

QUARTERLY REPORT

**Condensed Interim
Financial Statements (Un-Audited)
For the Quarter Ended
December 31, 2018**

PURITY REDEFINED



AL-ABBAS SUGAR Mills
Limited



Contents

Company information	3
Chairman's Review	4
Directors' Review Report	5
Condensed Interim Statement of Financial Position (Un-audited)	8
Condensed Interim Statement of Profit and Loss Account (Un-audited)	9
Condensed Interim Statement of Other Comprehensive Income (Un-audited)	10
Condensed Interim Statement of Cash Flow (Un-audited)	11
Condensed Interim Statement of Changes in Equity (Un-audited)	12
Notes to the Condensed Interim Financial Information (Un-audited)	13
Chairman's Review - Urdu	24
Directors' Review Report - Urdu	28

COMPANY INFORMATION

BOARD OF DIRECTORS

Muhammad Iqbal Usman
Asim Ghani
Asma Aves Cochinwala
Darakshan Ghani
Duraidd Qureshi
Zakaria Usman
Irfan Nasir Cheema
Suleman Lalani

Chairman
Chief Executive Officer
Director
Director
Director
Director
Director

COMPANY SECRETARY

Zuhair Abbas

CHIEF FINANCIAL OFFICER

Samir Hajani

AUDIT COMMITTEE

Zakaria Usman
Asma Aves Cochinwala
Darakshan Ghani
Duraidd Qureshi
Suhail Afzal

Member
Member
Member
Member
Secretary

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Muhammad Iqbal Usman
Asim Ghani
Asma Aves Cochinwala
Darakshan Ghani

Chairman
Member
Member
Member

STATUTORY AUDITORS

Reanda Haroon Zakaria & Co.

Chartered Accountants

BANKERS

Al Baraka Bank Pakistan Limited (Burj Bank Limited)
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank
National Bank of Pakistan
The Bank of Punjab
Meezan Bank Limited
Pak Oman Investment Company Limited
Soneri Bank Limited
United Bank Limited

REGISTERED OFFICE

2nd Floor, Pardesi House, Survey No. 2/1,
R.Y. 16, Old Queens Road, Karachi – 74000
Tel: 92-21-111-111-224
Fax: 92-21-32470090
Website: www.aasml.com

SHARE REGISTRAR OFFICE

CDC House-99B, Block 'B', S.M.C.H.S
Main Shahrah-e-faisal, Karachi-74400

FACTORIES / STORAGE LOCATIONS

- 1) Mirwah Gorchani, Distt. Mirpurkhas, Sindh
- 2) Main National Highway, Dhabeji, Sindh
- 3) Oil Installation Area, Kemari, Karachi, Sindh

CHAIRMAN'S REVIEW REPORT

Dear Shareholders

I am pleased to present the un-audited condensed interim financial performance of Al-Abbas Sugar Mills Limited on behalf of the Board of Directors for the quarter ended December 31, 2018, along with my review on the performance of your Company.

The crushing season 18-19 started with the uncertainty where at one side the price of Rs. 182 per maund fixed by Government was not viable for the miller and force them to appeal at the Honorable High Court of Sindh for the best acceptable solution for all the stakeholders and on the other side the shortage of the water has resulted in less cultivation of sugarcane in Sindh. The global situation for the ethanol is very challenging as the big player like Brazil has shifted its production from sugar to ethanol for better margins. However, your management is ready to take hold of the challenges in an optimistic manner and attempt to attain reasonable results.

Your Board sets the right tone from the top and make sure that a strong governance structure is in place to empower the business to flourish and deliver long term sustainable progress. Your board follows strict measures to ensure it evaluates your directors and the significance they add to your board.

To enforce the prominence of good governance and setting the right standard throughout the company, we have emphasized on code of conduct setting out the values and standards we expect in the conduct of business, this covers issues such as health and safety, conducts of employees, diversity, financial controls and business integrity.

I firmly believe that our business is well placed for the competitive future. I take this opportunity to thank and appreciate governmental departments, banking partners, others financial institutions, insurance companies and all stakeholders for their continued support and cooperation.



Muhammad Iqbal Usman
Chairman

Karachi: January 26, 2019

DIRECTORS' REVIEW REPORT

Dear Members,
Assalam-o-Alaikum

On behalf of the Board of Directors' I take the opportunity to place before you un-audited condensed interim financial statements for the quarter ended December 31, 2018.

Financial performance

The financial results of the Company for the period under review compared with the corresponding period are summarized below:

	Quarter ended December 31, 2018	Quarter ended December 31, 2017
	(Rupees in thousands)	
Operating profit	373,183	160,831
Finance cost	(5,538)	(17,404)
	<u>367,645</u>	<u>143,427</u>
Other income	22,356	3,094
Profit before taxation	390,001	146,521
Taxation	(21,195)	(23,325)
Profit after taxation	<u>368,806</u>	<u>123,196</u>
Basic earnings per share (Rupees)	<u>21.24</u>	<u>7.10</u>

During the period under review, your company has earned a profit after tax of Rs. 368.806 million as compared to the profit of Rs. 123.196 million of the corresponding period of last year. Net sales during the quarter ended were Rs.1,906.490 million as compared to Rs. 1,932.075 million of corresponding period. Export sale during the period were Rs. 1,216.075 million as compared to Rs. 1,616.465 million for the corresponding period.

SUBSEQUENT EVENT AND DIVIDEND

The Board of Directors in their meeting held on December 20, 2018 has proposed a final cash dividend of 500% for the year ended September 30, 2018. These condensed interim financial statements do not include the effect of final dividend.

OPERATING SEGMENT RESULTS

The division wise performance is presented below:

Sugar Division

The financial and operational performance of sugar division is given below:

Financial performance

	Quarter ended December 31, 2018	Quarter ended December 31, 2017
	(Rupees in thousands)	
Sales	659,158	1,202,111
Cost of sales	(730,482)	(1,126,511)
Gross (loss) / profit	<u>(71,324)</u>	<u>75,600</u>
Distribution cost	(4,133)	(31,013)
Administrative expenses	(17,776)	(15,834)
Segment operating result	<u>(93,233)</u>	<u>28,753</u>

Operational performance

	2018-19	2017-18
Date of start of season	December 13, 2018	November 28, 2017
Duration of season (Days)	19	34
Crushing (M. Tons)	114,171	115,899
Production from sugarcane (M.Tons)	10,533	11,300
Sales (M. Tons)	15,137	25,028
Recovery (%)	10.38	10.07

The plant operated for 19 days as against 34 days of preceding season. The sugarcane crushed during the current season was 114,171 M.Tons with average sucrose recovery of 10.38% and sugar production of 10,533 M.Tons as compared to crushing of 115,899 M.Tons with average sucrose recovery of 10.07% and sugar production of 11,300 M.Tons of same period last year.

Ethanol Division

The financial and operational performance of ethanol division is given below:

	Quarter ended December 31, 2018	Quarter ended December 31, 2017
	(Rupees in thousands)	
Sales	1,247,332	729,964
Cost of sales	(641,952)	(529,417)
Gross profit	605,380	200,547
Distribution cost	(89,567)	(64,203)
Administrative expenses	(11,847)	(10,551)
Segment operating result	503,966	125,793

The operational data is given below:

Operational data

Operational performance	2018-19	2017-18
Production (M. Tons) - Unit I and II	11,755	10,427
Sales (M. Tons)	12,811	9,733

During the period under review, this division produced 11,755 M. Tons of ethanol as compared to corresponding period of 10,427 M. Tons. The segment production show positive increase of 1,328 M. Ton.

Power, Chemical and Alloys Division

The operations for the chemical and power division were remained suspended during the period under review and the division has incurred operating segment loss of Rs. 9.636 million as compared to loss of Rs. 10.062 million for the same period last year. The loss mainly represents the fixed expenses.

Bulk Storage Terminal

During the period under review this division earned a profit of Rs.1.8 million as compared

to profit of Rs. 24.218 million of last year. The decrease was due to the shutdown of operations for the maintenance of storage tanks.

FUTURE PROSPECTS

The payment dispute between growers and millers in the last year together with the shortage of water has severely affected the cultivation of sugarcane as farmers have move towards other crops. As a result, the season 2018-19 started little bit late. As per market estimate the sugarcane crop in Sindh is less than 25% as compared to previous season and it is expected that overall sugar production would also decreased and this situation help out to stabilized the prices of sugar in local market.

The Government has yet to clear the huge outstanding amount of freight subsidy. Due to delay in payment of subsidy amount, sugar mills faces severe financial crunch.

The low domestic use of ethanol allows Pakistan to export ethanol out of the country which has increased in last couple of years. The outlook of the ethanol production is based on the availability of quality of molasses. The international prices of ethanol have decrease due to higher production by Brazil by diverting its production from sugar to ethanol.

The company is well aware of the challenges being faced and would do its best to take all necessary measures to increase the productivity in all its divisions and overall profitability of the Company.

ACKNOWLEDGEMENT

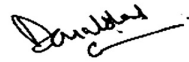
The Company strongly believes that its success is driven by the commitment and devotion of its employees. We acknowledge the contribution of each and every staff member of the Company for significant contribution in delivering such a strong performance. We would also like to express our thanks to the customers for their trust in our products and look forward for their continued support.

We also thank our shareholders, banks and financial institution for their support, guidance and confidence reposed in our enterprise and stand committed to make sure for enrichment of efficiency with countless enthusiasm and spirit Insha Allah, to overcome the difficult situation being faced by the Company.

On behalf of Board of Directors



Asim Ghani
Chief Executive Officer



Darakshan Ghani
Director

Karachi: January 26, 2019

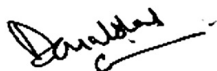
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2018

		December 31, 2018 Un-audited	September 30, 2018 Audited
	Note	Rupees in thousand	
ASSETS			
Non-Current Assets			
Property, plant and equipment	7	1,502,979	1,513,245
Investment property		272	277
Long term investments	8	221,146	654,448
Long term loans		130	413
Long term deposits		11,606	11,606
Deferred taxation	9	-	-
		<u>1,736,133</u>	<u>2,179,989</u>
Current Assets			
Stores and spares		168,888	143,148
Stock-in-trade	10	1,456,825	1,905,094
Trade debts		230,097	243,771
Loans and advances	11	1,009,387	326,027
Trade deposits and short term prepayments		26,887	9,343
Interest accrued		3,958	1,625
Other receivables		545,449	592,157
Short term investments	12	701,600	600
Income tax refunds due from the Government		92,599	92,816
Cash and bank balances		149,620	112,007
		<u>4,385,310</u>	<u>3,426,588</u>
Total Assets		<u>6,121,443</u>	<u>5,606,577</u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital		<u>400,000</u>	<u>400,000</u>
Issued, subscribed and paid-up capital		173,623	173,623
Reserves		<u>3,578,294</u>	<u>3,420,351</u>
Shareholders' equity		<u>3,751,917</u>	<u>3,593,974</u>
Non - Current Liabilities			
Long term deposits		22,381	22,381
Deferred liability		88,505	87,363
		<u>110,886</u>	<u>109,744</u>
Current Liabilities			
Trade and other payables		1,517,300	1,168,506
Accrued mark-up		3,612	4,017
Short term borrowings		709,482	702,090
Unclaimed / withheld dividend		15,400	15,400
Provision for taxation		12,846	12,846
		<u>2,258,640</u>	<u>1,902,859</u>
Contingencies and Commitments	13		
Total Equity and Liabilities		<u>6,121,443</u>	<u>5,606,577</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.



Asim Ghani
Chief Executive Officer



Darakshan Ghani
Director



Samir Hajani
Chief Financial Officer

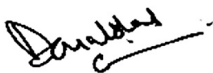
**CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2018**

	Quarter ended	
	December 31, 2018	December 31, 2017
Note	Rupees in thousand	
Sales - net	1,906,490	1,932,075
Cost of sales	(1,372,434)	(1,655,928)
Gross profit	534,056	276,147
(Loss) / profit from other reportable segments - net	(7,836)	14,156
	526,220	290,303
Distribution cost	(93,700)	(95,216)
Administrative expenses	(29,623)	(26,385)
Other operating expenses	(29,714)	(7,871)
	(153,037)	(129,472)
Operating profit	373,183	160,831
Finance cost	(5,538)	(17,404)
Other income	22,356	3,094
Profit before taxation	390,001	146,521
Taxation	(21,195)	(23,325)
Profit after taxation	368,806	123,196
Earnings per share - Basic and diluted	21.24	7.10

The annexed notes from 1 to 20 form an integral part of these financial statements.



Asim Ghani
Chief Executive Officer



Darakshan Ghani
Director



Samir Hajani
Chief Financial Officer

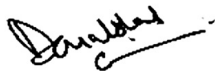
**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2018**

	Quarter ended	
	December 31, 2018	December 31, 2017
Note	Rupees in thousand	
Profit after taxation	368,806	123,196
Other comprehensive income for the period		
Items to be classified to profit and loss account in subsequent period		
Unrealized loss on remeasurement of available for sale investments	(59,057)	(7,113)
Total comprehensive income for the period	<u>309,749</u>	<u>116,083</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.



Asim Ghani
Chief Executive Officer



Darakshan Ghani
Director



Samir Hajani
Chief Financial Officer

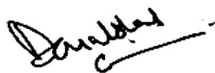
**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED DECEMBER 31, 2018**

		Quarter ended	
		December 31, 2018	December 31, 2017
	Note	Rupees in thousand	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	14	537,183	689,457
Finance cost paid		(5,943)	(27,735)
Income tax paid		(20,978)	(16,524)
Long term loans recovered - net		283	129
		(26,638)	(44,130)
Net cash generated from operating activities		510,545	645,327
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred on fixed assets		(15,039)	(1,955)
Proceeds from disposal of fixed assets		643	600
Proceeds from sale of long term investments		221,998	-
Investment in term deposit receipts		(701,000)	-
Interest / markup received		9,797	2,078
Dividend received		3,277	1,041
Net cash (used in) / generated from investing activities		(480,324)	1,764
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		-	(114)
Short term borrowings obtained / (repaid) - net		7,392	(643,103)
Net cash generated from / (used in) financing activities		7,392	(643,217)
Net increase in cash and cash equivalents		37,613	3,874
Cash and cash equivalents at beginning of the year		112,007	23,583
Cash and cash equivalents at the end of the period		149,620	27,457

The annexed notes from 1 to 20 form an integral part of these financial statements.



Asim Ghani
Chief Executive Officer



Darakshan Ghani
Director




Samir Hajani
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED DECEMBER 31, 2018**

	Issued, subscribe and paid-up capital	RESERVES					Total Shareholder's Equity
		Revenue reserves		Capital reserves		Total Reserves	
		General reserve	Unappropriated profit	Sub total	Gain or (loss) on remeasurmet of Available for Sale investments		
Balance as at October 1, 2017	173,623	1,458,000	651,314	2,109,314	225,421	2,334,735	2,508,358
Total comprehensive income for the period	-	-	123,196	123,196	-	123,196	123,196
Profit after taxation	-	-	123,196	123,196	-	(7,113)	(7,113)
Other comprehensive income for the period	-	-	123,196	123,196	(7,113)	116,083	116,083
Unrealized loss on remeasurement of available for sale investments	-	-	774,510	2,232,510	218,308	2,450,818	2,624,441
Balance as at December 31, 2017	173,623	1,458,000	1,791,550	3,249,550	170,801	3,420,351	3,593,974
Balance as at October 1, 2018	-	-	368,806	368,806	-	368,806	368,806
Total comprehensive income for the period	-	-	-	-	-	(59,057)	(59,057)
Profit after taxation	-	-	-	-	(59,057)	(151,806)	(151,806)
Other comprehensive income for the period	-	-	-	-	(151,806)	157,943	157,943
Unrealized loss on remeasurement of available for sale investments	-	-	368,806	368,806	(210,863)	3,578,294	3,751,917
Reclassification of gain to profit and loss account on sale of available for sale investments	-	-	2,160,356	3,618,356	(40,062)		
Balance as at December 31, 2018	173,623	1,458,000	2,160,356	3,618,356	(40,062)	3,578,294	3,751,917

The annexed notes from 1 to 20 form an integral part of these financial statements.


 Asim Ghani
 Chief Executive Officer


 Danakshan Ghani
 Director


 Samir Hajani
 Chief Financial Officer

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2018**

1 THE COMPANY AND ITS OPERATIONS

Al-Abbass Sugar Mills Limited - AASML ("the Company") was incorporated in Pakistan on May 2, 1991 as a public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is listed with Pakistan Stock Exchange Limited - PSX. The registered office of the Company is situated at Pardesi House, Survey No. 2/1, R.Y.16, Old Queens Road, Karachi, Pakistan. The principal activities of the Company under following business segments / divisions comprises of :

S. No.	Division	Principal Activities	Location of undertaking	Commencement of commercial production
1	Sugar	Manufacturing	Mirwah Gorchani, Mirpurkhas	December 15, 1993
2	Ethanol (note 1.1)	Processing and sale of industrial ethanol	Mirwah Gorchani, Mirpurkhas	Unit I: August 20, 2000 Unit II: January 23, 2004
3	*Chemical and alloys and **Power (note 1.2)	*Manufacturing and sales of calcium carbide and ferro alloys. **Generation and sales of electricity.	Dhabeji, Thatta.	*November 01, 2006 **April 06, 2010
4	Tank Terminal	Providing bulk storage facility	Oil Industrial Area, Kemari, Karachi.	October 15, 2012

1.1 The agreement for the supply of CO2 gas was suspended. The same was not a reportable segment as per criteria defined in IFRS - 8.

1.2 The production facilities of chemical, alloys and power segment have been suspended in view of present business conditions and the matter of its recommencement will be reviewed when these conditions are improved.

2 BASIS OF PREPARATION

2.1 These condensed interim financial information of the Company for the quarter ended December 31, 2018 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case where the requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. These condensed interim financial information do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended September 30, 2018.

2.2 This condensed interim financial information has been prepared under 'historical cost convention' except for investments classified as available for sale and financial assets and liabilities which are carried out at their fair values.

2.3 This condensed interim financial information are presented in Pakistani Rupees which is also the Company's functional currency.

2.4 The comparative balance sheet presented has been extracted from annual financial statements for the year ended September 30, 2018, whereas the comparative condensed interim profit and loss account and other comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity have been extracted from the unaudited condensed interim financial information for quarter ended December 31, 2017.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies, applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended September 30, 2018.

3.2 Change in accounting standards, interpretations and amendments to published approved accounting standards

(a) "Standards and amendments to published approved accounting standards which are effective during the quarter ended December 31, 2018"

There are certain new standards and amendments to approved accounting standards which are mandatory for the Company's annual accounting period which began on October 1, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial information.

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

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's annual accounting periods beginning on or after October 1, 2019. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial information.

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

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

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

4.2 In preparing this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key source of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended September 30, 2018.

4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended September 30, 2018.

5 INCOME TAX, WORKERS' PROFIT PARTICIPATION FUND, WORKERS' WELFARE FUND AND POST RETIREMENT BENEFITS

Provision in respect of income taxes, Workers' Profit Participation Fund, Workers' Welfare Fund and retirement benefits are estimates only and final liabilities will be determined on the basis of annual results.

6 SEASONAL PRODUCTION

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

	Note	(Un-audited) December 31, 2018 (Rupees in thousand)	(Audited) September 30, 2018
7	PROPERTY, PLANT AND EQUIPMENT		
Additions			
Vehicles		-	14,469
Office equipment		283	652
Additions to CWIP			
Plant and machinery		-	19,858
Disposal			
Vehicle - at cost		1,233	5,516

		(Un-audited) December 31, 2018 (Rupees in thousand)	(Audited) September 30, 2018	
8	LONG TERM INVESTMENTS			
	Available for sale investments - in			
	Quoted shares at fair value	8.1 & 8.2	221,146	654,448
8.1	During the year, the Company has sold 16,989,500 preference shares and 3,397,900 ordinary shares of Aisha Steel Mills Limited.			
8.2	On October 01, 2016, short term investments amounting to Rs. 234.900 million were reclassified from fair value through profit or loss to available for sale investments classified under long term investments due to the fact that the management intended to hold those investments for a long term period which was also evident from the fact that there was no disposal from those investment since last two years. The reclassification was accounted for prospectively in accordance with the requirements of IFRS.			
	SECP issued show cause notice to the Company with the view that the change in classification of investments, as discussed above, was contrary to the requirements of IFRS. The Company, in reply through its advisor, gave reasonable justification for the reclassification in the light of provisions of IFRS.			
	However, during the last year, SECP has directed the Directors of the Company to avoid such reclassification in future and imposing penalty to each of the Director of the Company who gave their vote for such reclassification in the related board meeting. The Directors have filed an appeal before the Appellate Bench of Securities and Exchange Commission of Pakistan which is currently pending and expect the favourable outcome."			
9	DEFERRED TAXATION			
	Deferred Tax Assets arising in respect of			
	Deductible temporary differences			
	Available tax losses	181,422	158,916	
	Liabilities u/s 34(5)	68,394	68,394	
	Provisions	35,097	35,097	
		284,913	262,407	
	Taxable temporary differences			
	Accelerated tax depreciation	(223,926)	(225,788)	
	Investments - available for sale	(5,285)	(19,010)	
		55,702	17,609	
	Unrecognized deferred tax asset	(55,702)	(17,609)	
		-	-	

- 9.1 The Company has not recognized its entire deferred tax asset relating to deductible differences up to the period ended December 31, 2018 as the management expects that major portion of taxes of the Company in foreseeable future will fall under minimum tax and final tax regime.

	Note	(Un-audited) December 31, 2018 (Rupees in thousand)	(Audited) September 30, 2018
10	STOCK-IN-TRADE		
	Raw materials	323,568	592,542
	Work-in-process	53,952	4,061
	Finished goods	1,079,305	1,308,491
		<u>1,456,825</u>	<u>1,905,094</u>

- 10.1 Value of stock of raw material and finished goods pledged as at December 31, 2018 amounting to Rs. Nil (September 30, 2018 Rs. 354.753) million.

	Note	(Un-audited) December 31, 2018 (Rupees in thousand)	(Audited) September 30, 2018
11	LOANS AND ADVANCES		
	Loans to growers		
	Considered good	9,269	12,725
	Considered doubtful	301	301
		9,570	13,026
	Provision for loans considered doubtful	(301)	(301)
		9,269	12,725
	Current portion of long term loans	677	798
		9,946	13,523
	Advances		
	To suppliers, contractors and others		
	Considered good	999,441	312,504
	Considered doubtful - suppliers and contractors	75,355	75,355
		1,074,796	387,859
	Provision for doubtful advances	(75,355)	(75,355)
		999,441	312,504
		<u>1,009,387</u>	<u>326,027</u>

- 11.1 This includes advances given to suppliers for purchase of molasses amounted to Rs. 971.063 million (september 30, 2018: Rs. 271.940 million)

			(Un-audited) December 31, 2018 (Rupees in thousand)	(Audited) September 30, 2018
	Note			
12	Short term investments			
	Held to Maturity Term Deposit Receipts (TDRs)	12.1	<u>701,600</u>	<u>600</u>
12.1	These carry profit ranging from 3.23% to 9.3% (September 30, 2018: 3.99% to 4.09%) per annum.			
13	CONTINGENCIES AND COMMITMENTS			
13.1	Contingencies			
	There were no major changes in the status of other contingencies as reported in the annual financial statements for the year ended September 30, 2018.			
13.2	Commitments			
a)	Commitments in respect of letter of credit amount to Rs. 105.540 (September 30, 2018: Rs. 104.044) million.			
b)	Bank guarantees of Rs. 73.22 (September 30, 2018: Rs. 54.6) million have been issued by the banking companies on behalf of the Company in favour of customers and suppliers.			

	Note	(Un-audited) December 31, 2018 (Rupees in thousand)	(Un-audited) December 31, 2017
14 CASH GENERATED FROM OPERATIONS			
Profit before taxation		390,001	146,521
Adjustments for:			
Depreciation on property, plant and equipment		25,139	26,791
Depreciation on investment property	5	5	8
Gain on disposal of property, plant and equipment - net		(477)	(303)
Mark-up on loan to growers		(472)	(1,275)
Dividend income		(2,277)	(1,027)
Income on term deposit receipts		(11,658)	(14)
Finance cost		5,538	17,404
Loss on sale of long term investments		441	-
Workers Welfare Fund		7,931	-
Workers Profit Participation Fund		20,872	7,669
Increase in deferred liability - market fee		1,142	1,159
		46,184	50,412
Cash generated from operating activities before working capital changes		436,185	196,933
Increase / (decrease) in current assets			
Stores and spares		(25,740)	(24,623)
Stock-in-trade		448,269	883,884
Trade debts		13,674	(408,673)
Loans and advances		(683,360)	(60,109)
Trade deposits and short term prepayments		(17,544)	(6,957)
Other receivables		45,708	(175,892)
		(218,993)	207,630
Increase / (decrease) in current liabilities			
Trade and other payables		319,991	284,894
Net cash generated from operations		537,183	689,457

15 SEGMENT REPORTING

	(Rupees in thousand)					
	Quarter ended December 31,					
	2018	2017	2018	2017	2018	2017
	Sugar		Ethanol		Total	
Segment profit and loss account						
Sales	659,158	1,202,111	1,247,332	729,964	1,906,490	1,932,075
Cost of sales	(730,482)	(1,126,511)	(641,952)	(529,417)	(1,372,434)	(1,655,928)
Gross (loss) / profit	(71,324)	75,600	605,380	200,547	534,056	276,147
(Loss) / profit from other reportable segments - net					(7,836)	14,156
Distribution cost	(4,133)	(31,013)	(89,567)	(64,203)	526,220	290,303
Administrative expenses	(17,776)	(15,834)	(11,847)	(10,551)	(93,700)	(95,216)
Operating segment results	(93,233)	28,753	503,966	125,793	(29,623)	(26,385)
Other operating expenses					402,897	168,702
Finance cost					(29,714)	(7,871)
Other income					(5,538)	(17,404)
Profit before taxation					22,356	3,094
Taxation					390,001	146,521
Profit after taxation					(21,195)	(23,325)
					368,806	123,196

	December 31, 2018	September 30, 2018	December 31, 2018	September 30, 2018	December 31, 2018	September 30, 2018	December 31, 2018	September 30, 2018	(Rupees in thousand)
Segment assets and liabilities		Sugar	Ethanol	Chemical, alloys and power	Storage tank terminal	Total			
Segment assets - Allocated	2,256,436	2,611,840	1,980,587	430,667	435,969	151,550	174,047	4,799,240	4,581,543
Segment assets - Unallocated								1,322,203	1,025,034
								<u>6,121,443</u>	<u>5,606,577</u>
Segment liabilities - Allocated	1,420,514	999,614	690,973	104	104	22,381	22,381	2,133,972	1,794,884
Segment liabilities - Unallocated								<u>235,554</u>	<u>217,719</u>
								<u>2,369,526</u>	<u>2,012,603</u>
Capital expenditure - Allocated	1,132	-	13,624	19,858	-	-	-	14,756	19,858
Capital expenditure - Unallocated								<u>283</u>	<u>15,121</u>
								<u>15,039</u>	<u>34,979</u>
Depreciation	9,684	42,851	6,975	33,706	5,299	24,347	3,181	25,139	116,621

16 RELATED PARTY TRANSACTIONS

The related parties comprise associated undertakings, other related group companies, Directors of the Company, Key Management Personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Amounts due to / from related parties are shown in under respective notes to the financial statement. Transactions with related parties are as follows:

Note	December 31, 2018 (Rupees in thousand)	December 31, 2017
Transactions with Post Employment Benefit Plan - Gratuity Fund		
Loan installments recovered from employees on behalf of Employees Gratuity Fund	1,972	2,131
Paid to Employees Gratuity Fund on account of installment recovered from employees	8,263	4,000
Contribution paid to Employees Gratuity Fund	18,465	-
Transactions with key management personnel		
Remuneration of Chief Executive Officer, Directors and Executives	13,919	12,855
Transactions with Associated company		
Commission on sale of shares	612	-
Transactions with Directors		
Vehicle fuel, repair and maintenance charges	63	114
Boarding and lodging charges	86	67
Meeting fee	250	-

17 NON ADJUSTING SUBSEQUENT EVENT

The Board of Directors of the Company in their meeting held on December 20, 2018 has proposed a final cash dividend of Rs. 50 (2017: Rs. 5) per share i-e 500% (2017: 50%) for the year ended September 30, 2018 amounting to Rs. 868.115 (2017: Rs. 86.812) million. The effect will be accounted in the period of payment.

18 CORRESPONDING FIGURES

Corresponding figures have been re-arranged / reclassified, whenever considered necessary, for the purpose of compliance. This includes local handling expenses amounted to Rs. 0.160 million reclassified from distribution expenses to packing expenses and ethanol packing expenses amounted to Rs. 33.231 million reclassified from cost of sales to distribution expenses for better presentation.

19 GENERAL

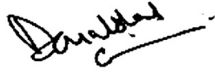
Figures have been rounded off to the nearest thousand of Rupees, unless otherwise stated.

20 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information was authorized for issue on January 26, 2019 by Board of Directors of the Company.



Asim Ghani
Chief Executive Officer



Darakshan Ghani
Director



Samir Hajani
Chief Financial Officer

چیرمین کی جائزہ رپورٹ

محترم حصص یافتگان

مجھے آپ کی خدمت میں العباس شوگر مل لمیٹڈ کی غیر آڈٹ شدہ عبوری مالیاتی کارکردگی رپورٹ بمعہ کمپنی کی کارکردگی پر میری جائزہ رپورٹ برائے پہلی سہ ماہی 31 دسمبر 2018 پیش کرتے ہوئے از حد خوشی محسوس ہو رہی ہے۔

کرشنک سیزن 19-2018 بڑی غیر یقینی صورتحال سے دوچار ہے یعنی ایک طرف تو حکومت نے گئے کی قیمت خرید -182 روپے فی من مقرر کی ہے جو کہ شوگر ملز ماکان کے لئے سودمند نہیں ہے چنانچہ انھیں مجبور ہونا پڑا کہ وہ محترم سندھ ہائی کورٹ کی عدالت سے اپیل کریں تاکہ ہر متعلقہ اسٹیک ہولڈر کے لئے کوئی بہتر قابل قبول حل نکالا جاسکے۔ دوسری طرف سندھ میں پانی کی قلت کے باعث گئے کی پیداوار بھی کم ہوئی۔

اتھنول کے حوالے سے عالمی منڈی میں سخت مسابقت کا سامنا ہے مثلاً برازیل جس نے کہ اپنے بہتر متنافع کے لئے چینی کی پیداوار چھوڑ کر اتھنول کی پیداوار شروع کر دی ہے مگر کمپنی انتظامیہ تمام مشکلات کا بلند حوصلے کے ساتھ بہتر نتائج کے حصول کے لئے کوشاں ہے۔

آپ کے بورڈ نے کمپنی میں فحشی سطح سے لیکر بالائی سطح تک انتظامی ڈھانچہ نہایت مضبوط بنیادوں پر استوار کیا ہے تاکہ کاروبار کی طویل المدت پائیدار ترقی کا حصول ممکن ہو سکے اس حوالے سے آپ کا بورڈ ان تمام اصولوں پر سختی سے کاربند ہے جو آپ کے ڈائریکٹرز نے کمپنی کے بہتر مفاد میں طے کئے ہیں۔

کمپنی کے اعلیٰ انتظام و انصرام کو یقینی بنانے کے لئے ہم نے اس امر پر کافی زور دیا ہے کہ اعلیٰ کاروباری معیارات اور اقدار قائم کئے جائیں جو کسی بھی کاروبار کے لئے بہت اہمیت کے حامل ہوتے ہیں اور کاروبار کے تمام شعبوں کا احاطہ کرتے ہیں بالخصوص کاروباری دیانت مالیاتی کنٹرول، ملازمین کی صحت و تحفظ وغیرہ کے معاملات کے لئے بلند معیارات کا قیام اور علمدارآمد ممکن بنانا ہے۔

مجھے کامل یقین ہے کہ مستقبل قریب میں کاروباری مسابقت میں ہماری کمپنی بہتر مقام پر ہوگی۔ میں اس موقع پر اپنے تمام سرکاری اداروں بینکرز اور دیگر مالیاتی اداروں اور ملازمین کے مسلسل تعاون کو سراہتے ہوئے ان کا بے حد ممنون و مشکور ہوں۔



محمد اقبال عثمان
چیرمین

کراچی: 26 جنوری 2019

مستقبل کے امکانات

شوگر ملز مالکان اور کسانوں کے درمیان گنے کی قیمت کی ادائیگی کے جھگڑے کے ساتھ ساتھ پانی کی قلت نے بھی گنے کی پیداوار کو بری طرح متاثر کیا ہے کہ جس کے باعث کسانوں نے گنے کی بہ نسبت دوسری فصلوں کی کاشت کو ترجیح دی جس کے باعث 19-2018 کے موسم میں گنے کی کاشت کا کام قدرے تاخیر سے شروع ہوا۔ مارکیٹ کے اندازے کے مطابق اس سال گنے کی کاشت گزشتہ سال کے مقابلے میں 25% فی صد کم کی گئی ہے جس کے باعث توقع ہے کہ اس سال شکر کی پیداوار کم رہے گی۔ مزید برآں اس بنیادی عنصر کی وجہ سے مقامی مارکیٹ میں شکر کی قیمتوں میں استحکام پیدا ہونے کی توقع ہے۔

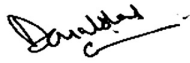
حکومت نے ابھی تک شوگر ملز کو فریٹ سبسڈی کی ادائیگی نہیں کی ہے جس کے باعث شوگر ملز کو غریب شدید مالی بحران کا سامنا کرنا پڑا ہے۔ پاکستان میں اتھنول کے کم استعمال کے باعث گزشتہ کئی سالوں سے اتھنول برآمد میں اضافہ کارخانوں دیکھنے میں آیا ہے۔ مستقبل قریب میں اتھنول کی پیداوار کا انحصار مولا سمر کی معیاری پیداوار پر منحصر ہے۔ اتھنول کی بین الاقوامی قیمتوں میں بھی کمی کا رجحان ہے جس کی بنیادی وجہ برازیل کا بڑی مقدار میں اتھنول کی پیداوار اور کرنا ہے کیونکہ اس نے شکر کی پیداوار کی بجائے اتھنول کی پیداوار شروع کر دی ہے۔ کمپنی ان تمام درپیش مشکلات سے بخوبی آگاہ ہے اور اپنے تمام ڈویژنز کی پیداوار اور منافع کے لئے ہر ممکن بہتر سے بہتر اقدامات بروئے کار لاری ہے۔

اظہار تشکر

کمپنی کو اس امر پر پختہ یقین ہے کہ اس کی کامیابی اس کے ملازمین کی پر خلوص محنت کی بدولت ہے جس پر ہم ان کی محنت کو سراہتے ہیں اور اپنے ہر ملازم کے انتہائی مشکور ہیں کہ اس نے اس شاندار کارکردگی میں اپنا اہم کردار ادا کیا۔ ہم اپنے صارفین اور خریداروں کے بھی بے حد مشکور ہیں کہ انھوں نے ہماری مصنوعات پر اعتماد کیا اور امید ہے کہ مستقبل میں بھی ان کا یہ اعتماد مزید بڑھے گا۔

ہم اپنے جھص یافتگان، بینکس اور دیگر مالیاتی اداروں کے بھی بے حد ممنون و مشکور ہیں کہ انھوں نے ہم پر اپنا تعاون، اعتماد کیا اور رہنمائی فراہم کی۔ انشاء اللہ ان کے اسی جوش و جذبہ کی بدولت ہم کمپنی کو درپیش مشکل حالات پر بخوبی قابو پالیں گے۔

منجانب بورڈ آف ڈائریکٹرز



درخشاں زوہیب
ڈائریکٹر



عاصم غنی
چیف ایگزیکٹو آفیسر

کراچی: 26 جنوری 2019

پیداوار 11,300 میٹرک ٹن تھی جبکہ شکر حصول کی اوسط شرح 10.07% تھی۔

انتھنول ڈویژن:

انتھنول ڈویژن کی مالیاتی اور پیداواری کارکردگی درج ذیل ہیں:

سہ ماہی	سہ ماہی	مالیاتی کارکردگی
31 دسمبر 2017	31 دسمبر 2018	
روپے ہزار میں	روپے ہزار میں	
729,964	1,247,332	فروخت
(529,417)	(641,952)	لاگت فروخت
200,547	605,380	خام مامانف
(64,203)	(89,567)	مال تقسیمی لاگت
(10,551)	(11,847)	انتظامی اخراجات
125,793	503,966	انتھنول ڈویژن کے مالیاتی نتائج۔ منافع

پیداواری کوائف درج ذیل ہیں:

سہ ماہی	سہ ماہی	پیداواری کارکردگی
31 دسمبر 2017	31 دسمبر 2018	
10,427	11,755	پیداوار۔ پونٹ I اور II
9,733	12,811	فروخت میٹرک ٹن

زیر جائزہ دورانیہ میں اس ڈویژن نے انتھنول کی پیداوار 11,755 میٹرک ٹن جبکہ گزشتہ سال 10,427 میٹرک ٹن حاصل کی۔ چنانچہ اس ڈویژن کی اضافی پیداوار 1328 میٹرک ٹن نوٹ کی گئی۔

پاور کیمیکل اور بھرت ڈویژن:

زیر جائزہ سہ ماہی میں متعلقہ پیداوار بدستور نہ ہو سکی اور اس ڈویژن سے 9.636 ملین روپے کا خسارہ ہوا جبکہ گزشتہ سال اسی عرصے میں یہ خسارہ 10.062 ملین روپے تھا۔ اس نقصان کی وجہ مخصوص لازمی اخراجات تھے۔

بلک اسٹوریج ڈیزل

زیر جائزہ سہ ماہی میں اس ڈویژن نے 1.8 ملین روپے کا منافع حاصل کیا جبکہ گزشتہ سال اسی عرصے میں یہ منافع 24.218 ملین روپے تھا۔ منافع میں کمی کی بنیادی وجہ اسٹوریج ٹینکس کی صفائی و مرمت کے لئے بند ہونا تھا۔

یونٹ کے پیداواری نتائج:
یونٹ کے اعتبار سے کارکردگی کے نتائج حسب ذیل ہیں۔
شکر یونٹ
اس یونٹ کی مالیاتی اور پیداواری کارکردگی درج ذیل ہے۔

سہ ماہی	سہ ماہی	مالیاتی کارکردگی
31 دسمبر 2017	31 دسمبر 2018	
روپے ہزار میں	روپے ہزار میں	
1,202,111	659,158	فروخت
(1,126,551)	(730,482)	لاگت فروخت
75,600	(71,324)	خام منافع / (نقصان)
(31,013)	(4,133)	مال تقسیمی لاگت
(15,834)	(17,776)	انتظامی اخراجات
28,753	(93,233)	منافع (نقصان) - شکر یونٹ

پیداواری کارکردگی

سہ ماہی	سہ ماہی	پیداواری کارکردگی
31 دسمبر 2017	31 دسمبر 2018	
28 نومبر 2017	13 دسمبر 2018	موسم کے آغاز کی تاریخ
34	19	پیداوار کا دورانیہ - دن
115,899	114,171	کرشنگ - میٹرک ٹن
11,300	10,533	چینی کی پیداوار - میٹرک ٹن
25,028	15,137	چینی کی فروخت - میٹرک ٹن
10.07	10.38	شکر حصول کی شرح - فی صد

زیر جائزہ سہ ماہی کے دوران پلانٹ 19 دن کے لئے چلایا گیا جبکہ گزشتہ سال اسی عرصہ کے دوران پلانٹ 34 دن کے لئے چلایا گیا جبکہ گئے کی کرشنگ 114,171 میٹرک ٹن رہی جبکہ شکر حصول کی اوسط شرح 10.38% ہوئی اور شکر کی پیداوار 10,533 میٹرک ٹن تھی۔ گزشتہ سال اسی عرصے میں گئے کی کرشنگ 115,899 میٹرک ٹن اور شکر کی

ڈائریکٹر کی جائزہ رپورٹ

محترم ممبران
السلام علیکم

مجھے بورڈ کی جانب سے آپ کی کمپنی کے عبوری مالیاتی غیر آڈٹ شدہ رپورٹ برائے سہ ماہی 31 دسمبر 2018 پیش کرتے ہوئے بے حد مسرت ہو رہی ہے۔
مالیاتی کارکردگی

زیر جائزہ دورانیہ میں کمپنی کے مالیاتی نتائج اور اس سے گزشتہ دورانیہ کے اعداد و شمار کے ہمراہ درج ذیل ہیں:

سہ ماہی	سہ ماہی	تفصیلات
31 دسمبر 2017	31 دسمبر 2018	
روپے ہزار میں	روپے ہزار میں	
160,831	373,183	جاری منافع
(17,404)	(5,538)	مالیاتی لاگت
143,427	367,645	
3,094	22,356	دیگر آمدن
146,521	4390,001	منافع قبل از ٹیکس
(23,325)	(21,195)	ٹیکس
123,196	368,806	منافع بعد از ٹیکس
7.10	21.24	دی گھنٹہ آمدن روپے

زیر جائزہ دور میں آپ کی کمپنی 368,806 ملین روپے کا بعد از ٹیکس منافع کمایا جبکہ گزشتہ سال میں یہ منافع 123,196 ملین روپے تھا جبکہ خالص فروخت 1,906,490 ملین روپے رہی جبکہ گزشتہ سال یہ فروخت اس دورانیہ میں 1,932,075 ملین روپے تھی۔ اس طرح برآمدی فروخت اس عرصہ میں 1,216.075 ملین روپے تھی جبکہ گزشتہ سال اسی عرصہ میں یہ فروخت 1,616.465 ملین روپے تھی۔

منافع منقسمہ اور بعد کے واقعات

بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ 20 دسمبر 2018 کو ختم ہونے والی سہ ماہی کیلئے 500% فیصد حتمی نقد منافع منقسمہ دینے کی تجویز دی ہے۔ اس عبوری مالیاتی رپورٹ میں ان مذکورہ منافعوں کا اثر شامل نہیں ہے۔



AL-ABBAS SUGAR MILLS LTD.

Head Office: Pardesi House, Survey No. 2/1, R.Y. 16,
Old Queens Road, Karachi-74000
Tel: 111-111-224 Fax: (92-21) 32470090
E-mail: sugar@aasml.com



www.aasml.com