less: Selling and distribution expenses	(10,468)	(8,630)	(33,333)	(53,731)	(4,567)	(4,000)	(747)	-	(49,115)	(66,361)
Administrative expenses	(35,318)	(34,085)	(3,866)	(3,227)	(1,206)	(1,294)	(39)	(55)	(40,429)	(38,661)
	(45,786)	(42,715)	(37,199)	(56,958)	(5,773)	(5,294)	(786)	(55)	(89,544)	(105,022)
<b>Profit/(Loss) before other operating expenses and other income</b>	9,637	153,642	171,070	107,657	(1,441)	1,857	14,743	26,818	194,009	289,974
Other operating expenses - note 15									(11,935)	(20,113)
Other income - note 16									41,008	19,959
<b>Operating profit</b>									223,082	289,820



		(Unaudited)		(Unaudited)	
		Three quarters ended		Quarter ended	
		June 30,	June 30,	June 30,	June 30,
	Note	2017	2016	2017	2016
		(Rupees in thousands)			
<b>15. Other operating expenses</b>					
Workers' Profit Participation Fund		28,816	40,728	11,119	15,971
Workers' Welfare Fund		4,112	11,000	816	4,142
		<u>32,928</u>	<u>51,728</u>	<u>11,935</u>	<u>20,113</u>
<b>16. Other income</b>					
Profit on sale / redemption of investments		113,981	111,615	21,502	-
Dividend income		116,021	115,477	16,054	15,233
Scrap sale		11,556	4,871	908	115
Gain on disposal of fixed assets		2,689	2,033	919	1,276
Agriculture income		2,232	6,320	461	2,818
Exchange gain - net		1,726	754	1,164	517
Sale of Electricity		-	680	-	-
		<u>248,205</u>	<u>241,750</u>	<u>41,008</u>	<u>19,959</u>
<b>17. Finance income / (cost) - net</b>					
Profit on treasury call accounts		7,552	16,942	3,187	8,642
Profit on term deposit receipts		59,904	53,050	5,973	24,215
Interest on loan to employees		121	48	60	11
		67,577	70,040	9,220	32,868
Less: Mark-up / interest on:					
Short-term borrowings		(40,462)	(46,170)	(17,202)	(18,148)
Workers' Profit Participation Fund		(1,094)	(1,132)	-	-
Bank charges		(11,953)	(12,972)	(4,658)	(5,246)
		(53,509)	(60,274)	(21,860)	(23,394)
		<u>14,068</u>	<u>9,766</u>	<u>(12,640)</u>	<u>9,474</u>
<b>18. Taxation</b>					
Income tax - current	18.1	3,000	95,000	3,000	45,000
Deferred tax		11,000	20,000	1,000	-
		<u>14,000</u>	<u>115,000</u>	<u>4,000</u>	<u>45,000</u>

18.1 The provision for taxation for the current period is lower due to decrease in profit, accelerated tax depreciation allowance and investment allowance under BMR available as per the provisions of Income Tax Ordinance, 2001.



(Unaudited)  
June 30,          June 30,  
2017              2016  
(Rupees in thousands)

## 19. Cash generated from operations

Profit before taxation	543,391	762,825
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### Adjustment for non-cash charges and other items

Depreciation	135,942	111,441
Gain on disposal of fixed assets	(2,689)	(2,033)
Profit on sale / redemption of investments	(113,981)	(111,615)
Finance income - net	(14,068)	(9,766)
Dividend income	(116,021)	(115,477)
Working capital changes - note 19.1	(3,368,071)	(585,940)
	(2,935,497)	49,435

## 19.1 Working capital changes

### (Increase) / decrease in current assets

Stores and spare parts	(33,760)	(15,469)
Stock-in-trade	(3,361,958)	(1,024,958)
Trade debts	(147,398)	146,999
Loans and advances	(577,988)	(123,534)
Trade deposits and short term prepayments	813	2,248
Other receivables	(161,171)	1,247
	(4,281,462)	(1,013,467)

### Increase / (decrease) in current liabilities

Trade and other payables	(260,920)	(89,809)
Advance from customers	1,174,311	517,336

### Net changes in working capital

	(3,368,071)	(585,940)
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## 20. Cash and cash equivalents at the end of the period

These comprise of the following :

Cash and bank balances	742,723	2,481,386
Short-term borrowings	(1,000,000)	-
	(257,277)	2,481,386



## 21. Balances and 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)		(Unaudited)	
	Three quarters ended		Quarter ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	(Rupees in thousands)			
Transactions during the period				
Insurance premium paid	27,913	18,692	6,330	6,501
Insurance claim received	8,985	-	1,534	-
Profit on treasury call accounts / term deposits	62,217	62,172	8,979	29,190
Investment in shares / units of mutual fund	42,100	762,500	100	-
Dividend income	93,865	93,865	9,387	9,387
Dividend paid	65,572	59,582	-	-
Redemption of investments	10,035	753,648	-	-
Bank charges	386	70	314	16
Compensation of Key management personnel	38,145	37,551	13,275	12,642
Contribution to retirement funds	10,278	9,862	3,402	3,269
	(Unaudited)		(Audited)	
	June 30, 2017		September 30, 2016	
	(Rupees in thousands)			

## Balances at the end of the period

Receivable from susidary company - HSM Energy Limited	12	-
Profit accrued on bank deposits - Bank AL Habib Limited	76	848

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

## 22. Date of Authorisation for issue

These unconsolidated condensed interim financial statements were authorised for issue on July 12, 2017 by the Board of Directors of the Company.

## 23. General

Figures presented in these unconsolidated condensed interim financial statements have been rounded off to the nearest thousand rupees unless otherwise stated.

**Raeesul Hasan**  
Chief Executive

**Amin Ali Abdul Hamid**  
Director



## Consolidated Condensed Interim Financial Position as at June 30, 2017 (Unaudited)

	Note	(Unaudited) June 30, 2017 (Rupees in thousands)	(Audited) September 30, 2016
<b>Assets</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Property, plant and equipment	4	2,646,198	2,161,885
Long-term investments	5	2,541,858	2,025,968
Long-term loans		6,518	4,211
Long-term deposits		4,028	3,928
		<u>5,198,602</u>	<u>4,195,992</u>
<b>Current Assets</b>			
Stores and spare parts		142,603	108,843
Stock-in-trade	6	3,763,805	401,847
Trade debts		211,566	64,168
Loans and advances	7	824,274	246,286
Trade deposits and short-term prepayments		7,968	8,781
Profit accrued on bank deposits		102	1,083
Other receivables	8	175,877	21,795
Taxation - net		28,900	-
Cash and bank balances	9	742,823	3,575,276
		<u>5,897,918</u>	<u>4,428,079</u>
<b>Total Assets</b>		<u>11,096,520</u>	<u>8,624,071</u>
<b>Equity and Liabilities</b>			
<b>Share Capital and Reserves</b>			
Share Capital			
Authorised			
150,000,000 (September 2016: 150,000,000)			
Ordinary shares of Rs. 5 each		<u>750,000</u>	<u>750,000</u>
Issued, subscribed and paid-up capital			
150,000,000 (September 2016: 150,000,000)			
Ordinary shares of Rs. 5 each		<u>750,000</u>	<u>750,000</u>
Reserves		<u>6,358,465</u>	<u>5,781,437</u>
		<u>7,108,465</u>	<u>6,531,437</u>
<b>Non-Current Liabilities</b>			
Deferred taxation	10	115,000	104,000
<b>Current Liabilities</b>			
Trade and other payables	11	1,329,483	1,590,403
Advance from customers		1,480,338	306,027
Short-term borrowings	12	1,000,000	-
Accrued mark-up on short-term borrowings		3,356	-
Unclaimed dividend		59,878	50,993
Taxation - net		-	41,211
		<u>3,873,055</u>	<u>1,988,634</u>
<b>Contingencies and Commitments</b>	13		
<b>Total Equity and Liabilities</b>		<u>11,096,520</u>	<u>8,624,071</u>

The annexed notes 1 to 23 form an integral part of these consolidated condensed interim financial statements.

**Raeesul Hasan**  
Chief Executive

**Amin Ali Abdul Hamid**  
Director





**Consolidated Condensed Interim Profit and Loss Account for the quarter and cumulative for three quarters ended June 30, 2017 (Unaudited)**

	Note	Three quarters ended		Quarter ended	
		June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
		(Rupees in thousands)			
<b>Segment operating results</b>	14				
Net sales and services		4,325,354	6,575,821	2,184,095	3,646,814
Cost of sales		(3,758,020)	(5,756,735)	(1,900,542)	(3,251,818)
<b>Gross profit</b>		567,334	819,086	283,553	394,996
Selling and distribution expenses		(139,426)	(149,033)	(49,115)	(66,361)
Administrative expenses		(113,874)	(107,016)	(40,441)	(38,661)
Other operating expenses	15	(32,928)	(51,728)	(11,935)	(20,113)
Other income	16	248,205	241,750	41,008	19,959
		(38,023)	(66,027)	(60,483)	(105,176)
<b>Operating profit</b>		529,311	753,059	223,070	289,820
Finance income / (cost) - net	17	14,068	9,766	(12,640)	9,474
<b>Profit before taxation</b>		543,379	762,825	210,430	299,294
Taxation	18	(14,000)	(115,000)	(4,000)	(45,000)
<b>Profit after taxation</b>		529,379	647,825	206,430	254,294
<b>Earnings per share - Basic and diluted</b>	Rs.	3.53	4.32	1.38	1.70

The annexed notes 1 to 23 form an integral part of these consolidated condensed interim financial statements.

**Raeesul Hasan**  
Chief Executive

**Amin Ali Abdul Hamid**  
Director



**Consolidated Condensed Interim Statement of Comprehensive Income for the quarter and cumulative for three quarters ended June 30, 2017 (Unaudited)**

	<u>Three quarters ended</u>		<u>Quarter ended</u>	
	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	(Rupees in thousands)			
<b>Profit after taxation</b>	529,379	647,825	206,430	254,294
<b>Other comprehensive income :</b>				
<b>Items that will be reclassified subsequently to profit &amp; loss:</b>				
<b>Net gain on investments - available for sale</b>				
Increase in unrealised gain on revaluation of investments for the period	574,130	83,730	120,760	121,194
Reclassification adjustments included in the profit and loss account for:				
Gain on sale / redemption of investments - net of tax	(113,981)	(44,686)	(21,502)	-
	460,149	39,044	99,258	121,194
<b>Total Comprehensive income for the period</b>	<u>989,528</u>	<u>686,869</u>	<u>305,688</u>	<u>375,488</u>

The annexed notes 1 to 23 form an integral part of these consolidated condensed interim financial statements.

**Raeesul Hasan**  
Chief Executive

**Amin Ali Abdul Hamid**  
Director



The annexed notes 1 to 23 form an integral part of these consolidated condensed interim financial statements.

**Raeesul Hasan**  
Chief Executive

**Amin Ali Abdul Hamid**  
Director



**Consolidated Condensed Interim Cash Flow Statement for the  
three quarters ended June 30, 2017 (Unaudited)**

	Note	June 30, 2017 (Rupees in thousands)	June 30, 2016 (Rupees in thousands)
<b>Cash flows from operating activities</b>			
Cash (used in) / generated from operations	19	(2,935,497)	49,435
Finance income received - net		18,405	3,803
Income tax paid		(73,111)	(100,633)
Long-term loans		(2,307)	268
Long-term deposits		(100)	-
Net cash used in operating activities		(2,992,610)	(47,127)
<b>Cash flows from investing activities</b>			
Fixed capital expenditure		(620,343)	(351,823)
Sale proceeds / redemption of investments		207,170	4,111,615
Dividend received		123,098	124,759
Purchase of investments		(148,930)	(1,287,913)
Sale proceeds of fixed assets		2,777	2,057
Net cash (used in) / generated from investing activities		(436,228)	2,598,695
<b>Cash flows from financing activities</b>			
Dividend paid		(403,615)	(367,045)
Net cash used in financing activities		(403,615)	(367,045)
Net (decrease) / increase in cash and cash equivalents		(3,832,453)	2,184,523
Cash and cash equivalents at the beginning of the period		3,575,276	296,863
Cash and cash equivalents at the end of the period	20	(257,177)	2,481,386

The annexed notes 1 to 23 form an integral part of these consolidated condensed interim financial statements.

**Raeesul Hasan**  
Chief Executive

**Amin Ali Abdul Hamid**  
Director



## Notes to the Consolidated Condensed Interim Financial Statements for the three quarters ended June 30, 2017 (Unaudited)

### 1. Group and its Operations

The Group consists of Habib Sugar Mills Limited (the Holding company) and its subsidiary company HSM Energy Limited. 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

HSM Energy Limited is incorporated in Pakistan as a public unlisted company on May 16, 2017. The Principal activity of the Company is to generate electricity through bagasse based power plant and sell it to National Grid. The Company is in the process of obtaining generation license and upfront tariff from National Electric Power Regulatory Authority (NEPRA). The expected time for commissioning of the project is 24 months from the award of the upfront tariff. The registered office of the Company is situated at Imperial Court, 3rd Floor, Dr. Ziauddin Ahmed Road, Karachi.

### 2. Statement of compliance

These consolidated 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, are to be followed. The consolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2016.

### 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, 2016.

	(Unaudited) June 30, 2017	(Audited) September 30, 2016
	(Rupees in thousands)	
<b>4. Fixed assets</b>		
<b>4.1 Property, plant and equipment</b>		
Operating fixed assets	2,071,765	1,520,365
Capital work-in-progress	572,410	592,155
Major stores and spare parts	2,023	49,365
	<u>2,646,198</u>	<u>2,161,885</u>
<b>4.2 Cost of additions to and written down value of deletions from fixed assets during the three quarters ended June 30, 2017 were as follows:</b>		



	Additions (Rupees in thousands)	Deletions (Rupees in thousands)
Land		
Sugar	24,649	-
Building		
Sugar	37,149	-
Plant and machinery		
Sugar	475,198	-
Distillery	77,580	6
Furniture, fittings and office equipment	5,584	33
Vehicles	183	49
	<u>620,343</u>	<u>88</u>
	(Unaudited) June 30, 2017 (Rupees in thousands)	(Audited) September 30, 2016
<b>5. Long-term investments - available for sale</b>		
Investments in related party	- Quoted - at fair value 1,454,407	1,176,917
	- Un-Quoted - at cost 44,500	12,500
Investments in other companies	- Quoted - at fair value 1,042,951	836,551
	<u>2,541,858</u>	<u>2,025,968</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.628.03 (September 30, 2016: Rs.572.28) million.	
	(Unaudited) June 30, 2017 (Rupees in thousands)	(Audited) September 30, 2016
<b>6. Stock-in-trade</b>		
Raw materials	756,130	165,519
Work-in-process	24,579	30,317
Finished goods	2,938,640	200,393
Fertilizers	4,435	5,618
Bagasse	40,021	-
	<u>3,763,805</u>	<u>401,847</u>
<b>7. Loans and advances</b>		
Loans - secured, considered good		
Current maturity of long-term loans		
Executives	952	406
Employees	5,674	5,831
	6,626	6,237
Advances - unsecured, considered good		
Suppliers	817,648	240,049
	<u>824,274</u>	<u>246,286</u>
<b>8. Other Receivables</b>		
Duty Drawback and research & development support claim	15,373	9,140
Sales tax refundable / adjustable	158,331	-
Dividend receivable	1,896	8,973
Others	277	3,682
	<u>175,877</u>	<u>21,795</u>



		(Unaudited) June 30, 2017 (Rupees in thousands)	(Audited) September 30, 2016
<b>9. Cash and bank balances</b>			
Cash in hand		1,770	222
Balances with banks in :			
Current accounts		45,732	4,600
Treasury call accounts	9.1	210,321	125,454
Term Deposit Receipts	9.2	485,000	3,445,000
	9.3	741,053	3,575,054
		<u>742,823</u>	<u>3,575,276</u>
<b>9.1</b>	Profit rates on Treasury call accounts ranged between 3.75% to 5.50% (September 30, 2016: 4.00% to 5.50%) per annum.		
<b>9.2</b>	Profit rates on Term Deposit Receipts ranged between 5.80% to 6.05% (September 30, 2016: 5.98% to 7.20%) per annum. Maturity of these Term Deposit Receipt is one month.		
<b>9.3</b>	Includes Rs.708.78 (September 30,2016: Rs.2,648.03 ) million kept with Bank AL Habib Limited - a related party		
<b>10. Deferred taxation</b>		(Unaudited) June 30, 2017 (Rupees in thousands)	(Audited) September 30, 2016
Deferred tax liability on taxable temporary difference:			
Accelerated tax depreciation on operating fixed assets		144,000	111,500
Deferred tax asset on deductible temporary differences:			
Provision for obsolescence and slow moving stores & spare parts		(7,000)	(7,500)
Unabsorbed tax depreciation		(22,000)	-
		<u>(29,000)</u>	<u>(7,500)</u>
		<u>115,000</u>	<u>104,000</u>
<b>11. Trade and other payables</b>			
Creditors		1,055,390	1,283,452
Accrued liabilities		209,307	180,255
Sales-tax / Federal excise duty		-	42,922
Workers' Profit Participation Fund		28,816	51,983
Workers' Welfare Fund		35,673	31,561
Income-tax deducted at source		297	230
		<u>1,329,483</u>	<u>1,590,403</u>
<b>12. Short-term borrowings - secured</b>		<u>1,000,000</u>	<u>-</u>

The aggregate financing facility available from commercial banks amounted to Rs. 5,313 (September 30,2016: Rs. 5,313) 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 2.50% to 7.54% (September 30,2016: 4.30% to 6.85% ) per annum.



### **13. Contingencies and commitments**

**13.1** On May 22, 2015 the Government of Pakistan promulgated Gas Infrastructure Development (GID) Cess Act, 2015 and levied GID Cess on gas bills at the rate of Rs.100 / MMBTU on all industrial consumers. The GID Cess Act, 2015 was made applicable with immediate effect superseding the GID Cess Act, 2011 and GID Cess Ordinance, 2014.

The Holding company challenged the vires of GID Cess Act, 2015 before the Honourable High Court of Sindh. On July 24, 2015 the Honourable High Court of Sindh passed an order restraining the SSGC from demanding and collecting GID Cess as levied by the GID Cess Act, 2015. Subsequent to year end, on October 26, 2016, the case was decided by the Honourable High Court of Sindh in favour of the Holding company. Against the above order Government have a right to file an appeal before the Honourable Supreme Court of Pakistan.

The Financial exposure of the Holding company upto June 30, 2017 is Rs.34.71 (September 30, 2016: 22.75) million. However, in view of the advice of legal counsel no provision has been made in these consolidated condensed interim financial statements.

**13.2** The Government of Sindh vide notification dated July 8, 2014 levied a fee of Rs.0.50 / litre for storage of rectified spirit in bonded warehouse at Terminal Kaemari, Karachi. The Holding company disputed the above levy and filed constitutional petition before the Honourable High Court of Sindh, challenging the above fee. On July 23, 2014, the Honourable High Court of Sindh granted stay and suspended the operation of the above notification. The case was lastly fixed for hearing on March 20, 2015 and was not taken up for hearing. The financial exposure as at June 30, 2017 is Rs.41.89 (September 30, 2016: 31.77) million. In view of the advice of legal counsel, the Holding company is confident of a favourable outcome of the case and accordingly no provision has been made in these consolidated condensed interim financial statements.

**13.3** Pursuant to the decision of ECC on January 10, 2013, the FBR vide its SRO No. 77(1)/2013 dated February 7, 2013, allowed benefit to sugar exporters by reducing FED rate from 8.0% to 0.5% on local sales, equivalent to quantity exported by the mills. The Holding company availed the benefit and claimed Rs.56.56 million on account of reduced rate of FED.

Against the aforementioned claim, FBR disallowed an amount of Rs.7.0 million and also levied default surcharge of Rs.0.30 million. The disallowances was on the basis that the benefit of claim accrues and arises from February 7, 2013, the date of SRO No: 77(1) /2013 and not from January 10, 2013, the date of ECC meeting wherein the benefit was approved by ECC. The Holding company maintains that the sugar mills are entitled to avail the benefit of reduced rate of FED on sugar exported against the export quota allotted by ECC in its meeting held on January 10, 2013. Accordingly, the Holding company filed a suit before Honourable High Court of Sindh and the operations of the said order were suspended by the Honourable Court vide its order dated April 23, 2014. The case was lastly fixed for hearing on December 4, 2014 and was adjourned to date in office. In view of the advice of legal counsel, the Holding company is confident of a favourable outcome and accordingly no provision has been made in these consolidated condensed interim financial statements.

**13.4** During the year 2009-10 the Holding company alongwith other sugar mills filed a Constitutional Petition before the Honourable High Court of Sindh against Pakistan Standards and Quality Control Authority - PSQCA challenging the notifications issued in respect of registration of the Standard Mark for refined sugar manufactured and sold by the Company and levy of marking fee at the rate of 0.1% of ex-factory price of sugar sold with effect from January 1, 2009.

On December 4, 2012 the Honourable High Court of Sindh decided the case in favour of the Holding company. Against the above order, PSQCA filed an appeal before the Honourable Supreme Court of Pakistan. On November 25, 2013 the Honourable Supreme Court of Pakistan passed an interim order against PSQCA restraining them from demanding any registration of standard marks / licensing fee from the sugar mills till further order and the case was adjourned to date in office.





According to the advice of legal counsel, the demand raised is without any lawful authority and is in violation of the Constitution, hence, no provision is made in this regard.

- 13.5** During 2009-10 the Holding company received a show cause notice from Competition Commission of Pakistan (CCP) under the Competition Ordinance, 2009 for alleged violation of certain provisions of the Ordinance. The Holding company alongwith other sugar mills filed a Constitutional Petition before the Honourable High Court of Sindh challenging the Ordinance. The Honourable High Court of Sindh, granted stay and restrained the Commission not to pass final order in respect of the show cause notice. The CCP filed an appeal before the Honourable Supreme Court of Pakistan which was disposed off by the Honourable Supreme Court based on the grounds that the matter was pending before the Honourable High Courts of Sindh and Lahore.

The Competition Ordinance of 2009 was repealed on March 25, 2010 and thereafter a new Ordinance, 2010 was promulgated which also stood repealed on August 15, 2010. The Parliament thereafter enacted the Competition Act, 2010 (ACT XIX of 2010). The Holding company filed amended application in view of the promulgation of the Competition Act 2010 which was accepted by the Honourable High Court of Sindh, with the consent of both the parties.

The petitions were last fixed for hearing on April 22, 2015, however, these were not taken up for hearing and adjourned to date in office. The CCP has not imposed any fine / penalty against the alleged violation of any provisions of the Competition Act, 2010.

- 13.6** The Company has provided counter guarantees to:

Bank AL Habib Limited, a related party, amounting to Rs. 250.00 (September 30, 2016: Rs. 250.00) million against agriculture finance facilities to growers.

Other banks amounting to Rs. 1,989.68 (September 30, 2016: 382.18) 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.

- 13.7** During the period Holding company made advance payment at the gross rate of Rs. 55,000 per Ton against the committed purchase of 15,600 Tons of sugar for its Trading division. At June 30, 2017, a quantity of 14,777 Tons of sugar remained unsold and considering the depressed prevailing prices of sugar a loss of Rs. 5,252 per Ton aggregating to Rs. 77.61 million is anticipated for which no provision has been made in these consolidated condensed Interim financial statements.

- 13.8** Commitments for capital expenditure amounting to Rs. 46.06 (September 30, 2016: 330.73) million.

(Unaudited)	(Audited)
June 30,	September 30,
2017	2016
(Rupees in thousands)	

- 13.9** Rentals payable over next four years under operating lease agreements with First Habib Modraba in respect of vehicles

30,890	28,973
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#### 14. Segment operating results for the three quarters ended June 30, 2017 (Unaudited)

	<b>Sugar Division</b>		<b>Distillery Division</b>		<b>Textile Division</b>		<b>Trading Division</b>		<b>(Rupees in thousands) Total</b>	
	<b>Three quarters ended June 30, 2017</b>	<b>June 30, 2016</b>	<b>Three quarters ended June 30, 2017</b>	<b>June 30, 2016</b>	<b>Three quarters ended June 30, 2017</b>	<b>June 30, 2016</b>	<b>Three quarters ended June 30, 2017</b>	<b>June 30, 2016</b>	<b>Three quarters ended June 30, 2017</b>	<b>June 30, 2016</b>
<b>Net sales and services</b>										
Sales - Local	1,644,128	4,126,999	357,409	313,015	2,680	2,717	253,513	467,055	2,257,730	4,909,786
- Export	296,563	-	1,466,407	1,442,471	189,414	222,647	114,951	-	2,067,335	1,665,118
	1,940,691	4,126,999	1,823,816	1,755,486	192,094	225,364	368,464	467,055	4,325,065	6,574,904
Services - Storage income - net	-	-	289	917	-	-	-	-	289	917
	1,940,691	4,126,999	1,824,105	1,756,403	192,094	225,364	368,464	467,055	4,325,354	6,575,821
Less: Cost of sales	(1,779,801)	(3,736,455)	(1,464,558)	(1,397,116)	(180,830)	(199,822)	(332,831)	(423,342)	(3,758,020)	(5,756,735)
<b>Gross Profit</b>	160,890	390,544	359,547	359,287	11,264	25,542	35,633	43,713	567,334	819,086
Less: Selling and distribution expenses	(42,242)	(32,567)	(84,529)	(104,152)	(11,908)	(12,314)	(747)	-	(139,426)	(149,033)
Administrative expenses-Holding Company	(99,808)	(94,243)	(10,764)	(9,012)	(3,128)	(3,595)	(162)	(166)	(113,862)	(107,016)
Administrative expenses-Subsidiary	-	-	-	-	-	-	-	-	(12)	-
	(99,808)	(94,243)	(10,764)	(9,012)	(3,128)	(3,595)	(162)	(166)	(113,874)	(107,016)
<b>Profit/(Loss) before other operating expenses and other income</b>	18,840	263,734	264,254	246,123	(3,772)	9,633	34,724	43,547	314,034	563,037
Other operating expenses -note 15									(32,928)	(51,728)
Other income - note 16									248,205	241,750
<b>Operating profit</b>									529,311	753,059

**14a. Segment operating results for the quarter ended June 30, 2017 (Unaudited)**

(Rupees in thousands)

	Sugar Division		Distillery Division		Textile Division		Trading Division		Total	
	Quarter ended		Quarter ended		Quarter ended		Quarter ended		Quarter ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
<b>Net sales and services</b>										
Sales - Local	1,014,532	2,593,025	153,157	145,737	1,201	105	43,866	273,534	1,212,756	3,012,401
- Export	-	-	789,461	572,328	66,777	61,799	114,951	-	971,189	634,127
	1,014,532	2,593,025	942,618	718,065	67,978	61,904	158,817	273,534	2,183,945	3,646,528
Services - Storage income - net	-	-	150	286	-	-	-	-	150	286
	1,014,532	2,593,025	942,768	718,351	67,978	61,904	158,817	273,534	2,184,095	3,646,814
Less: Cost of sales	(959,109)	(2,396,668)	(734,499)	(553,736)	(63,646)	(54,753)	(143,288)	(246,661)	(1,900,542)	(3,251,818)
<b>Gross Profit</b>	55,423	196,357	208,269	164,615	4,332	7,151	15,529	26,873	283,553	394,996
Less: Selling and distribution expenses	(10,468)	(8,630)	(33,333)	(53,731)	(4,567)	(4,000)	(747)	-	(49,115)	(66,361)
Administrative expenses-Holding Company	(35,318)	(34,085)	(3,866)	(3,227)	(1,206)	(1,294)	(39)	(55)	(40,429)	(38,661)
Administrative expenses-Subsidiary	-	-	-	-	-	-	-	-	(12)	-
	(35,318)	(34,085)	(3,866)	(3,227)	(1,206)	(1,294)	(39)	(55)	(40,441)	(38,661)
<b>Profit/(Loss)before other operating expenses and other income</b>	9,637	153,642	171,070	107,657	(1,441)	1,857	14,743	26,818	193,997	289,974
Other operating expenses -note 15									(11,935)	(20,113)
Other income - note 16									41,008	19,959
<b>Operating profit</b>									223,070	289,820



		(Unaudited)		(Unaudited)	
		Three quarters ended		Quarter ended	
		June 30,	June 30,	June 30,	June 30,
	Note	2017	2016	2017	2016
		(Rupees in thousands)			
<b>15. Other operating expenses</b>					
Workers' Profit Participation Fund		28,816	40,728	11,119	15,971
Workers' Welfare Fund		4,112	11,000	816	4,142
		<u>32,928</u>	<u>51,728</u>	<u>11,935</u>	<u>20,113</u>
<b>16. Other income</b>					
Profit on sale / redemption of investments		113,981	111,615	21,502	-
Dividend income		116,021	115,477	16,054	15,233
Scrap sale		11,556	4,871	908	115
Gain on disposal of fixed assets		2,689	2,033	919	1,276
Agriculture income		2,232	6,320	461	2,818
Exchange gain - net		1,726	754	1,164	517
Sale of Electricity		-	680	-	-
		<u>248,205</u>	<u>241,750</u>	<u>41,008</u>	<u>19,959</u>
<b>17. Finance income / (cost) - net</b>					
Profit on treasury call accounts		7,552	16,942	3,187	8,642
Profit on term deposit receipts		59,904	53,050	5,973	24,215
Interest on loan to employees		121	48	60	11
		67,577	70,040	9,220	32,868
Less: Mark-up / interest on:					
Short-term borrowings		(40,462)	(46,170)	(17,202)	(18,148)
Workers' Profit Participation Fund		(1,094)	(1,132)	-	-
Bank charges		(11,953)	(12,972)	(4,658)	(5,246)
		(53,509)	(60,274)	(21,860)	(23,394)
		<u>14,068</u>	<u>9,766</u>	<u>(12,640)</u>	<u>9,474</u>
<b>18. Taxation</b>					
Income tax - current	18.1	3,000	95,000	3,000	45,000
Deferred tax		11,000	20,000	1,000	-
		<u>14,000</u>	<u>115,000</u>	<u>4,000</u>	<u>45,000</u>

18.1 The provision for taxation for the current period is lower due to decrease in profit, accelerated tax depreciation allowance and investment allowance under BMR available as per the provisions of Income Tax Ordinance, 2001.



	(Unaudited)	
	June 30, 2017	June 30, 2016
	(Rupees in thousands)	
<b>19. Cash generated from operations</b>		
Profit before taxation	543,379	762,825
<b>Adjustment for non-cash charges and other items</b>		
Depreciation	135,942	111,441
Gain on disposal of fixed assets	(2,689)	(2,033)
Profit on sale / redemption of investments	(113,981)	(111,615)
Finance income - net	(14,068)	(9,766)
Dividend income	(116,021)	(115,477)
Working capital changes - note 19.1	(3,368,059)	(585,940)
	<u>(2,935,497)</u>	<u>49,435</u>
<b>19.1 Working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Stores and spare parts	(33,760)	(15,469)
Stock-in-trade	(3,361,958)	(1,024,958)
Trade debts	(147,398)	146,999
Loans and advances	(577,988)	(123,534)
Trade deposits and short-term prepayments	813	2,248
Other receivables	(161,159)	1,247
	<u>(4,281,450)</u>	<u>(1,013,467)</u>
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	(260,920)	(89,809)
Advance from customers	1,174,311	517,336
<b>Net changes in working capital</b>	<u>(3,368,059)</u>	<u>(585,940)</u>
<b>20. Cash and cash equivalents at the end of the period</b>		
These comprise of the following :		
Cash and bank balances	742,823	2,481,386
Short-term borrowings	(1,000,000)	-
	<u>(257,177)</u>	<u>2,481,386</u>



## 21. Balances and 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)		(Unaudited)	
	Three quarters ended		Quarter ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	(Rupees in thousands)			
Transactions during the period				
Insurance premium paid	27,913	18,692	6,330	6,501
Insurance claim received	8,985	-	1,534	-
Profit on treasury call accounts / term deposits	62,217	62,172	8,979	29,190
Investment in shares / units of mutual fund	42,100	762,500	100	-
Dividend income	93,865	93,865	9,387	9,387
Dividend paid	65,572	59,582	-	-
Redemption of investments	10,035	753,648	-	-
Bank charges	386	70	314	16
Compensation of Key management personnel	38,145	37,551	13,275	12,642
Contribution to retirement funds	10,278	9,862	3,402	3,269
	(Unaudited)		(Audited)	
	June 30, 2017		September 30, 2016	
	(Rupees in thousands)			

## Balances at the end of the period

Profit accrued on bank deposits - Bank AL Habib Limited 76 848  
Transactions with related parties are carried out under normal commercial terms and conditions.

## 22. Date of authorisation for issue

These consolidated condensed interim financial statements were authorised for issue on July, 12 2017 by the Board of Directors of the Company.

## 23. General

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

**Raeesul Hasan**  
Chief Executive

**Amin Ali Abdul Hamid**  
Director



شکر ڈویژن نے 18.84 ملین روپے کا منافع حاصل کیا جبکہ مقابلہ پچھلے سال اسی مدت کے دوران منافع 263.73 ملین روپے تھا۔ منافع میں انحصار کی وجہ شکر کی فروخت میں ست روپی کارحان اور پچھلے سال کی نسبت اس سال ریکوری میں کمی کے باعث پیداواری لاگت میں اضافہ ہے۔

مارچ 2017 کے بعد مقامی اور بین الاقوامی منڈیوں میں شکر کی انتہائی گرتی ہوئی قیمتوں کی وجہ سے شکر ڈویژن کی مجموعی منفعت پر منفی اثرات مرتب ہو سکتے ہیں۔ شکر کے اضافی اسٹاک کو مد نظر رکھتے ہوئے شکر کے مشاوری بورڈ (S.A.B.) نے وزارت کو تجویز پیش کی ہے کہ 1.200 ملین میٹرک ٹن اضافی شکر برآمد کرنے کی اجازت بنا وقت کی پابندی کے دی جائے۔ بہر حال وزارت نے ECC کو 0.600 ملین میٹرک ٹن شکر برآمد کرنے کی تجویز دی۔

شکر سازی کی صنعت نے اس وقت برآمد کی اجازت حاصل کرنے کی کوششیں کیں تھیں جب شکر کی قیمتیں بین الاقوامی منڈیوں میں زیادہ تھیں مگر حکومت نے فیصلہ کرنے میں تاخیر کی اور اسی اثنا میں بین الاقوامی منڈیوں میں شکر کی قیمتیں گزر کر 400 US\$ فی ٹن کی سطح پہنچ گئیں جس کی وجہ سے شکر کی برآمد غیر فائدہ مند ہو گئی۔ شکر سازی کی صنعت نے حکومت سے استدعا کی ہے کہ برآمد کو یقینی بنانے کے لیے 15 روپیہ فی ٹن کو گرام برآمدی چھوٹ دینے کا اعلان کیا جائے۔

#### ڈسٹری ڈویژن:

اس ڈویژن نے ذریعہ جازہ مدت میں 253 دن کے پیداواری عمل سے 24,138 میٹرک ٹن ایتھا نول بنایا جبکہ گزشتہ سال اسی مدت میں 258 دن میں 24,005 میٹرک ٹن ایتھا نول کی پیداوار حاصل کی تھی۔ ڈویژن نے 264.25 ملین روپے کا منافع حاصل کیا جبکہ گزشتہ سال اسی مدت کے دوران 246.12 ملین روپے منافع حاصل کیا تھا۔

مائع کاربن ڈائی آکسائیڈ (CO2) کے یونٹ کا آپریشن اطمینان بخش رہا اور 7,823 میٹرک ٹن کی پیداوار ہوئی جبکہ گزشتہ سال اسی مدت کے دوران پیداوار 7,255 میٹرک ٹن تھی۔ اس یونٹ کا منافع ڈسٹری ڈویژن کے منافع میں شامل ہے۔

#### ٹیکسٹائل ڈویژن:

ٹیکسٹائل ڈویژن نے ذریعہ جازہ مدت میں 3.77 ملین روپے کا خسارہ کیا جبکہ پچھلے سال کے اسی دورانیہ میں 9.63 ملین روپے کا منافع حاصل کیا تھا۔ ڈویژن کے خسارے کی بنیادی وجہ سوٹ کی قیمتوں میں اضافہ اور فروخت کے حجم میں کمی ہے۔

#### ٹریڈنگ ڈویژن:

اس ڈویژن کا ذریعہ جازہ مدت میں منافع 34.74 ملین روپے شکر اور شیرے کی تجارت سے حاصل ہوا، مقابلہ پچھلے سال کی اسی مدت کا منافع 43.55 ملین روپے تھا۔

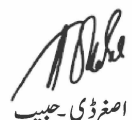
#### بکس پینٹی کو - جزیین منصوبہ:

ایچ۔ ایس۔ ایم انری لمیٹڈ، حبیب شوگر ملز لمیٹڈ کا ایک مکمل ملکیتی ماتحت ادارہ ہے جو 16 مئی، 2017 کو قائم ہوا۔ کمپنی بجلی پیدا کرنے کا لائسنس حاصل کرنے اور نیشنل الیکٹرک پاور ریکولٹری اتھارٹی (نہرا) سے بیرونی حاصل کرنے کے عمل سے گزر رہی ہے۔ بیرونی حاصل کرنے کے بعد اس منصوبے کی مکمل شدہ کارروائیہ متوقع طور پر چوبیس مہینے کا ہے۔

#### عام امور:

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

از طرف بورڈ آف ڈائریکٹرز

  
اصغر ڈی۔ حبیب

چیئرمین



## ڈائریکٹر کی رپورٹ

محترم مہر ان - السلام و علیکم  
بورڈ آف ڈائریکٹرز کی جانب سے میں آپ لوگوں کو 30 جون 2017 کی ختم ہونے والی تیسری سرمایہ مدت کے کھپنی کے غیر آؤٹ شدہ عبوری مالیاتی حسابات پیش کر رہا ہوں۔

### مالیاتی نتائج:

اللہ کے فضل و کرم سے زیر جائزہ مدت کے دوران آپ کا کھپنی کا قبل از ٹیکس منافع کی رقم 543.39 ملین روپے رہی۔ تین سرمایہ کے مالیاتی نتائج مندرجہ ذیل ہیں۔

(روپے ہزاروں میں)

543,391	منافع قبل از ٹیکسیشن
14,000	ٹیکس
529,391	منافع بعد از ٹیکسیشن
2,753	غیر منقسم منافع برائے فارورڈ
532,144	غیر منقسم منافع فیوری فارورڈ
3.53	آمدنی فی شیئر - بنیادی اور معتدل - روپے

### کارکردگی کا جائزہ:

### شمار ووشن:

کرشک بیزن 2016-2017 کا آغاز 17 نومبر 2016 کو ہوا اور پلانٹ 24 مارچ 2017 تک 128 دن چلا، اس کے مقابلے میں گزشتہ بیزن میں 111 دن چلا تھا۔ موجودہ بیزن میں گئے کرشک 865,530 میٹرک ٹن رہی اور شکر کی اوسط ریکوری 9.97 فیصد رہی جبکہ شکر کی پیداوار 86,316 میٹرک ٹن ہوئی۔ مقابلہ گزشتہ بیزن میں گئے کرشک 821,801 میٹرک ٹن تھی اور شکر کی اوسط ریکوری 10.74 فیصد تھی جبکہ شکر کی پیداوار 88,271 میٹرک ٹن تھی۔

حکومت سندھ نے 31 اکتوبر 2016 کو گئے کی کم از کم سپورٹ پرائس برائے بیزن 2016-2017 کے نوٹیفکیشن کا اجراء کیا جس میں گئے کی قیمت 182/- روپے فی 40 کلوگرام شکر کی گئی اس کے مقابلے میں گزشتہ بیزن 2015-2016 میں یہ قیمت 172/- روپے فی 40 کلوگرام تھی۔ علاوہ ازیں ملز کو اپنی پرمیٹ شکر کی اوسط ریکوری کے پیمانے 8.70 فیصد سے زائد ہر 0.10 فیصد پر 0.50 روپے فی 40 کلوگرام ادا کرے گی۔ حالانکہ نوٹیفکیشن کے مطابق یہ معاملہ معزز سرپریم کورٹ آف پاکستان میں زیرِ سماعت ہے اور وفاقی حکومت کی اسٹیجنگ کمپنی کے فیصلے کے مطابق کو اپنی پرمیٹ کا معاملہ سرپریم کورٹ کے فیصلے تک معطل رہے گا یا جب تک وفاقی حکومت کوئی متعلقہ لاٹھ عمل طے نہ کرے۔

موجودہ کرشک بیزن کے دوران گئے کی دستیابی غیر متواتر رہی جس کے نتیجے میں گئے کی کرشک کا یومیہ اوسط تناسب گزشتہ بیزن کے مقابلے میں کم رہا۔ علاوہ ازیں عالمی طور پر گرم درجہ حرارت کی وجہ سے شکر کی ریکوری گزشتہ سال کے مقابلے میں کم رہی۔

کینیٹ کی آئنا کما کوآرڈینیشن کمیٹی (ECC) نے باآرتیب 225,000 ٹن اور 200,000 ٹن شکر برآمد کرنے کی اجازت 19 جنوری 2017 اور 7 اپریل 2017 کو انیسویں مراعات انڈسٹری کے کمیٹی کے لیے ہے، جو کہ 31 مئی 2017 تک کے لیے تھا۔ شکر برآمد کرنے کی اجازت کی مدت بعد میں 30 جون 2017 تک بڑھا دی گئی۔ مارچ 2017 کے دوران ہماری کمپنی نے 5,200 ٹن شکر برآمد کی مگر بین الاقوامی منڈیوں میں شکر کی گرتی ہوئی قیمتوں کی وجہ سے مزید برآمد قابل نہیں سمجھی گئی۔