



HUSEIN
SUGAR



54
years
of excellence

CONDENSED INTERIM
FINANCIAL INFORMATION
(UN-AUDITED) FOR THE

**half year
ended
MARCH 31
2022**

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COMPANY INFORMATION

DIRECTORS

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

CHIEF OPERATING AND FINANCIAL OFFICER

Mr. Wasim Saleem

COMPANY SECRETARY

Mr. Khalid Mahmood

HEAD OF INTERNAL AUDIT

Mr. Zahid Mahmood

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

EXTERNAL AUDITORS

Kreston Hyder Bhimji & Co
Chartered Accountants

BANKERS OF THE COMPANY

ISLAMIC

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

CONVENTIONAL

Bank Alfalah Limited
First Credit and Investment Bank Limited
National Bank of Pakistan
Samba Bank Limited

SHARE REGISTRAR

Karachi

CDC Share Registrar Services Limited
CDC House, 99 – B, Block ‘B’,
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www.husein.pk

PSX SYMBOL

HSM

DIRECTORS' REPORT

The directors of your company are pleased to present the reviewed financial information of the Company for the half-year that ended on 31 March 2022.

The highlights of the Company's performance for the half year and its comparison with the corresponding period of last year is given below:

	31 March 2022	31 March 2021
OPERATIONAL		
Sugarcane crushed (Metric Tons)	909,397	822,621
Sugar produced (Metric Tons)	78,255	74,564
Sugar recovery (%)	8.76	9.06
 (Rupees)	
FINANCIAL		
Sales - net	4,356,005,919	3,442,564,090
Gross profit	523,902,081	292,429,534
Operating and finance cost	349,098,543	278,230,647
Profit/(Loss) before taxation	190,018,641	37,190,447
Profit/(Loss) after taxation	120,340,388	(22,423,963)
Earnings/(Loss) per share	2.33	(0.55)

THE SUGAR INDUSTRY AND THE ECONOMY

Sugar prices throughout the country have seen a sharp reversal from a high in FY19-FY21 to dramatically lower levels in Q2 of 2022. The same supply and demand dynamics that drove sugar prices to ten year highs in the country have now driven prices to lower lows as an unanticipated and record production has been made manifest. An unprecedented year-on-year increase in sugar production has created a temporary glut in the sugar market and it remains to be seen what proportion of sugar quantities, if timely and effective decisions are not made, will be carried over into the next crushing season.

It seems that Pakistan and the rest of the world have finally begun to move past the health and safety implications of the Covid-19 pandemic. However, the pandemic has left behind severe economic devastation. Even developed economies have not managed to protect themselves entirely from the implications of months of lockdowns, with countries across the world, in the post Covid-19 economy facing daunting inflationary numbers and contractions in economic growth. Trillions of dollars of wealth have been erased from the global economy and the true costs of enormous stimulus packages are finally being seen. As supply chain disruptions have escalated all costs of manufacturing from oil prices to shipping, governments are simultaneously trying to rein in inflation, while trying to get the economy back on track. Governments across the world and also in Pakistan are desperate to keep food prices in control while revitalizing economic growth, although costs of manufacturing have risen drastically. It is necessary for the relevant policy-makers to provide a policy framework in consultation with the industry to achieve these objectives. As the State Bank of Pakistan has begun increasing interest rates to fight inflation, the cost of capital has become even more expensive. It is becoming an extremely difficult challenge for a food-based industry to navigate in such a background. Political instability has restricted foreign inflows and the resulting dent in foreign exchange reserves have hit hard on the Rupee. Although this devaluation adds a burden on the costs of manufacturing, it also gives companies in Pakistan's sugar sector a comparative advantage on sugar.

Although the Government has promoted sectors across the economy, the same cannot be said about the Sugar Industry in Pakistan. Past and present governments have tried to force sugar prices to arbitrarily defined targets. It is important for skilled and relevant personnel to be engaged to determine the dynamics within the industry. Often times, it is assumed that costs of manufacturing are similar for all firms within the industry. However, with firms operating in different areas and at different scales, the recoveries and costs within the

industry vary drastically. There is no homogenous mechanism of production and in fact there is a disparity within the industry. Across the entire political spectrum, there is significant misinformation about the costs of manufacturing of the sugar industry and the value addition the sector provides. Given the devaluation of the rupee against the dollar, and high prices of sugar in the international market, Pakistani sugar is one of the most lucrative products available in our country, for export. Given the pressure on foreign exchange reserves and the balance of payments, it is worth studying whether sugar can be exported to help alleviate some of the economic burden on the country.

This year, the pattern of supply, demand, costing and pricing has been quite different than last year. Although the beginning of the crushing season saw high sugar prices, as the crushing season progressed and the extent of production become evident, prices started falling drastically. However, on the demand side, with the lifting of the lockdown and the opening up of the economy we are also witnessing record levels of consumption throughout Pakistan, where we are seeing sale figures rise by up to 25%. Firms across the industry continued to produce at a higher cost of production as compared to the previous five-year average. Although this was due to the increasing prices of various inputs in the cost of manufacturing, the primary driving force behind an increasing cost of production was high prices paid to farmers above and beyond the notified support price for the procurement of sugarcane. As compared to a low in 2018 and 2019, sugarcane plantation per acre per capita is perhaps the highest in recent history

Due to political reasons, against the better judgment of the industry, the crushing season for sugarcane in Punjab and across the rest of Pakistan began earlier than what would have been optimal. Due to poor contents of sucrose in sugarcane, many firms were hesitant to begin crushing. As always, Husein Sugar was one of the first firms to begin crushing this year. As the season progressed, it became evident that there was a significant increase in sugarcane cultivation as compared to the previous year. Primarily, this increase in sugarcane plantation was driven by the extremely lucrative prices at a premium that mills paid farmers across Pakistan in the two years prior, which led to a bumper crop this season. As was stated earlier, the premium that mills had been paying farmers had led to high sugarcane prices in previous years but has also led to a higher plantation of sugarcane this year, which has yielded an excess production of sugar. Although the Government of Punjab had fixed the minimum support price of sugarcane at Rs. 225 per 40 Kg, it was observed that millers were paying upwards of Rs. 300 per 40 Kg by the end of the season. On average, as per market data, it is estimated that average procurement of sugarcane was roughly at the rate of Rs. 250 per 40 Kg for this crushing season. Although there was a bumper crop, farmers refused to supply sugarcane at the notified price and millers inevitably succumbed to their demands and produced sugar at high costs of production.

On the directions of the Government of Punjab, mills started crushing earlier than what was optimal. This led to crushing of sugarcane that was not fully matured and resulted in an overall reduction in sugar recovery for the year. As has been the case for the last few years, at the start of the crushing season, sugarcane recoveries for early maturing varieties were much lower than usual due to climatic conditions. This blow in sugarcane recoveries was further amplified by the proliferation of diseases by pests in our area. Our mill was not the only one affected by this irritant but all mills in our region faced a similar situation. Throughout Faisalabad division, the recoveries of mills were set back due to an unprecedented and one time attack by the white fly pest. The pest migrates from region to region each year and its attack significantly decreases sucrose recoveries in sugarcane fields that it has visited. Last year, mills in the Jhang and Kamalia regions of Punjab were faced by this threat. Luckily, the worst is over, and we can look forward to a rebounding recovery next year. In fact, by our estimates, recoveries across the region were significantly lower than the provincial average (by at least 0.5 degree). This year, the company has achieved a recovery of 8.76% as compared to 9.06% the previous year. Although this is a real setback, with premiums being paid to farmers, it is expected that sucrose contents in the cane planted in our region will see a revival early next year. However, our decision to crush early and pay a competitive price for sugarcane has been received well by the sugarcane growers of our area and we are confident that sufficient goodwill has been generated for future seasons. Furthermore, with growers receiving 10-20% extra profit it is estimated that sugarcane cultivation will increase by 10-15% for the next crushing season. Seeing that this year was a bumper crop and that next year is forecasted to be similar, it is necessary that policy-makers in Pakistan in consultation with the industry formulate a framework with a medium-to-long term export and local pricing framework to give a sense of stability to an industry of extreme importance in Pakistan.

With the dollar depreciating further every day to lower levels and having hit a low of at least Rs. 197.50, Pakistani sugar is extremely lucrative for international markets without any subsidy. Although there are certain political considerations for any government in Pakistan, an opportunity of this scale should not be overlooked. After accounting for local demand and in view of our foreign exchange balances, a genuine effort should be made to find a framework to capitalize on this opportunity.

OPERATING HIGHLIGHTS

Starting on the 17th of November 2021, the company operated for a total of 138 days. Compared to the previous season, the company's crushing season was longer by 2 weeks.

Although financial results of the half-year are never truly representative of what the company will ultimately achieve, the directors are pleased to announce that:

The Company was able to crush 909,397 M. Tons of Sugarcane and produced 78,255 M. Tons of refined sugar at an average recovery of 8.76% as compared to last year's sugarcane crushing of 822,621 M. Tons and production of 74,564 M. Tons refined sugar at an average recovery of 9.06%. Although our sugarcane recovery has seen a drop due to an earlier start of season, and an unprecedented pest attack in our region, in terms of tons of sugarcane crushed as compared to last year we have crushed a 10% increase in sugarcane crushing. In terms of sugar produced we have produced 5% more than we produced last year. The remarkable technical performance has been achieved due to various factors. The Efficiency Improvement Project that the company had embarked on has debottlenecked various clots in our process and has eliminated various technical efficiencies. Furthermore, administrative and human resource restructuring has led to greater leadership in the company that has improved productivity and oversight further.

For the half year, the company has recorded a record-breaking revenue of Rs. 5 Billion. In comparison in 2017 and 2018, where our full year revenues were at Rs. 3.8 and Rs. 2.7 Billion respectively. The Efficiency Improvement Project and the BMR that the company has completed has drastically changed the operational capacity of the company. This is the first time in the history of the company that we have produced more than 74,000 tons two years in a row. The company has earned gross profit of Rs. 523,902,081 as compared to gross profit of Rs. 292,429,534 of last year. This year, our profit after tax is Rs. 120,340,388 during the period under review as compared to loss after tax of Rs. 22,423,963 in the corresponding period of last year.

Despite the fact there is an excess production and sugar prices have fallen below viable levels, the company has still performed well. One of the major reasons the company has performed particularly well stems from the companies decisions to carryover inventory from the previous year which was sold at lucrative prices. Although we are confident on finishing the year with a positive note, certain considerations are due. There is an excess national production without any clarity on its onward disposal. The Rupee has devalued to levels never seen before and all associated costs of manufacturing to the company have increased. Shipping rates, prices of oil, steel, packing material, and other consumables are on the rise, and there is no political stability or economic plan. Given this environment, there is uncertainty in the outlook of sugar prices. For the remainder of the year, and the associated financial results for the FY21-22, it remains to be seen how the sugar market performs for the rest of the year, and whether policy-makers are willing to set aside political considerations for the welfare of the economy and the industry.

FUTURE OUTLOOK

Sugar prices in the local market have not followed the trends that have been observed in the international market. Given a supply-chain disruption internationally, the war in Ukraine, and rising oil prices, many sugar-exporting countries have realigned their production to produce more ethanol as compared to sugar. Whereas the economy is desperately trying to manage its Balance of Payments, and the international market for sugar is particularly lucrative, it places Pakistani companies uniquely to offer its products abroad. Whereas sugar prices have fallen in Pakistan, the international market is particularly lucrative. The last time sugar prices were this high internationally was in Q1 of 2017. Given a record sugar production and forecast of a similar, if not higher,

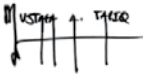
production next year, it is an opportunity for Pakistani sugar players to make inroads abroad. Time should not be wasted in preparing a medium-to-long term export policy, while keeping in mind domestic consumption, sugarcane pricing, rising costs of manufacturing, and the international market. However, in the last two years, sugar prices have revived at the international level. Furthermore, it is predicted that sugar prices will continue to increase in the international market within the current calendar year.

A hike in interest rates through various monetary policies by the State Bank of Pakistan has added to financial obligations of the company as well. Given the economic situation of the country with production at ridiculously high levels – it is the need of the hour to formulate and implement a medium-to-long term sugar policy. Given these difficult circumstances, the company has begun to explore new avenues and maximize efficiency in current operations. The company is considering investment in other sector of the economy for which it is uniquely placed and we have begun reviewing operational efficiencies in terms of manpower and raw material procurements and our confident we will be able to reduce cost of sales and administrative overheads in nominal terms significantly by the next financial year. In fact, this year, the company has begun to enter retail markets directly aggressively and has built a small-scale marketing and distribution operation. We look forward to grow this enterprise further in the following years.

ACKNOWLEDGEMENT

The Directors of your Company would like to thank the various governmental departments and its functionaries, our banking partners, others financial institutions, and insurance companies for their continued support and cooperation. The Directors would also like to express their gratitude and appreciation for the support provided by our valued customers and suppliers. We also thank our shareholders, who continue to place their trust and confidence in the Company and assure them of our best efforts to ensure optimum utilization of their investment in the Company. Furthermore, the Directors place on record their appreciation for the continued support of our sugarcane growers whose hard work and loyalty with our company continue to be at the center of our company's growth and success. Lastly and above all, the Directors wish to acknowledge and place on record their appreciation for the devotion, loyalty, and hard work of all cadres of employees towards the growth and success of the company.

For and on behalf of Board of Directors,



Mian Mustafa Ali Tariq
Chief Executive Officer



Mian Ahmed Ali Tariq
Chairman

LAHORE: 27 May 2022

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2022ء کو ختم ہونے والی پہلی ششماہی کے لیے کمپنی کی نظر ثانی شدہ مالی معلومات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

پہلی ششماہی اور گزشتہ سال کی اسی مدت کے موازنہ کے لئے کمپنی کی کارکردگی کی جھلکیاں حسب ذیل ہیں:

31 مارچ 2021	31 مارچ 2022	آپریٹرز
822,621	909,397	گنے کی کرشنگ (میٹرک ٹن)
74,564	78,255	چینی کی پیداوار (میٹرک ٹن)
9.06	8.76	چینی کا حصول (فیصد)
		مالیات
3,442,564,090	4,356,005,919	فروخت۔ خالص
292,429,534	523,902,081	مجموعی منافع
278,230,647	349,098,543	آپریٹنگ اور مالی اخراجات
37,190,447	190,018,641	قبل از ٹیکس منافع
(22,423,963)	120,340,388	بعد از ٹیکس منافع
(0.55)	2.33	فی شیئر آمدنی / نقصان (روپے)

چینی کی صنعت اور معیشت

ملک بھر میں چینی کی قیمتوں میں FY19-FY21 کی بلند ترین سطح سے 2022 کی دوسری سہ ماہی میں ڈرامائی طور پر تیزی سے چلی سطح پر دیکھی گئی ہے۔ طلب اور رسد کی انہی محرکات جس نے ملک میں چینی کی قیمتوں کو دس سال کی بلند ترین سطح پر پہنچا دیا، اب قیمتیں کم ترین سطح پر آگئی ہیں، ایک غیر متوقع اور ریکارڈ پیداوار کے طور پر ظاہر کیا گیا ہے۔ چینی کی پیداوار میں سال بہ سال غیر معمولی اضافے نے چینی کی مارکیٹ میں ایک عارضی ہنگامہ کھڑا کر دیا ہے اور یہ دیکھنا باقی ہے کہ اگر بروقت اور موثر فیصلے نہ کیے گئے تو چینی کی مقدار کا کتنا تناسب اگلے کرشنگ سیزن میں لے جایا جائے گا۔

ایسا لگتا ہے کہ پاکستان اور باقی دنیا نے آخر کار COVID-19 وبائی بیماری کے صحت اور حفاظت کے مضمرات سے گزرنا شروع کر دیا ہے۔ تاہم، وبائی بیماری نے اپنے پیچھے شدید معاشی تباہی چھوڑی ہے۔ یہاں تک کہ ترقی یافتہ معیشتیں بھی مہینوں کے لاک ڈاؤن کے مضمرات سے خود کو مکمل طور پر بچانے میں کامیاب نہیں ہو سکی ہیں، دنیا بھر کے ممالک معیشت میں کوویڈ-19 کے بعد کی مہنگائی کی خطرناک تعداد اور معاشی نمو میں کمی کا سامنا ہے۔ عالمی معیشت سے کھریوں ڈالر کی دولت بھادی گئی ہے اور زبردست محرک ٹیکس کے حقیقی اخراجات آخر کار نظر آرہے ہیں۔ چونکہ سپلائی چین میں رکاوٹوں نے تیل کی قیمتوں سے لے کر شینگ تک مینوفیکچرنگ کے تمام اخراجات کو بڑھا دیا ہے، حکومتیں

بیک وقت نہ صرف مہنگائی پر قابو پانے کی کوششیں کر رہی ہیں، بلکہ معیشت کو دوبارہ پٹری پر لانے کی کوششیں کر رہی ہیں۔ دنیا بھر میں اور پاکستان میں بھی حکومتیں معاشی ترقی کو بحال کرتے ہوئے ایشیائے خوردونوش کی قیمتوں کو کنٹرول میں رکھنے کے لیے بے چین ہیں، حالانکہ مینوفیکچرنگ کی لاگت میں زبردست اضافہ ہوا ہے۔ متعلقہ پالیسی سازوں کے لیے ضروری ہے کہ وہ ان مقاصد کو حاصل کرنے کے لیے صنعت کی مشاورت سے ایک پالیسی فریم ورک فراہم کریں۔ اسٹیٹ بینک آف پاکستان نے افراط زر سے نمٹنے کے لیے شرح سود میں اضافہ کرنا شروع کر دیا ہے، سرمائے کے اخراجات مزید بڑھ گئے ہیں۔ خوراک پر مبنی صنعت کے لیے ایسے پس منظر میں کاروبار جاری رکھنا ایک انتہائی مشکل چیلنج بنتا جا رہا ہے۔ سیاسی عدم استحکام نے غیر ملکی آمد کو محدود کر دیا ہے اور اس کے نتیجے میں زرمبادلہ کے ذخائر میں کمی نے روپیہ کو شدید نقصان پہنچایا ہے۔ اگرچہ اس قدر میں کمی سے مینوفیکچرنگ کی لاگت پر بوجھ بڑھتا ہے، لیکن یہ پاکستان کے شوگر سیکٹر میں کمپنوں کو شوگر پر تقابلی فائدہ مند بھی ہے۔

اگرچہ حکومت نے پوری معیشت کے تمام شعبوں کو فروغ دیا ہے لیکن پاکستان میں شوگر انڈسٹری کے بارے میں ایسا نہیں کہا جاسکتا۔ ماضی اور موجودہ حکومتوں نے چینی کی قیمتوں کو اپنی مرضی سے متعین اہداف پر مجبور کرنے کی کوشش کی ہے۔ ہنرمند اور متعلقہ اہلکاروں کے لیے یہ بہت ضروری ہے کہ صنعت کے اندر موجود محرکات کا تعین کرنے میں شامل رہیں۔ اکثر اوقات، یہ فرض کیا جاتا ہے کہ صنعت کے اندر تمام فرموں کے لیے مینوفیکچرنگ کے اخراجات ایک جیسے ہوتے ہیں۔ تاہم، مختلف شعبوں میں اور مختلف پیمانے پر کام کرنے والی فرموں کے ہاں، صنعت کے اندر ریکوری اور اخراجات کافی حد تک مختلف ہوتے ہیں۔ پیداوار کا کوئی یکساں طریقہ کار نہیں ہے اور درحقیقت صنعت کے اندر ایک تفاوت ہے۔ پورے سیاسی میدان میں، شوگر انڈسٹری کی مینوفیکچرنگ کے اخراجات اور اس شعبے کی جانب سے فراہم کردہ ویلیو ایڈیشن کے بارے میں اہم غلط معلومات موجود ہیں۔ ڈالر کے مقابلے روپیہ کی قدر میں کمی اور بین الاقوامی مارکیٹ میں چینی کی بلند قیمتوں کے پیش نظر برآمد کے لیے پاکستانی چینی ہمارے ملک میں دستیاب سب سے زیادہ منافع بخش مصنوعات میں سے ایک ہے۔ زرمبادلہ کے ذخائر پر دباؤ اور ادائیگیوں کے توازن کے پیش نظر، یہ مطالعہ کرنے کے قابل ہے کہ آیا ملک پر پڑنے والے معاشی بوجھ کو کم کرنے کے لیے چینی کو برآمد کیا جاسکتا ہے۔

اس سال طلب، رسد، لاگت اور قیمتوں کا انداز پچھلے سال کے مقابلے کا کافی مختلف رہا ہے۔ اگرچہ کرشنگ سیزن کے آغاز میں چینی کی قیمتیں زیادہ ہوئیں، جیسے جیسے کرشنگ سیزن آگے بڑھا اور پیداوار کی حد واضح ہوتی گئی، قیمتوں میں زبردست گراؤ شروع ہوگئی۔ تاہم، طلب کی طرف، لاک ڈاؤن کے خاتمے اور معیشت کے کھلنے کے ساتھ ہم پورے پاکستان میں کھپت کی ریکارڈ سطح کا مشاہدہ کر رہے ہیں، جہاں ہم فروخت کے اعداد و شمار میں 25 فیصد تک اضافہ دیکھ رہے ہیں۔ پوری صنعت میں فرموں نے گزشتہ پانچ سالہ اوسط کے مقابلے زیادہ پیداواری لاگت پر پیداوار جاری رکھی۔ اگرچہ یہ مینوفیکچرنگ کی لاگت میں مختلف اُن پٹ کی بڑھتی ہوئی قیمتوں کی وجہ سے تھی، لیکن پیداواری کی زیادہ لاگت کے پیچھے بنیادی محرکات کا شکاروں کو ادا کی جانے والی گئے کی خریداری کے لیے اعلان کردہ امدادی قیمت سے زیادہ قیمتیں تھیں۔ فی ایکڑ کی کاشت 2018 اور 2019 میں کم کے مقابلے میں، حالیہ تاریخ میں شاید سب سے زیادہ ہے۔

سیاسی وجوہات کی بناء پر، صنعت کے بہتر فیصلے کے مقابل، پنجاب اور پاکستان کے باقی حصوں میں گئے کی کرشنگ سیزن مناسب سیزن سے پہلے شروع کیا گیا۔ گئے میں سکروں کے ناقص مواد کی وجہ سے، بہت سی فرمیں کرشنگ شروع کرنے میں ہچکچاہٹ کا شکار تھیں۔ ہمیشہ کی طرح، حسین شوگر اس سال بھی کرشنگ شروع کرنے والی پہلی فرموں میں سے ایک تھی۔ جون جون سیزن آگے بڑھا، یہ بات عیاں ہوگئی کہ گئے کی کاشت میں پچھلے سال کے مقابلے میں نمایاں اضافہ ہوا ہے۔ بنیادی طور پر، گئے کی کاشت میں یہ اضافہ ایک پرہیز پر انتہائی منافع بخش قیمتوں کی وجہ سے ہوا جوٹوں نے دو سال قبل پاکستان بھر کے کسانوں کو ادا کیے، جس کی وجہ سے اس سیزن میں فصل بہت زیادہ ہوئی۔

جیسا کہ پہلے بیان کیا جا چکا ہے، ملیں کسانوں کو جو پریمیم ادا کر رہی تھیں وہ پچھلے سالوں میں گنے کی قیمتوں میں اضافے کا باعث بنی تھیں لیکن اس سال گنے کی زیادہ کاشت کا باعث بھی بنی ہیں، جس سے چینی کی اضافی پیداوار حاصل ہوئی ہے۔ اگرچہ حکومت پنجاب نے گنے کی کم از کم اعدادی قیمت 225 روپے فی 40 کلوگرام مقرر کی تھی، یہ دیکھا گیا کہ ملرز سیزن کے اختتام تک 300 روپے فی 40 کلوگرام سے اوپر کی ادائیگی کر رہے تھے۔ اوسطاً، مارکیٹ کے اعداد و شمار کے مطابق، یہ اندازہ لگایا گیا ہے کہ گنے کی اوسط خریداری اس کرشنگ سیزن کے لیے تقریباً 250 روپے فی 40 کلوگرام کی شرح پر تھی۔ اگرچہ فصل بہت زیادہ ہوئی، لیکن کسانوں نے اعلان کردہ قیمت پر گنے کی سپلائی کرنے سے انکار کر دیا اور ملرز لامحالہ ان کے مطالبات کے آگے جھک گئے اور پیداوار کی زیادہ لاگت پر چینی بنائی۔

حکومت پنجاب کی ہدایت پر ملوں نے مناسب سیزن سے پہلے کرشنگ شروع کر دی۔ اس کی وجہ سے گنے کی کرشنگ ہوئی جو پوری طرح تیار نہیں ہوئی تھی اور اس کے نتیجے میں سال بھر میں چینی کی ریکوری میں مجموعی طور پر کمی واقع ہوئی۔ جیسا کہ پچھلے کچھ سالوں سے ہوتا رہا ہے، کرشنگ سیزن کے آغاز پر، موسمی حالات کی وجہ سے جلد پکنے والی اقسام کے گنے کی ریکوری معمول سے بہت کم تھی۔ گنے کی ریکوری میں اس دھچکے کو ہمارے علاقے میں کیڑوں کے ذریعے بیماریوں کے پھیلاؤ سے مزید تقویت ملی۔ اس پریشانی سے صرف ہماری ملی ہی متاثر نہیں ہوئی بلکہ ہمارے خطے کی تمام ملوں کو بھی ایسی ہی صورتحال کا سامنا کرنا پڑا۔ پورے فیصل آباد ڈویژن میں سفید کھمی کے کیڑے کے غیر معمولی اور یک بار حملے کی وجہ سے ملوں کی ریکوری کم ہو گئی۔ کیڑے ہر سال ایک علاقے سے دوسرے علاقے میں منتقل ہوتے ہیں اور اس کے حملے سے گنے کے ان کمیتوں میں سکروں کی وصولی میں نمایاں کمی واقع ہوتی ہے جن کا اس نے دورہ کیا ہو۔ پچھلے سال پنجاب کے جھنگ اور کمالیہ کے علاقوں میں ملوں کو اس خطرے کا سامنا کرنا پڑا تھا۔ خوش قسمتی سے، بدترین خطرہ ختم ہو چکا ہے، اور ہم اگلے سال دوبارہ بحالی کے منتظر ہیں۔ درحقیقت، ہمارے اندازوں کے مطابق، پورے خطے میں ریکوری صوبائی اوسط (کم از کم 0.5 ڈگری سے) نمایاں طور پر کم تھی۔ اس سال، کمپنی نے پچھلے سال کی 9.06 فیصد کے مقابلے میں 8.75 فیصد کی ریکوری حاصل ہوئی ہے۔ اگرچہ یہ ایک حقیقی دھچکا ہے، کسانوں کو پریمیم کی ادائیگی کے ساتھ، یہ توقع کی جاتی ہے کہ ہمارے علاقے میں کاشت گنے میں سکروں کے مواد کی بحالی اگلے سال کے شروع میں ہوگی۔ تاہم، ہمارے علاقے کے گنے کے کاشتکاروں کی طرف سے گنے کی جلد کرشنگ اور مسابقتی قیمت ادا کرنے کے ہمارے فیصلے کو اچھی طرح سے پذیرائی ملی ہے اور ہمیں یقین ہے کہ مستقبل کے سیزن کے لیے کافی خبر رسائی پیدا ہوگی ہے۔ مزید برآں، کاشتکاروں کو 10-20% اضافی منافع ملنے کے ساتھ یہ اندازہ لگایا گیا ہے کہ اگلے کرشنگ سیزن میں گنے کی کاشت میں 15-10% اضافہ ہوگا۔ یہ دیکھتے ہوئے کہ اس سال فصل بہت زیادہ ہوئی اور اگلے سال بھی اسی طرح کی پیش گوئی کی گئی ہے، اس لیے ضروری ہے کہ پاکستان میں پالیسی ساز صنعت کے ساتھ مشاورت سے پاکستان میں انتہائی اہمیت کی حامل صنعت کے لیے استحکام کا احساس کے ساتھ درمیانی سے طویل مدتی برآمدات اور مقامی قیمتوں کے تعین کے لیے ایک فریم ورک تیار کریں۔

ڈالر روز بہ روز روپیہ کی قدر کو کم کرتے ہوئے کم از کم 197.50 روپے کی کم ترین سطح پر پہنچ گیا ہے۔ پاکستانی چینی بین الاقوامی مارکیٹوں کے لیے بغیر کسی سبسڈی کے انتہائی منافع بخش ہے۔ اگرچہ پاکستان میں کسی بھی حکومت کے لیے کچھ سیاسی تحفظات ہوتے ہیں، لیکن اس بڑے موقع کو نظر انداز نہیں کیا جانا چاہیے۔ مقامی طلب کے حساب سے اور ہمارے زرمبادلہ کے توازن کو مد نظر رکھتے ہوئے، اس موقع سے فائدہ اٹھانے کے لیے ایک فریم ورک تلاش کرنے کی حقیقی کوشش کی جانی چاہیے۔

آپریٹنگ جھلکیاں

17 نومبر 2021 کو شروع کرتے ہوئے، کمپنی نے کل 138 دن کام کیا۔ پچھلے سیزن کے مقابلے میں، کمپنی کا کرشنگ سیزن 2 ہفتے

زیادہ تھا۔

اگرچہ ششماہی کے مالیاتی نتائج کبھی بھی حقیقی معنوں میں اس بات کا نمائندہ نہیں ہوتے کہ کمپنی آخر کار کیا حاصل کرے گی، ڈائریکٹرز بخوشی اعلان کرتے ہیں کہ:

کمپنی نے پچھلے سال 822,621 میٹرک ٹن گنے کی کرشنگ اور اوسطاً 9.06 فیصد کی ریکوری پر 74,564 میٹرک ٹن کی پیداوار کے مقابلے میں 909,397 میٹرک ٹن گنے کی کرشنگ کی اور اوسطاً 8.76 فیصد کی ریکوری پر 78,255 میٹرک ٹن ریفاائنڈ چینی بنائی۔ اگرچہ ہمارے گنے کی ریکوری میں سیزن کے جلد آغاز کی وجہ سے کمی دیکھی گئی ہے، اور ہمارے علاقے میں کیڑوں کا شدید حملہ ہوا، لیکن پچھلے سال کے مقابلے میں گنے کی کرشنگ کے لحاظ سے ہم نے گنے کی کرشنگ میں 10 فیصد اضافہ کیا ہے۔ چینی کی پیداوار کے لحاظ سے ہم نے گزشتہ سال کی پیداوار سے 5 فیصد زیادہ چینی بنائی ہے۔ قابل ذکر تکنیکی کارکردگی مختلف عوامل کی وجہ سے حاصل کی گئی ہے۔ اٹلیٹھنی امپروومنٹ پراجیکٹ جس پر کمپنی نے کام شروع کیا تھا اس نے ہمارے عمل میں مختلف رکاوٹوں کو ختم کر دیا ہے اور مختلف تکنیکی صلاحیتوں کو نمایاں کر دیا ہے۔ مزید برآں، انتظامی اور انسانی وسائل کی تنظیم نو نے کمپنی میں اعلیٰ قیادت کو جنم دیا ہے جس سے پیداواری صلاحیت اور عمرانی میں مزید بہتری آئی ہے۔

ششماہی کے دوران کمپنی نے 5 بلین روپے کی ریکارڈ فروخت حاصل کی ہے جبکہ 2017 اور 2018 میں ہماری پورے سال کی فروخت 3.8 اور 2.7 بلین روپے تھی۔ اٹلیٹھنی امپروومنٹ پراجیکٹ اور BMR جو کمپنی نے مکمل کیا ہے اس نے کمپنی کی آپریشنل صلاحیت کو یکسر تبدیل کر دیا ہے۔ کمپنی کی تاریخ میں یہ پہلا موقع ہے کہ ہم نے لگاتار دو سال میں 74,000 ٹن سے زیادہ کی پیداوار کی ہے۔ کمپنی نے گزشتہ سال کے 292,429,534 روپے کے مجموعی منافع کے مقابلے میں 523,902,081 روپے کا مجموعی منافع کمایا ہے۔ اس سال بعد از ٹیکس ہمارا منافع زیر جائزہ مدت کے دوران 120,340,388 روپے جبکہ گزشتہ سال کی اسی مدت میں بعد از ٹیکس نقصان 22,423,963 روپے تھا۔

اس حقیقت کے باوجود کہ اضافی پیداوار ہوئی ہے اور چینی کی قیمتیں قابل عمل سطح سے نیچے آگئی ہیں، کمپنی نے پھر بھی اچھی کارکردگی کا مظاہرہ کیا ہے۔ کمپنی کی طرف سے خاص طور پر اچھی کارکردگی کا مظاہرہ کرنے کی ایک بڑی وجہ پچھلے سال سے آگے لے جانے والی انویسٹری کے کمپنیوں کے فیصلے ہیں جو منافع بخش قیمتوں پر فروخت ہوئی تھی۔ اگرچہ ہم سال کے ایک مثبت نوٹ کے ساتھ اختتام پذیر ہونے کے لئے اُمتداد ہیں، کچھ تحفظات باقی ہیں۔ اپنے آئندہ ڈسپوزل کے بارے میں کسی وضاحت کے بغیر قومی پیداوار اضافی ہے۔ روپیہ کی قدر اس سطح تک گر گئی ہے جو پہلے کبھی نہیں دیکھی گئی تھی اور کمپنی کے مینوفیکچرنگ کے تمام متعلقہ اخراجات بڑھ گئے ہیں۔ شینگ کی قیمتیں، تیل، سٹیل، بیکنگ میٹریل اور دیگر استعمال کی اشیاء کی قیمتیں بڑھ رہی ہیں، اور کوئی سیاسی استحکام یا معاشی منصوبہ نہیں ہے۔ اس ماحول کو دیکھتے ہوئے چینی کی قیمتوں کے نقطہ نظر میں غیر یقینی صورتحال ہے۔ سال کے بقیہ عرصے کے لیے، اور مالی سال 2022-21 کے متعلقہ مالیاتی نتائج، یہ دیکھنا باقی ہے کہ سال کے بقیہ عرصے میں چینی کی مارکیٹ کیسی کارکردگی دکھاتی ہے، اور آیا کہ پالیسی ساز معیشت اور صنعت کی فلاح و بہبود کے لیے سیاسی تحفظات کو ایک طرف رکھنے کے لیے تیار ہیں۔

مستقبل کا نقطہ نظر

مقامی مارکیٹ میں چینی کی قیمتیں بین الاقوامی منڈی میں دیکھے گئے رجحانات کے مطابق نہیں ہیں۔ بین الاقوامی سطح پر سلائی چین میں خلل، یوکرین میں جنگ، اور تیل کی بڑھتی ہوئی قیمتوں کو دیکھتے ہوئے، بہت سے چینی برآمد کرنے والے ممالک نے چینی کے مقابلے میں زیادہ اکتھول پیدا کرنے کے لیے اپنی پیداوار کو دوبارہ ترتیب دیا ہے۔ جہاں معیشت اپنی ادائیگیوں کے توازن کو سنبھالنے کی شدید کوشش کر رہی ہے، اور چینی کی بین الاقوامی منڈی خاص طور پر منافع بخش ہے، یہ پاکستانی کمپنیوں کو ان کی مصنوعات بیرون ملک پیش کرنے کے لیے

منفرد مقام رکھتی ہے۔ پاکستان میں جہاں چینی کی قیمتوں میں کمی ہوئی ہے وہیں بین الاقوامی منڈی خاص طور پر منافع بخش ہے۔ کچھلی بار چینی کی قیمتیں بین الاقوامی سطح پر 2017 کی پہلی سہ ماہی میں اتنی زیادہ تھیں۔ اگلے سال پیداوار اگر زیادہ نہیں تو چینی کی ریکارڈ پیداوار اور پیشن گوئی کے پیش نظر، یہ پاکستانی شوگر پلینرز کے لیے بیرون ملک قدم ہمانے کا ایک موقع ہے۔ ملکی کھپت، گنے کی قیمتوں کے تعین، پیداواری لاگت اور بین الاقوامی مارکیٹ کو مدنظر رکھتے ہوئے درمیانی سے طویل مدتی برآمدی پالیسی کی تیاری میں وقت ضائع نہیں کرنا چاہیے۔ تاہم گزشتہ دو سالوں میں بین الاقوامی سطح پر چینی کی قیمتیں بحال ہوئی ہیں۔ مزید برآں، یہ پیش گوئی کی گئی ہے کہ رواں کیلنڈر سال میں بین الاقوامی مارکیٹ میں چینی کی قیمتوں میں اضافہ جاری رہے گا۔

اسٹیٹ بینک آف پاکستان کی جانب سے مختلف مائٹری پالیسیوں کے ذریعے شرح سود میں اضافے نے کھپنی کی مالی ذمہ داریوں میں بھی اضافہ کیا ہے۔ معطلہ خیز حد سے زیادہ پیداوار کے ساتھ ملک کی معاشی صورتحال کے پیش نظر۔ یہ وقت کی ضرورت ہے کہ ایک درمیانی سے طویل مدتی شوگر پالیسی تشکیل دی جائے اور اس پر عمل درآمد کیا جائے۔ ان مشکل حالات کے پیش نظر، کھپنی نے نئی راہیں تلاش کرنا شروع کر دی ہیں اور موجودہ آپریشنز میں کارکردگی کو زیادہ سے زیادہ بڑھانا شروع کر دیا ہے۔ کھپنی معیشت کے دوسرے شعبے میں سرمایہ کاری پر غور کر رہی ہے جس کے لیے اسے منفرد طور پر رکھا گیا ہے اور ہم نے افرادی قوت اور خام مال کی خریداری کے حوالے سے آپریشنل استعداد کار کا جائزہ لینا شروع کر دیا ہے اور ہمیں یقین ہے کہ اگلے مالی سال تک نمایاں طور پر ہم برائے نام شرائط میں فروخت اور انتظامی اور وہیڈز کی لاگت کو کم کرنے میں کامیاب ہو جائیں گے۔ درحقیقت، اس سال، کھپنی نے خوردہ بازاروں میں براہ راست جارحانہ انداز میں داخل ہونا شروع کر دیا ہے اور اس نے ایک چھوٹے پیمانے پر مارکیٹنگ اور ڈسٹری بیوشن آپریشن تعمیر ہے۔ ہم اگلے سالوں میں اس انٹریز کو مزید بڑھانے کے منتظر ہیں۔

اظہار تشکر

آپ کی کھپنی کے ڈائریکٹرز مختلف سرکاری محکموں اور اس کے کارکنوں، بینکوں، دیگر مالیاتی اداروں، اور انشورنس کمپنیوں کی مسلسل حمایت اور تعاون کے لئے شکریہ ادا کرتے ہیں۔ ڈائریکٹرز ہمارے قابل قدر گاہکوں اور سپلائرز کی طرف سے فراہم کی گئی حمایت کے شکر گزار اور تعریف کا بھی اظہار کرتے ہیں۔ ہم اپنے حصص داروں کا بھی شکریہ ادا کرتے ہیں، جنہوں نے کھپنی میں اپنے اعتماد اور یقین کو برقرار رکھا اور کھپنی میں ان کی سرمایہ کاری کے زیادہ سے زیادہ استعمال کو یقینی بنانے کے لئے ہماری بہترین کوششوں پر یقین رکھا ہے۔ مزید برآں، ڈائریکٹرز ہمارے گنے کے کاشتکاروں کے مسلسل تعاون کے شکر گزار ہیں جن کی سخت محنت اور ہماری کھپنی کے ساتھ وفاداری کھپنی کی نمو اور کامیابی کے لئے جاری رکھی ہے۔ بالآخر، ڈائریکٹرز کھپنی کی نمو اور کامیابی کے لئے ملازمین کے تمام گروہوں کی جان نثاری، وفاداری، اور سخت محنت پر ان کی تعریف کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

میاں احمد علی طارق
چیئرمین

میاں مصطفیٰ علی طارق
چیف ایگزیکٹو آفیسر

لاہور: 27 مئی 2022ء

TO THE MEMBERS OF HUSEIN SUGAR MILLS LIMITED

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Messrs Husein Sugar Mills Limited ("the Company") as at March 31, 2022, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of this condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

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

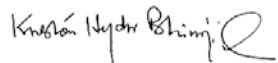
Conclusion

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

Other matter

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended March 31, 2022 have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent review report is Syed Aftab Hameed, FCA.



KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

Lahore: May 27, 2022

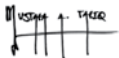
Other Office at: Karachi - Faisalabad - Islamabad
Web site: www.krestonhb.com

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022 (UN-AUDITED)

	Note	(Un-Audited) 31 March 2022 (Rupees)	(Audited) 30 September 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	4,813,063,880	4,992,954,372
Right-of-use assets	7	11,930,296	13,251,858
Investment in subsidiary	8	15,000,000	-
Long term deposits		39,407,840	42,600,665
		4,879,402,016	5,048,806,895
CURRENT ASSETS			
Inventory		3,670,580,046	1,326,487,488
Trade and other receivables		360,257,470	269,784,966
Advances, deposits and prepayments		345,483,586	325,020,338
Current portion of long term deposits		5,818,833	450,000
Financial assets		6,916,004	7,593,255
Tax refund due from Government - income tax		65,855,769	44,563,749
Cash and bank balances		92,138,631	112,766,270
		4,547,050,339	2,086,666,066
		9,426,452,355	7,135,472,961
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up share capital			
52.965 million (30 September 2021: 38.520 million) ordinary shares of Rupees 10 each	9	529,650,000	385,200,000
Equity component of Preference Shares	10	37,412,372	-
Share subscription money against right share issuance		-	211,758,198
Capital reserves			
Reserve arising as a consequence of scheme of arrangement		70,694,859	70,694,859
Share premium account		224,231,050	115,893,550
Surplus on revaluation of property, plant and equipment		1,942,827,431	2,002,191,810
		2,237,753,340	2,188,780,219
Revenue reserves			
Unappropriated profit / (accumulated loss)		129,513,080	(50,191,687)
Directors' loans - related parties		100,860,551	261,953,676
		3,035,189,343	2,997,500,406
NON-CURRENT LIABILITIES			
Long term finance	11	591,323,117	674,872,670
Lease liability		7,661,599	8,264,442
Deferred tax liability - net		312,998,720	277,419,011
Liability component of Preference Shares	10	109,221,782	-
		1,021,205,218	960,556,123
CURRENT LIABILITIES			
Trade and other payables		1,106,858,566	677,222,165
Contract liabilities		599,114,486	211,456,950
Short term borrowings	12	3,241,371,182	1,871,706,125
Accrued mark-up on secured borrowings		117,585,924	83,922,051
Current portion of long term finance	11	302,180,644	329,911,643
Current portion of lease liability		1,719,600	1,970,106
Unpaid dividend		31,408	31,408
Unclaimed dividend		1,195,984	1,195,984
		5,370,057,794	3,177,416,432
CONTINGENCIES AND COMMITMENTS			
	13		
		9,426,452,355	7,135,472,961

The annexed notes from 1 to 21 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE HALF YEAR ENDED 31 MARCH 2022 (UN-AUDITED)

Note	Half Year Ended 31 March		Quarter Ended 31 March	
	2022	2021	2022	2021
 (Rupees) (Rupees)	
REVENUE FROM CONTRACT WITH CUSTOMERS - GROSS	5,001,807,045	3,949,124,301	2,600,722,226	2,140,542,781
Sales Tax And Other Government Levies	(645,801,126)	(506,560,211)	(321,806,167)	(268,163,106)
REVENUE FROM CONTRACT WITH CUSTOMERS - NET	4,356,005,919	3,442,564,090	2,278,916,059	1,872,379,675
COST OF REVENUE	14 (3,832,103,838)	(3,150,134,556)	(1,990,926,082)	(2,024,339,705)
GROSS PROFIT / (LOSS)	523,902,081	292,429,534	287,989,977	(151,960,030)
OPERATING EXPENSES				
Administrative and general expenses	(141,678,012)	(116,226,613)	(81,970,124)	(66,090,787)
Selling and distribution cost	(19,308,535)	(21,808,367)	(7,255,087)	(15,152,718)
Other operating expenses	(27,436,173)	(6,171,085)	(19,955,481)	11,554,500
	(188,422,720)	(144,206,065)	(109,180,692)	(69,689,005)
PROFIT / (LOSS) FROM OPERATIONS	335,479,361	148,223,469	178,809,285	(221,649,035)
OTHER INCOME	15,215,103	22,991,560	13,426,709	6,468,588
FINANCE COST	(160,675,823)	(134,024,582)	(103,116,341)	(84,415,222)
PROFIT / (LOSS) BEFORE TAXATION	190,018,641	37,190,447	89,119,653	(299,595,669)
TAXATION	(69,678,253)	(59,614,410)	(43,386,132)	(36,061,644)
PROFIT / (LOSS) AFTER TAXATION	120,340,388	(22,423,963)	45,733,521	(335,657,313)
EARNINGS / (LOSS) PER SHARE				
BASIC	15 2.33	(0.55)	0.86	(8.18)
DILUTED	15 2.27	(0.55)	0.82	(8.18)

The annexed notes from 1 to 21 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer

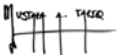

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 MARCH 2022 (UN-AUDITED)

	Half Year Ended 31 March		Quarter Ended 31 March	
	2022	2021	2022	2021
 (Rupees) (Rupees)	
PROFIT / (LOSS) AFTER TAXATION	120,340,388	(22,423,963)	45,733,521	(335,657,313)
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	120,340,388	(22,423,963)	45,733,521	(335,657,313)

The annexed notes from 1 to 19 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



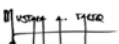
Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 MARCH 2022 (UN-AUDITED)

	Half Year Ended	
	31 March 2022	31 March 2021
Note	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	190,018,641	37,190,447
Adjustments for non-cash and other items:		
Depreciation of operating fixed assets	76,456,646	78,673,315
Depreciation of ROU assets	1,321,562	2,209,111
Finance cost	160,675,823	134,024,582
Profit on bank accounts	(222,973)	(61,688)
Fair value gain on financial assets	-	(479,898)
Fair value loss on financial assets	1,858,571	-
Gain on disposal of operating fixed assets	-	(3,345,485)
Dividend income	(6,800)	(40,525)
Old credit balances no more payable written back	(1,899,704)	-
Provision for doubtful trade and other receivables	9,570,105	-
Provision for advances to suppliers	1,924,483	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	439,696,354	248,169,859
Inventory	(2,301,424,968)	(2,659,828,979)
Trade and other receivables	(101,901,180)	720,536,589
Advances, deposits and prepayments	(22,387,731)	217,265,685
Contract liabilities	387,657,536	58,515,195
Trade and other payables	742,927,040	334,787,554
	(1,295,129,303)	(1,328,723,956)
CASH OUTFLOWS FROM OPERATIONS	(855,432,949)	(1,080,554,097)
Net increase in long term deposits	(2,176,008)	(3,716,120)
Finance cost paid on:		
Lease liability	(518,580)	(556,909)
Others	(124,309,216)	(139,395,786)
Income tax paid	(55,390,563)	(43,327,202)
NET CASH OUTFLOWS FROM OPERATING ACTIVITIES	(1,037,827,316)	(1,267,550,114)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of operating fixed assets	(104,667,891)	(1,091,049)
Capital work in progress incurred	(109,573,515)	(461,120,703)
Purchase of stores held for capitalization	-	(346,192,014)
Proceeds from disposal of operating fixed assets	-	6,145,000
Investment in subsidiary	(15,000,000)	-
Change in financial assets (equity securities) during the period - net	677,251	(637,503)
Dividend received	6,800	40,525
Profit on bank deposits received	222,973	61,688
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES	(228,334,382)	(802,794,056)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from issuance of preference shares during the period	19 28,386,184	-
Proceed from long term finance	19 36,546,600	-
Repayment of principal portion of long term finance	19 (147,827,152)	230,925,899
Repayment of principal portion of lease liability	19 (853,349)	(1,526,182)
Repayment of director's loans - unsecured and interest free	19 (4,000,007)	(1,001,995)
Change in short term borrowings - net	19 1,369,665,057	1,697,141,134
NET CASH INFLOWS FROM FINANCING ACTIVITIES	1,281,917,333	1,925,538,856
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	15,755,635	(144,805,314)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	60,960,040	40,603,894
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	76,715,675	(104,201,420)
The reconciliation in cash and cash equivalents is as follows:		
Cash and cash equivalents		
Cash and bank balances	92,138,631	90,852,660
Temporary books' overdraft balances	(15,422,956)	(195,054,080)
Cash and cash equivalents at the end of the period	76,715,675	(104,201,420)

The annexed notes from 1 to 21 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 MARCH 2022 (UN-AUDITED)

	ORDINARY SHARE CAPITAL	EQUITY COMPONENT OF PREFERENCE SHARES	SHARE SUBSCRIPTION MONEY AGAINST SHARE ISSUANCE	RESERVES				TOTAL RESERVES	DIRECTIONS' LOANS	TOTAL EQUITY	
				Capital		Revenue					
				Reserve arising as a consequence of scheme of arrangement	Share premium account	Surplus on revaluation of property, plant and equipment	Sub total				Unappropriated profit / (loss)
Balance as at 01 October 2020 (Audited)	385,200,000	-	-	70,694,859	115,893,550	2,108,775,752	2,295,364,161	(137,887,770)	2,157,476,391	424,428,823	2,967,105,214
Total comprehensive income for the period ended 31 March 2021	-	-	-	-	-	-	(22,423,963)	(22,423,963)	-	-	(22,423,963)
Loss after taxation	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	(22,423,963)	(22,423,963)	-	-	(22,423,963)
Adjustment due to repayment of directors loan	-	-	-	-	-	-	-	-	-	(1,000,000)	(1,000,000)
Incremental depreciation associated with surplus on revaluation of property, plant and equipment (net of deferred tax)	-	-	-	-	(33,161,912)	(33,161,912)	33,161,912	-	-	-	-
Effect of change in tax rate on deferred tax related to revaluation surplus of property, plant and equipment	-	-	-	-	-	(7,340,683)	(7,340,683)	-	(7,340,683)	-	(7,340,683)
Balance as at 31 March 2021 (Un-audited)	385,200,000	-	-	70,694,859	115,893,550	2,068,273,157	2,254,861,566	(127,149,821)	2,127,711,745	424,428,823	2,936,340,568
Balance as at 01 October 2021 (Audited)	385,200,000	-	211,758,198	70,694,859	115,893,550	2,002,191,810	2,188,760,219	(60,191,687)	2,138,568,532	261,953,676	2,997,500,406
Total comprehensive income for the period ended 31 March 2022	-	-	-	-	-	-	-	120,340,388	120,340,388	-	120,340,388
Profit after taxation	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	120,340,388	120,340,388	-	120,340,388
Transfers, with owners:	-	-	-	-	-	-	-	-	-	-	-
Adjustment due to investment - net	-	-	41,029,302	-	-	-	-	-	-	(4,000,007)	(4,000,007)
Transfer to share subscription money against right issue	-	-	-	-	-	-	-	-	-	(41,029,302)	(41,029,302)
Equity component of preference shares	-	37,412,372	-	-	-	-	-	-	-	(116,063,816)	(78,651,444)
Shares issued against share subscription money	144,450,000	-	(252,787,500)	-	108,337,500	-	108,337,500	-	108,337,500	-	-
Incremental depreciation associated with surplus on revaluation of property, plant and equipment (net of deferred tax)	144,450,000	37,412,372	(211,758,198)	-	108,337,500	-	108,337,500	-	108,337,500	(161,093,125)	(82,651,445)
Balance as at 31 March 2022 (Un-audited)	529,650,000	37,412,372	-	70,694,859	224,231,050	1,942,827,431	2,237,753,340	(59,364,379)	59,364,379	100,860,551	3,035,189,343

The annexed notes from 1 to 21 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE HALF YEAR ENDED 31 MARCH 2022 (UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

Husein Sugar Mills Limited ("the Company") is a public limited company incorporated in Pakistan under the repealed Companies Act, 1913 (now the Companies Act, 2017). The shares of the Company are listed on Pakistan Stock Exchange Limited. The Company is principally engaged in the business of production and sale of sugar and by products. Its registered office is situated at 28-C, Block E-1, Gulberg-III, Lahore whereas its mill / plant is situated at Lahore Road, Jaranwala, district Faisalabad.

2. STATEMENT OF COMPLAINT

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; Islamic Financial Standards (IFAS) issued by the Institute of Chartered Accountancy of Pakistan as referred under the Companies Act, 2017; and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements are unaudited. However, the cumulative figures for the half year ended March 31, 2022 presented in these condensed interim financial statements have been subjected to limited scope review by the auditors of the Company, as required under section 237 of the Companies Act, 2017.

These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended September 30, 2021. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

3. BASIS OF MEASUREMENT

3.1 Accounting convention

These condensed interim financial statements have been prepared following accrual basis of accounting except for condensed interim statement of cash flows. These condensed interim financial statements have been prepared under the historical cost convention without any adjustments for the effect of inflation or current values, except for the following material items in the condensed interim statement of financial position:

- Inventories which are valued at lower of weighted / moving average cost or Net Realizable Value (NRV) in accordance with IAS 2;
- Freehold land, buildings on freehold land and plant and machinery which stands at revalued amount in accordance with IAS 16; and
- Certain financial instruments which are carried at their fair value in accordance with IFRS 9.

3.2 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupee (Rs.) which is the Company's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded to nearest rupee, unless otherwise indicated.

3.3 Critical accounting estimates, judgments and assumptions

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

During the preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty are the same as those that were applied to audited annual financial statements of the Company for the year ended September 30, 2021.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements for the year ended 30 September 2021 except for investment in subsidiary accounted for as follow:

4.1 Investment in subsidiary

Investment in subsidiary are measured at cost less impairment, if any, as per the requirements of IAS-27 "Separate Financial Statements" which allows to measure the subsidiaries at cost, fair value or equity method for accounting of investment in subsidiaries. The carrying amount of investments is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exist the investments' recoverable amount is estimated at the higher of the value in use and its fair value less cost to sell. An impairment loss is recognized in statement of profit or loss if the carrying amount exceeds the recoverable amount. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the statement of profit or loss.

4.2 Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards

(a) New standards, interpretations and amendments to published approved accounting and reporting standards which are effective during the half year ended March 31, 2022 and are relevant:

The amendments that were mandatory for the half year ended March 31, 2022 are considered not to be relevant for the Company's financial reporting process and hence have not been disclosed here.

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

There are new standards and certain amendments and interpretation to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after April 01, 2022. However, these standard, amendments and interpretation will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

5. SEASONALITY OF OPERATIONS

Due to the seasonal availability of sugarcane, operating results are expected to fluctuate in the second half of the year. The crushing season starts from November and last till April each year.

6. PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-Audited) 31 March 2022	(Audited) 30 September 2021
	 (Rupees)	
Operating fixed assets	6.1	3,662,464,080	3,627,619,480
Capital work-in-progress	6.2	786,264,017	958,331,519
Stores held for capitalization		364,335,783	407,003,373
		<u>4,813,063,880</u>	<u>4,992,954,372</u>

6.1 Operating fixed assets - tangible

	COST / REVALUED AMOUNT				ACCUMULATED DEPRECIATION				NET BOOK VALUE AS AT	
	Balance as at 1-Oct-21	Additions	Transfer	Deletion	Balance as at 1-Oct-21	For the year	Deletion	Balance as at 31-Mar-22	AS AT 31-Mar-22	AS AT 31-Mar-22
Owned										
Freehold land	1,083,665,625	-	-	-	-	-	-	-	1,083,665,625	-
Buildings on freehold land	468,780,376	-	6,633,355	-	58,242,934	20,562,019	-	78,904,963	386,608,778	-
Plant and machinery	2,215,908,124	91,987,199	-	-	1,611,212	52,540,802	-	180,051,912	2,127,276,111	-
Standby equipment	2,625,683	-	-	-	1,611,212	50,695	-	1,661,707	963,886	-
Factory equipment	9,446,513	-	-	-	7,270,844	109,485	-	7,379,299	2,067,184	-
Gas and electric installation	48,924,096	2,791,100	-	-	21,233,362	1,287,482	-	22,520,844	27,004,354	-
Furniture and fixtures	7,793,351	87,430	-	-	1,333,454	188,266	-	1,501,810	3,289,371	-
Office equipment	7,921,849	594,460	-	-	7,124,434	91,823	-	7,216,057	1,240,242	-
Computer equipment	6,539,647	819,000	-	-	6,035,848	100,794	-	6,136,642	1,192,805	-
Vehicles	55,956,180	8,448,112	-	-	43,400,668	1,946,500	-	44,947,168	19,066,124	-
	3,904,850,646	104,667,891	6,633,355	-	277,231,166	76,456,646	-	353,687,812	3,662,464,080	-
Rupees - March 31, 2022										
Owned										
Freehold land	1,083,665,625	-	-	-	-	-	-	-	1,083,665,625	-
Buildings on freehold land	468,780,376	-	3,121,740	-	12,850,143	45,392,791	-	58,242,934	410,537,442	-
Plant and machinery	2,067,753,149	1,908,850	157,306,125	(11,160,000)	25,805,276	103,298,698	(11,25,464)	127,978,410	2,067,829,714	-
Stand by equipment	2,625,683	-	-	-	1,498,493	112,719	-	1,611,212	1,014,471	-
Factory equipment	9,446,513	-	-	-	7,029,103	241,741	-	7,270,844	2,175,669	-
Gas and electric installation	53,915,648	1,708,450	-	(8,800,000)	20,076,209	2,666,792	(15,39,638)	21,233,362	25,690,736	-
Railway sidings	492,072	-	-	(492,072)	492,072	-	(492,072)	-	-	-
Furniture and fixtures	7,626,111	77,240	-	-	3,965,914	367,540	-	4,333,454	3,969,887	-
Office equipment	7,941,249	80,600	-	-	6,943,519	180,915	-	7,124,434	797,415	-
Computer equipment	6,485,647	24,000	-	-	5,836,933	198,915	-	6,035,848	473,989	-
Vehicles	75,574,631	1,088,438	-	(21,097,889)	59,256,679	2,943,206	(18,198,618)	43,400,668	12,164,512	-
Leasehold improvement	10,855,417	-	-	(10,855,417)	5,932	2,080,723	(2,086,659)	-	-	-
	3,791,940,581	4,887,578	1,60,427,865	(62,405,378)	143,759,673	1,66,913,940	(23,442,447)	277,231,166	3,627,619,149	480
Rupees - September 30, 2021										

6.2 Capital work-in-progress

	Opening Balance	Additions	Transfer to operating fixed assets / adjustments	Closing Balance
Rupees.....			
Civil work and buildings	114,084,512	37,458,003	(6,633,355)	144,909,160
Plant and machinery	233,230,666	30,758,232	-	263,988,898
Advances for capital expenditure	611,016,341	109,573,515	(343,223,897)	377,365,959
March 31, 2022 - Unaudited	<u>958,331,519</u>	<u>177,789,750</u>	<u>(349,857,252)</u>	<u>786,264,017</u>
September 30, 2021 - Audited	<u>808,579,487</u>	<u>481,773,700</u>	<u>(332,021,668)</u>	<u>958,331,519</u>

7. RIGHT-OF-USE ASSETS

	Note	(Un-Audited) 31 March 2022 (Rupees)	(Audited) 30 September 2021
Opening balance		13,251,858	8,325,733
Addition for the period / year		-	14,134,799
Depreciation charge for the period / year		(1,321,562)	(5,301,161)
Deletion for the period / year		-	(3,907,513)
Closing balance		<u>11,930,296</u>	<u>13,251,858</u>
7.1 The depreciation charge for the period has been allocated to:			
Cost of revenue		629,612	420,645
Administrative and general expenses		421,277	4,699,678
Selling and distribution cost		270,673	180,838
		<u>1,321,562</u>	<u>5,301,161</u>

8. INVESTMENT IN SUBSIDIARY - at cost

Tariq Capital (Private) Limited 1,500,000 (2021: nil) ordinary shares of Rs. 10 each held by the company	8.1	<u>15,000,000</u>	<u>-</u>
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8.1 This is a 60% owned subsidiary company of Husein Sugar Mills Limited which was acquired in December 2021. Since its incorporation, Tariq Capital (Private) Limited was related party due to common directorship, its main business is dairy farming and agricultural farming.

	Note	(Un-Audited) 31 March 2022 (Rupees)	(Audited) 30 September 2021
9. SHARE CAPITAL			
9.1 Authorized capital			
Ordinary share capital		530,000,000	530,000,000
53 million (30 September 2021: 53 million) ordinary shares of Rupees 10 each			
Preference share capital		150,000,000	150,000,000
15 million (30 September 2021: 15 million) preference shares of Rupees 10 each			
		<u>680,000,000</u>	<u>680,000,000</u>

9.2 Issued, subscribed and paid-up ordinary share capital

Un - audited March 31, 2022 Number of shares	Audited September 30, 2021			
26,189,150	26,189,150	Ordinary shares of Rs. 10 each, fully paid in cash	261,891,500	261,891,500
1,129,000	1,129,000	Ordinary shares of Rs. 10 each, fully paid for consideration other than cash	11,290,000	11,290,000
11,201,850	11,201,850	Ordinary shares of Rs. 10 each, issued as fully paid bonus shares	112,018,500	112,018,500
14,445,000	-	Ordinary shares of Rs. 10 each, issued as right shares	144,450,000	-
<u>52,965,000</u>	<u>38,520,000</u>		<u>529,650,000</u>	<u>385,200,000</u>

10. EQUITY COMPONENT OF PREFERENCE SHARES

This represents 14,445,000 listed, convertible, non-redeemable, non-voting, non-participatory, cumulative Preference Shares ("Preference Shares") of Rs.10/- each issued by the Company during the period. These Preference Shares were issued to the existing shareholders of the Company by way of rights (i.e. 37.50% rights issue) at par value of Rs.10/- per share, in proportion to their respective shareholdings in the ratio of 3:8 i.e. 3 Preference Shares for every 8 Ordinary Shares held by the shareholders.

These Preference Shares carry entitlement to a fixed cumulative preferential cash dividend out of the normal profits of the Company @ 10% (ten per cent) per annum, in priority over dividends declared by the Company on Ordinary Shares. No compensation shall be available to the Preferred Shareholders other than the agreed return i.e. 10% per annum.

These Preference Shares shall be convertible into Ordinary Shares in the ratio of 1:2 only at the option of the Company on September 30 of any calendar year prior to September 30, 2031.

	(Un-Audited) 31 March 2022 (Rupees)
Proceeds from issue of Preference Shares Equity component	144,450,000 37,412,372
Liability component at date of issue	107,037,628
Interest charged (using effective interest rate)	2,184,154
Interest paid	-
Carrying amount of liability component at 31 March 2022	109,221,782

	Note	(Un-Audited) 31 March 2022 (Rupees)	(Audited) 30 September 2021
11. LONG TERM FINANCE			
From banking companies - secured			
National Bank of Pakistan			
	11.1	122,028,718	144,250,940
	11.2	226,395,000	261,225,000
	11.3	177,777,778	200,000,000
First Credit & Investment Bank Limited			
	11.4	70,588,235	81,845,952
Bank Islami			
	11.5	171,875,000	203,125,000
ORIX Modaraba			
	11.6	20,717,604	33,077,839
	11.7	17,767,740	21,494,812
	11.8	52,012,638	59,764,770
	11.9	34,341,048	-
		893,503,761	1,004,784,313
Less: current portion shown under current liabilities		(302,180,644)	(329,911,643)
		591,323,117	674,872,670

11.1 This demand finance facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 200 million (2021: Rs.200 million), to finance CAPEX / BMR requirement of the company (installation of equipment and plant & machinery i.e. falling film evaporators) to improve efficiency of mill. It carries mark-up at the rate of 3 month KIBOR + 2.50% (2021: 3 months Kibor + 2.50%) per annum, payable quarterly. It is secured by way of first pari passu mortgage charge of Rs. 267 million over fixed assets (including land, building and machinery) of the company with 25% margin registered with SECP as well as personal guarantees of two directors of the company along with personal Net-worth Statement (PNWS).

11.2 This demand finance facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 278.640 million (2021: 278.640 million), for import of equipment and plant & machinery i.e. planetary gears. It carries commission at 0.10% per quarter.

It is secured by way of lien over import documents of the title of goods, first pari passu / JPP charge of Rs. 372 million (2021: 372 million) over fixed assets (land, building and plant & machinery) of the company, a ranking charge for Rs. 372 million over fixed assets (land, building and plant & machinery) of the company registered with SECP which shall be converted into first pari passu / JPP within 90 days of first LC establishment), total value of fixed assets assessed at Rs. 2,109.061 million (FSV Rs. 1,581.796 million) vide evaluation report dated 22.06.2017 conducted by Harvester Services (Pvt.) Limited & measuring 616 Kanal 14 marla / 77 Acres 14 marala land located at Chak No. 128 G.B., Lahore Road, Tehsil Jaranwala, District Faisalabad as well as personal guarantees along with Personal Net Worth Statement (PNWS) / wealth tax returns of the two directors of the company.

- 11.3 This demand finance facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 200 million (2021: 200 million), to finance CAPEX / BMR requirement of the company (installation of equipment and plant & machinery i.e. falling film evaporators) to improve efficiency of mill. It carries mark-up at the rate of 3 month KIBOR + 3.00% (2021: 3 month KIBOR + 3.00%) per annum, payable quarterly. It is secured by way of first pari passu / JPP charge of Rs. 267 million (2021: Rs. 267 million) over fixed assets (land, building and plant & machinery) of the company, ranking charge for Rs. 267 million over fixed assets (land, building and plant & machinery) of the company registered with SECP which shall be converted into first pari passu / JPP within 90 days of first disbursement of Demand finance-III, total value of fixed assets assessed at Rs. 2,109.061 million (FSV Rs. 1,581.796 million) vide evaluation report dated 22.06.2017 conducted by Harvester Services (Pvt.) Limited and measuring 616 Kanal 14 marla / 77 Acres 14 marala land located at Chak No. 128 G.B., Lahore Road, Tehsil Jaranwala, District Faisalabad as well as personal guarantees along with Personal Net Worth Statement (PNWS) / wealth tax returns of the two directors of the company.
- 11.4 This long term finance facility has been obtained from First Credit & Investment Bank Limited (FCIBL), out of the total sanctioned limit of Rs. 100 million (2021: 100 million), for Balancing, Modernization and Replacement (BMR) and Efficiency Improvement Project (EIP). It carries mark-up at the rate of 3 months KIBOR + 4% (2021: 3 months KIBOR + 4%) per annum, payable quarterly in arrears. It is secured by way of first pari passu charge over all present and future fixed assets / non-current assets (including land, building and plant & machinery) of the company with 25% margin to be registered with SECP, NOCs obtained from all charge holders and provided to FCIBL and personal guarantee of Chief Executive and Chairman of the Company along with his latest Personal Net Worth Statement (PNWS) as well as subordination of directors' loan. The tenor of the facility is five years from the date of disbursement.
- 11.5 This diminishing musharakah facility has been obtained from Bank Islami Pakistan Limited, out of the total sanctioned limit of Rs. 218.75 million (2021: 218.75 million), to meet company's requirements of BMR. It carries mark-up at the rate of 6 months KIBOR + 3.0% floor =13% and cap=25% (rates to be revised on semi-annually basis) (2021, 6 month Kibor +3%) per annum, payable quarterly. It is secured by way of ranking charge over present and future fixed assets (land, building and plant & machinery) of the company amounting to Rs. 334 million to be upgraded to first pari passu charge within 120 days from the date of disbursement and personal guarantees of two directors of the company.
- 11.6 This Ijarah facility has been obtained from ORIX Modaraba, out of the total sanctioned limit of Rs. 75 million (2021: Rs. 75 million), to import one unit brand new Steam Turbine. It carries mark-up at the rate of 3 months KIBOR + 3.75% (2021: 3 Months Kibor + 3.75%) per annum, payable quarterly. It is secured by way of 10% security deposit of the finance amount, title of the leased asset, exclusively in the name of ORIX Modaraba for the entire lease period and subordination of directors' loan in favor of ORIX Modaraba. The tenor of the facility is three years.

11.7 This Ijarah facility has been obtained from ORIX Modaraba, out of the total sanctioned limit of Rs. 26.781 million (2021: Rs. 26.781 million), to import one unit brand new over head crane. It carries mark-up at the rate of 3 months KIBOR + 3.75% (2021: 3 Months Kibor + 3.75%) per annum, payable monthly. It is secured by way of title of the leased asset, exclusively in the name of ORIX Modaraba for the entire lease period and personal guarantee of all directors.

11.8 This Ijarah facility has been obtained from ORIX Modaraba, out of the total sanctioned limit of Rs. 59.765 million (2021: Rs. 59.765 million), to import one unit brand new Assets Reduction gear, electric motor, Vacume pump, Centrifugal pump, Magma Pump, Mascuite Pump, a Conveyer complete, high frequency inverter and KSB multistage boiler. It carries mark-up at the rate of 6 months KIBOR + 3.75% (2021: 6 months KIBOR + 3.75%) per annum, payable 6 monthly. where 10 % is paid as security in advance, It is secured by way of title of the leased asset, exclusively in the name of ORIX Modaraba for the entire lease period and personal guarantee of 2 directors.

11.9 This Ijarah facility has been obtained from ORIX Modaraba, out of the total sanctioned limit of Rs. 38.25 million (2021: nil), to import one unit brand new fully Automatic Centrifugal Machine with spares parts. It carries mark-up at the rate of 6 months KIBOR + 3.75% (2021: nil) per annum, payable monthly. It is secured by way of title of the leased asset, exclusively in the name of ORIX Modaraba for the entire lease period.

		(Un-Audited) 31 March 2021 (Rupees)	(Audited) 30 September 2021
12. SHORT TERM BORROWINGS			
From financial institutions	12.1.	3,237,152,958	1,866,617,578
From related party	12.2.	4,218,224	5,088,547
		3,241,371,182	1,871,706,125
12.1 From financial institutions			
Secured and interest bearing			
National Bank of Pakistan			
Cash finance (hypothecation)	12.1.1	99,996,206	99,996,206
Cash finance (pledge)	12.1.2	500,000,000	421,700,000
Samba Bank Limited - cash finance facility	12.1.3	247,462,680	-
Bank Islami Pakistan Limited			
Istisna finance	12.1.4	514,951,375	514,751,372
Meezan Bank Limited			
Istisna / tijarah	12.1.5	499,743,732	-
Istisna / tijarah-OTT	12.1.6	199,998,965	-
Dubai Islamic Bank Pakistan Limited			
Salam cum wakala	12.1.7	400,000,000	330,670,000
Salam OTT	12.1.8	275,000,000	-
Askari Bank Limited - Islamic banking			
Salam OTT (Pledge)	12.1.9	500,000,000	499,500,000
		3,237,152,958	1,866,617,578

- 12.1.1** This cash finance (hypothecation) facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 100 million (2021: Rs.100 million), to finance working capital needs i.e. raw material procurement & other direct / indirect cost / expense / overheads as well as financing of white refined sugar. It carries mark-up at the rate of 3 months KIBOR + 3.00% (2021: 3 months KIBOR + 3.00%) per annum, payable quarterly. It is secured by way of first pari passu charge over current assets of the company (already registered with SECP) to the extent of Rs. 134 million (2021: Rs. 134 million), first pari passu charge over fixed assets (already registered with SECP) to the extent of Rs. 134 million (2021: Rs. 134 million). Total value of fixed assets assessed at Rs. 2,761.096 million (FSV Rs. Rs. 2,109.061 million) vide Evaluation report dated 21.06.2020 conducted by Harvester Services (Pvt.) Limited measuring 616 Kanal 14 Marla / 77 Acre 14 Marala land located at Chak No. 128 G.B., Lahore Road, Tehsil Jaranwala, District Faisalabad and personal guarantees along with Personal Net Worth Statement (PNWS) / Wealth tax returns of the two directors of the company.
- 12.1.2** This cash finance (Pledge) facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 500 million (2021: Rs. 500 million) to finance working capital needs (purchase of raw material i.e. sugarcane for manufacturing of refined sugar / stock-in-trade financing / for keeping stock of white refined sugar). It carries markup at the rate of 1 month KIBOR + 2.50% (2021: 1 month KIBOR + 2.50%) per annum, payable quarterly. It is secured by way of pledge of white refined sugar bags (Season 2021-2022) in standard size bags of 50 KGs and in shared godowns properly demarcated under common housing arrangement with the Company's banks' stock inclusive of 25% margin, charge of Rs. 667.000 million (inclusive of 25% margin) over pledged assets of the company (registered with SECP), ranking charge of Rs. 400 million (2021: Rs. 400 million) over fixed assets of the company (registered with SECP) and personal guarantees along with Personal Net Worth Statement (PNWS) / wealth tax returns of two directors of the Company.
- 12.1.3** This cash finance facility has been obtained from Samba Bank Limited (SBL), out of total sanctioned limit of Rs. 250 million (2021: Rs. 175 million) to meet working capital requirement of company. It carries profit at the rate of 3 month KIBOR + 2.75% (2021: 3 month KIBOR + 2.75%) per annum, payable quarterly. It is secured by way of ranking charge over present and future fixed assets of company of Rs. 334 million (2021: Rs. 234 million) (inclusive of 25% margin), ranking charge over current assets of company of Rs. 334 million (2021: Rs. 234 million) (inclusive of 25% margin), pledge of finished goods (refined sugar bags) with 10% margin to be held in open under lock & key in godown shared with bank, however pledge stock of SBL to be in identifiable condition and separately stacked with SBL's appointed mucaddum. [25% margin for open pledge], exclusive charge of pledge of finished goods (refined sugar bags) of Rs. 334 million (2021: Rs. 206 million) (with 25% margin) to be registered with SECP, subordination of director's loan in favour of the bank and personal guarantees of three directors of the company along with PNWSs.
- 12.1.4** This istisna finance facility has been obtained from Bank Islami Pakistan Limited, out of total sanctioned limit of Rs. 515 million (2021: Rs. 515 million) for production of sugar. It carries profit at the rate of respective KIBOR + 3% (2020: respective KIBOR + 3%) per annum, payable quarterly. It is secured by way of first pari passu charge over fixed assets (land, building and plant & machinery) of the Company to the extent of Rs. 334 million (2021: Rs. 334 million), first pari passu charge over present and future current assets of the company to the extent of Rs. 1059 million (2021: Rs. 1059 million), ranking charge over present and future current assets of the company amounting to Rs. 334 million upgraded to first pari pasu / JPP charge within 120 days from the date of sanction advice, subordination of director's loan in favour in the favour of bank and personal guarantees of two directors of the Company.

- 12.1.5** This istisna pledge/ tijarah finance facility was obtained from Meezan Bank Limited, out of total sanctioned limit of Rs. 500 million (2021: Rs. 500 million) for purchase of raw materials, stores & spares and to meet the working capital requirements of the company. It carries profit at the rate of respective KIBOR + 2.75% (2021: respective KIBOR + 2.75%) per annum . It is secured by way of pledge of charge on pledge stock with 30% margin registered with SECP of the company (white refined crystalline sugar) amounting to Rs. 1,072 million (2021: Rs. 715 million), ranking charge over current assets of the company amounting to Rs. 667 million, ranking charge fixed assets of the company amounting to Rs. 667 million (with 25% margin).
- 12.1.6** This istisna finance facility has been obtained from Meezan Bank Limited, out of total sanctioned limit of Rs. 200 million (2021: Rs. 200 million) for purchase of raw materials / stores and spares / and to meet the working capital requirements of the company. It carries profit at the rate of respective KIBOR + 2.75% per annum (2021: respective KIBOR + 2.75%). It is secured by way of charge over pledge amounting to Rs. 1,072 million registered with SECP, corporate guarantee of all credible buyers, pledge of white crystalline refined sugar (season 2021-2022) packed in marketable bags lying in the factory premises under effective control of bank's appointed muccadam as per following margins: 25% in case of where stock is placed in covered godowns and 30% in case where stock is placed in open within the mill premises, excise duty will be excluded while calculating drawing power, for the purpose of drawing power calculation, sugar price shall be obtained from the business recorder or Akbari Mandi (exclusive of sales tax / excise duty whichever is lower), stocks of sugar pledged with different banks are placed in the same godown with clear marking / segregation of stock for each bank.
- 12.1.7** This salam - cum wakala facility was obtained from Dubai Islamic Bank Limited, out of total sanctioned limit of Rs. 400 million (2021: Rs. 400 million) for meeting working capital requirement. It carries profit at the rate of relevant KIBOR + 2.75% (2021: relevant KIBOR + 3%) per annum, payable quarterly. It is secured by way of pledged of white refined sugar of 2021-2022 season with 25% margin, charge of Rs. 534 million over the pledged stock (inclusive of 25% margin), ranking charge of Rs. 534 million (2021: Rs. 334 million) over all present and future current assets of the company inclusive of 25% margin, ranking charge of Rs. 334 million over all present and future fixed assets of the company inclusive of 25% margin (already registered) and 1st pari passu charge of Rs. 252 million (2021: Rs. 252 million) over all present and future fixed assets (land, buildings and plant and machinery) of the company inclusive of 25% margin (already held) and subordination of the directors' loan in favor of Dubai Islamic Bank Limited and personal guarantees of two directors of the company.
- 12.1.8** This salam - cum wakala facility was obtained from Dubai Islamic Bank Limited, out of total sanctioned limit of Rs. 275 million (2021: nil) for meeting working capital requirement. It carries profit at the rate of relevant KIBOR + 3.5% per annum, payable quarterly. It is secured by way of pledged of white refined sugar of 2021-2022 season with 25% margin (excluding sales tax), charge of Rs. 366.67 million over the pledged stock of white refined sugar (inclusive of 25% margin), ranking charge of Rs. 366.67 million (2021: nil) over all present and future fixed assets of the company inclusive of 25% margin, 1st pari passu charge of Rs. 252 million (2021: nil) over all present and future fixed assets (land, buildings and plant and machinery) of the company inclusive of 25% margin (perfected) and personal guarantees of two directors of the company along with PNWS.
- 12.1.9** This salam (Pledge) facility was obtained from Askari Bank Limited, out of total sanctioned limit of Rs. 500 million (2021: Rs. 500 million) for production of white refined sugar from sugarcane. It carries profit at the rate of matching KIBOR + 3% per annum, payable quarterly. It is secured by way of ranking charge over all present and future fixed assets of the company

to the extent of Rs. 400 million through constructive MOTD and plant & machinery (through letter of hypothecation) duly registered with SECP, ranking charge over all present and future current assets of the company to the extent of Rs. 667 million (2021: Rs. 534 million), pledge of white refined sugar of 2021-2022 season with 25% margin (inclusive of applicable sales tax) stored at the company's godown (shared with other banks), duly stacked and segregated in countable position and insured under the supervision of the banks approved mucedum, placement of 33.33% of total pledge of sugar bags in open area located within the Mill's premises keeping in view of lesser capacity of godowns during the peak season (FY 2021-2022) and personal guarantees of two directors of the company along with PNWSs.

- 12.1.10 The Company has total credit facilities from all the banks as mentioned in notes 12.1.1 to 12.1.9 above, amounting to Rs. 2.847 million (2021: Rs. 1,323.380 million) that remained unutilized at the terminal date.

Note	(Un-Audited) 31 March 2022 (Rupees)	(Audited) 30 September 2021	
12.2. From related parties			
Unsecured and interest free			
Mr. Mustafa Ali Tariq	12.2.1	4,218,224	13,601,995

- 12.2.1 This represents loan obtained from the sponsoring director / Chief Executive, Mr. Mustafa Ali Tariq, of the Company to bridge / assist its working capital requirements. It is payable on demand.

13. CONTINGENCIES AND COMMITMENTS

13.1. Contingencies

There is no change in the status of contingencies as reported in the annual audited financial statements of the company for the year ended September 30, 2021.

Note	(Un-Audited) 31 March 2022 (Rupees)	(Audited) 30 September 2021
13.2 Commitments		
Company is committed to pay the following:		
Ijarah rentals		
Due within one year	13,620,573	10,668,613
Due after one year but not later than five years	34,459,874	24,940,502
Diminishing Musharikhah rentals		
Due within one year	1,423,575	3,854,064
Due after one year but not later than five years	-	963,516
	<u>49,504,022</u>	<u>40,426,695</u>

14. COST OF REVENUE

Raw material consumed:

	HALF YEAR ENDED (Un-audited)		QUARTER ENDED (Un-audited)	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
 (Rupees)			
Sugarcane purchased	5,606,164,334	5,374,900,945	3,761,300,051	3,626,403,851
Sugarcane development cess	33,927,380	30,847,914	22,513,217	18,848,511
Market committee fee	9,047,383	8,226,198	6,003,581	5,006,343

	5,649,139,097	5,413,975,057	3,789,816,849	3,650,258,705
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Salaries, wages and other benefits	117,931,465	100,423,684	69,615,697	57,941,257
Workers' welfare expense	11,469,501	9,068,195	7,405,187	5,624,550
Stores, spare parts and loose tools consumed	15,512,540	10,529,176	9,179,455	5,295,301
Chemicals consumed	44,390,518	40,629,728	29,517,162	25,786,127
Packing material consumed	68,031,412	41,914,143	47,143,672	26,670,217
Fuel and power	14,092,249	10,047,905	6,635,523	4,164,954
Repair and maintenance	55,080,731	53,412,819	18,077,883	27,584,512
Vehicle running expenses	11,177,736	9,456,912	6,409,382	9,456,912
Insurance	3,693,870	1,713,251	2,045,971	900,516
Other factory overheads	11,614,943	2,972,042	10,816,480	2,025,563
Depreciation	71,455,970	71,791,507	36,456,805	34,126,713

6.1

	6,073,590,032	5,765,934,419	4,033,120,066	3,849,835,327
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Work-in-process

Opening stock	15,185,158	15,437,264	89,598,991	66,644,800
Closing stock	(50,418,765)	(14,257,695)	(50,418,765)	(14,257,695)

	(35,233,607)	1,179,569	39,180,226	52,387,105
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Cost of goods manufactured	6,038,356,425	5,767,113,988	4,072,300,292	3,902,222,432
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Finished goods

Opening stock	932,480,024	637,374,128	1,057,358,401	1,376,470,833
Closing stock	(3,138,732,611)	(3,254,353,560)	(3,138,732,611)	(3,254,353,560)

	(2,206,252,587)	(2,616,979,432)	(2,081,374,210)	(1,877,882,727)
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	3,832,103,838	3,150,134,556	1,990,926,082	2,024,339,705
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15. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE

Earnings / (loss) per share - basic

Profit / (loss) attributable to ordinary shareholders for basic earning per share Rupees 120,340,388 (22,423,963) 45,733,521 (335,657,313)

Effect of dilutive potential ordinary shares:

Add back: Amortization of liability component of preference shares - net of tax Rupees 1,383,243 - 1,120,842 -

Profit after taxation attributable to ordinary shareholders for diluted earnings / (loss) per share 121,723,631 (22,423,963) 46,854,363 (335,657,313)

Number of shares

Weighted average number of ordinary shares outstanding during the period for basic earnings per share Numbers 51,651,184 41,009,942 52,965,000 41,009,942

Effect of dilutive convertible preference shares Numbers 1,944,519 - 3,932,250 -

Weighted average number of ordinary shares outstanding during the period for diluted earnings per share Numbers 53,595,704 41,009,942 56,897,250 41,009,942

Basic earnings / (loss) per share Rupees 2.33 (0.55) 0.86 (8.18)

Diluted earnings / (loss) per share Rupees 2.27 (0.55) 0.82 (8.18)

16. TRANSACTIONS WITH RELATED PARTIES

Related party transactions during the period:

Particulars	Relationship	Names	Half year ended	
			Un-audited 31-Mar-22	Un-audited 31-Mar-21
			Rupees	
Transactions with post-employment benefit plan				
Company's contributions to fund / trust	Post retirement benefits	HSMIL Employees' Provident Fund Trust	3,880,264	3,875,671
Transactions with key management personnel				
Remuneration and benefits of key management personnel	Chief Operating Officer	Mr. Wasim Saleem	2,369,994	2,370,000
Contribution of provident fund	Chief Operating Officer	Mr. Wasim Saleem	-	143,634
Directors' remuneration and benefits	- Director / Chief Executive Officer - Executive Director	Mr. Mustafa Ali Tariq Mrs. Maryam Habib	6,125,328 1,560,000	6,125,328 1,560,000
Contribution of provident fund	- Director / Chief Executive Officer - Executive Director	Mr. Mustafa Ali Tariq Mrs. Maryam Habib	395,184 100,644	395,184 100,644
Transactions with associated undertakings				
Tariq Capital (Pvt.) Limited	Current account		2,011,500	179,444
Tariq Welfare Foundation	Purchase of shares Current account		15,000,000 81,958	- -
Transactions with other related parties				
Repayment of directors' loans	- Chairman of the Board / - Non - Executive Director	Mr. Ahmed Ali Tariq	20,000,000	-
Adjustment of directors' loans against shares	- Chairman of the Board / - Non - Executive Director	Mr. Ahmed Ali Tariq	83,067,659	-
Receipt of directors' loans	- Director / Chief Executive Officer	Mr. Mustafa Ali Tariq	16,000,000	1,001,995
Adjustment of directors' loans against shares	- Director / Chief Executive Officer	Mr. Mustafa Ali Tariq	74,025,466	-

Closing balances with related parties during the period / year:

Particulars	Relationship	Names	Un-audited	Audited
			31-Mar-22	30-Sep-21
			Rupees	
Closing Balances				
Transactions with post -employment benefit plan				
Company's contributions to fund / trust	Post retirement benefits	HSMIL Employees' Provident Fund Trust	6,851,640	3,888,990
Transactions with key management personnel				
Key management personnel's remuneration and benefits	Chief Operating Officer	Mr. Wasim Saleem	394,999	333,844
Directors' remuneration	Director / Chief Executive Officer Executive Director	Mr. Mustafa Ali Tariq Mrs. Maryam Habib	665,489 201,573	735,378 206,066
Transactions with associated companies				
Tariq Capital (Pvt.) Limited	Associated company by virtue of common directorship Long term investment		2,335,725 15,000,000	324,225 -
HSM Healthcare Trust	Associated company by virtue of common directorship		-	920,493
HSM Education Trust	Associated company by virtue of common directorship		-	987,510
Tariq Welfare Foundation	Associated company by virtue of common directorship		1,843,385	-
Transactions with other related parties				
Directors' loans	Director / Chief Executive Officer Director / Chairman of the Board	Mr. Mustafa Ali Tariq Mr. Ahmad Ali Tariq	97,766,895 3,093,666	200,834,544 61,119,132
Short term borrowings	Director / Chief Executive Officer	Mr. Mustafa Ali Tariq	4,218,224	5,088,547

17. RELATIONSHIP WITH THE ISLAMIC AND CONVENTIONAL FINANCIAL INSTITUTION

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

	As on March 31, 2022 (unaudited)			As on September 30, 2021 (audited)		
	Islamic Mode	Conventional Banks	Total	Islamic Banks	Conventional Banks	Total
	----- Rupees -----					
Account balances:						
Accrued mark-up on secured borrowings	80,959,526	36,626,398	117,585,924	51,048,046	32,874,005	83,922,051
Long term finance	171,875,000	721,628,761	893,503,761	317,462,421	687,321,892	1,004,784,313
Short term borrowings	2,389,694,072	847,458,886	3,237,152,958	1,344,921,372	521,696,206	1,866,617,578
Bank balances	23,683,362	66,591,406	90,274,768	19,297,393	92,800,688	112,098,081
Ijarah rentals	400,378	-	400,378	1,775,978	-	1,775,978
Diminishing Musharikah rentals	325,475	-	325,475	640,715	-	640,715

	Half year ended March 31, 2022 (unaudited)			Half year ended March 31, 2021 (unaudited)		
	Islamic Mode	Conventional Banks	Total	Islamic Banks	Conventional Banks	Total
	----- Rupees -----					
Class of transactions:						
Ijarah and diminishing musharikah rentals	6,700,852	-	6,700,852	6,141,464	-	6,141,464
Finance cost	86,303,077	64,505,505	150,808,582	84,349,719	44,269,189	128,618,908
Income from PLS bank accounts	222,973	-	222,973	61,688	-	61,688

18. FINANCIAL RISK MANAGEMENT

18.1 Financial risk factors

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 September 2021.

18.2 Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (that is, derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

During the year, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurement.

The Company has not disclosed the fair values of the financial assets and financial liabilities because their carrying amounts are reasonable approximation of fair values, except fair value of equity instruments.

Valuation techniques used to determine fair values

The table analyses financial assets measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

		As on March 31, 2022 - unaudited			
		Carrying amount	Recurring fair value		
		Rupees	Level 1	Level 2	Level 3
Financial assets					
Financial assets at fair value through profit or loss (equity securities)					
		6,916,004	6,916,004	-	-
		As on September 30, 2021 - audited			
		Carrying amount	Recurring fair value		
		Rupees	Level 1	Level 2	Level 3
Financial assets					
Financial assets at fair value through profit or loss (equity securities)					
		7,593,255	7,593,255	-	-

Valuation techniques and significant unobservable inputs

The following table shows the valuation technique used in measuring Level 1 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Equity instruments - shares		
Market approach (quoted market prices)	Per share price	The estimated fair value would increase / (decrease) if the price go higher / (lower).

19. RECONCILIATION OF MOVEMENTS OF SHARE CAPITAL AND LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

Description	Ordinary Share capital	Equity Component Of Preference Shares	Share subscription money against right share issuance	Share premium account	Directors' loans	Long term finance	Lease liability	Liability Component of Preference Shares	Short term borrowings
.....Rupees									
Balance at October 01, 2021	385,200,000	-	211,768,198	115,893,550	261,953,676	004,784,313	10,234,548	-	1,871,706,125
Proceeds during the period	-	-	-	-	17,000,000	36,546,600	-	28,386,184	-
Transfer of director's loan to share subscription money against right share issuance	-	-	41,029,302	-	(41,029,302)	-	-	-	-
Issuance of preference shares against director's loans	-	-	-	-	(116,063,816)	-	-	116,063,816	-
Right share issued during the period	144,450,000	-	(252,787,500)	108,337,500	-	-	-	-	-
Equity component of preference shares	-	37,412,372	-	-	-	-	-	(37,412,372)	-
Interest charged (using effective interest rate)	-	-	-	-	-	-	-	2,184,154	-
Repayments during the year	-	-	-	-	(21,000,007)	(147,827,152)	(853,349)	-	-
Movement in short term borrowings - net	-	-	-	-	-	-	-	-	1,369,665,057
Balance at March 31, 2022	529,650,000	37,412,372	-	224,231,050	100,860,551	893,503,761	9,381,199	109,221,782	3,241,371,182

Description	Share capital	Directors' loans	Long term finance	Lease liability	Short term borrowings
.....Rupees					
Balance at October 01, 2020	385,200,000	424,428,823	821,384,165	8,106,311	1,407,998,902
Proceeds during the year	-	-	294,148,490	-	-
Repayments during the year	-	(1,000,000)	(63,222,591)	(2,083,091)	-
Movement in short term borrowings - net	-	-	-	-	1,697,141,134
Balance at March 31, 2021	385,200,000	423,428,823	1,052,310,064	6,023,220	3,105,140,036

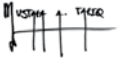
20. DATE OF AUTHORIZATION

These condensed interim financial statements have been approved and authorized by the Board of Directors of the Company for issue on _____.

21. GENERAL

21.1 Figures of the corresponding period have been re-arranged and regrouped to represent better / true presentation and to facilitate appropriate comparison. However, no major reclassifications were made in the corresponding figures during the period.

21.2 Allocation to the Worker's Profit Participation Fund, Workers' Welfare Fund and figures of taxation are provisional. Final liabilities thereof would be determined on the basis of annual results.







Chief Executive Officer



Chief Financial Officer



Director

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