

**AL-ABBAS SUGAR** Mills  
Limited

## Contents

Company information	3
Directors' Review Report	4
Condensed Statement of Financial Position (Un-audited)	7
Condensed Interim Profit and Loss Account (Un-audited)	8
Condensed Interim Statement of Other Comprehensive Income (Un-audited)	9
Condensed Interim Cash Flow Statement (Un-audited)	10
Condensed Interim Statement of Changes in Equity (Un-audited)	11
Notes to the Condensed Interim Financial Statements (Un-audited)	12
Directors' Review Report - Urdu	32

## COMPANY INFORMATION

### BOARD OF DIRECTORS

Zakaria Usman  
Asim Ghani  
Asma Aves Cochinwala  
Darakshan Ghani  
Haroon Askari  
Muhammad Salman Hussain Chawala  
Shahid Hussain Jatoti  
Siddiq Khokhar  
Suleman Lalani

Chairman  
Chief Executive Officer  
Director  
Director  
Director  
Director  
Director  
Director

### COMPANY SECRETARY

Zuhair Abbas

### CHIEF FINANCIAL OFFICER

Samir Hajani

### AUDIT COMMITTEE

Haroon Askari  
Asma Aves Cochinwala  
Darakshan Ghani  
Muhammad Salman Hussain Chawala  
Zakaria Usman  
Suhaib Afzal

Chairman  
Member  
Member  
Member  
Member  
Secretary

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

Muhammad Salman Hussain Chawala  
Asim Ghani  
Shahid Hussain Jatoti  
Siddiq Khokhar  
Zakaria Usman

Chairman  
Member  
Member  
Member  
Member

### RISK MANAGEMENT COMMITTEE:

Haroon Askari  
Asim Ghani  
Darakshan Ghani  
Zakaria Usman

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  
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 Share Registrar Services Limited  
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

## DIRECTORS' REVIEW REPORT

Dear Members,  
Assalam-o-Alaikum

On behalf of the Board of Directors' we take the opportunity to place before you condensed interim financial statements for the Nine Months ended June 30, 2019.

### Financial performance

The financial results of the Company for the nine months period ended June 30, 2019 compared with the corresponding period are summarized below:

	Nine months ended June 30, 2019 (Rupees in thousands)	Nine months ended June 30, 2018
Operating profit	825,116	1,011,051
Finance cost	<u>(50,805)</u>	<u>(50,517)</u>
	774,311	960,534
Other income	<u>38,780</u>	<u>15,501</u>
Profit before taxation	813,091	976,035
Taxation	<u>(61,970)</u>	<u>(143,302)</u>
Profit after taxation	<u>751,121</u>	<u>832,733</u>
Basic earnings per share (Rupees)	<u>43.26</u>	<u>47.96</u>

During the period under review, your company has earned a profit after tax of Rs. 751.121 million as compared to the profit of Rs. 832.733 million in the corresponding period of last year. Net sales during the nine months ended were Rs. 4.963 billion as compared to Rs. 5.903 billion in the corresponding period resulting a decrease of Rs. 0.939 billion that is around 16%. The decline in overall turnover was mainly due to decline in sugar sales.

### SUBSEQUENT EVENT AND DIVIDEND

The Board of Directors in their meeting held on July 29, 2019 has declared an interim cash dividend of Rs. 12.50 per shares i.e. 125% for the nine months period ended June 30, 2019. This is in addition to interim dividend already paid at Rs. 7.50 per share i.e. 75%. These condensed interim financial statements do not include the effect of interim 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

	Nine months ended June 30, 2019 (Rupees in thousands)	Nine months ended June 30, 2018
Sales	1,990,040	3,339,117
Cost of sales	<u>(1,938,901)</u>	<u>(2,772,336)</u>
Gross Profit	51,139	566,781
Distribution cost	<u>(23,323)</u>	<u>(156,013)</u>
Administrative expenses	<u>(54,663)</u>	<u>(45,516)</u>
Segment operating result	<u>(26,847)</u>	<u>365,252</u>

## Operational performance

	2018-19	2017-18
Date of start of season	13-Dec-2018	28-Nov-2017
Duration of season (Days)	84	135
Crushing (M. Tons)	467,828	665,539
Production from sugarcane (M.Tons)	50,892	74,387
Sales (M. Tons)	42,025	65,443
Recovery (%)	10.88%	11.17%

Sales of Sugar segment in the current period was Rs 1.990 billion as compared to corresponding period of Rs 3.339 billion, Sales of sugar declined in this period by Rs 1.349 billion due to decrease in sales quantity by 23,418 M.Tons. The Company has not exported any sugar as the local price were more lucrative then the international prices and the absence of sugar export subsidy by Federal and Sindh Government in current season making it more difficult for sugar industry of Sindh to export sugar.

## Ethanol Division

	Nine months ended June 30, 2019	Nine months ended June 30, 2018
	(Rupees in thousands)	
Sales	2,973,295	2,564,076
Cost of sales	(1,769,985)	(1,563,382)
Gross profit	1,203,310	1,000,694
Distribution cost	(258,045)	(257,776)
Administrative expenses	(35,762)	(29,996)
Segment operating result	<u>909,503</u>	<u>712,922</u>

The operational data is given below:

## Operational data

Operational performance	2018-19	2017-18
Production (M. Tons) - Unit I and II	33,096	30,991
Sales (M. Tons)	29,799	31,496

During the period under review ethanol sales remained geared primarily toward exports, which is a high profitable business. Operating profit from ethanol sales alone exceeds overall operating performance by the company. The sales quantity of ethanol has declined however, the turnover has increased by Rs. 409.219 million due to the devaluation of Pak Rupee against US Dollar.

## 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.28.918million as compared to loss of Rs. 30.099 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. 58.845 million as compared to profit of Rs. 75.367 million of last year. The decrease was due to the reduced operations for the maintenance of storage tanks.

## FUTURE PROSPECTS

Sugar prices in domestic market have been improving recently due to decrease in sugar production by 25 to 30 percent in Pakistan, providing relief to some extent. The Economic Coordination Committee (ECC) has allowed 1 million tons of sugar export but due to the fiscal pressures at the center, federal government has refused to offer subsidy on export; however, it has increased export quota to 1.1 million tons. In the absence of subsidy, export volumes have remained diminished the current international prices are not viable for the sugar industry to consider the sugar export unless the Government announces any subsidy. The country will continue to observe a rise in retail price of sugar.

During the quarter, the Federal Government has released their full 50 percent share of subsidy, however, the Sindh Government hasn't announced to disburse the 50 percent of their share to the mills. The Provincial Government is yet to clear the balance outstanding amount. Due to delay in payment of subsidy amount, sugar mills are facing severe financial crunch.

The Government through Finance Bill 2019-20 has increased sales tax on sugar from 8 percent to 17 percent from July 01, 2019 and withdraws the additional 3 percent sales tax on unregistered buyers/persons. Furthermore, it is now mandatory to record CNIC number of unregistered buyers on sales invoices and permitted that input tax attributable to supplies made to unregistered buyers / persons for which CNIC number is not mentioned on respective sales invoices to be disallowed on pro rate basis. However Government has postponed the Collection of CNICs of unregistered buyers till 1st August, 2019. The sugar brokers showing resistance in providing their CNIC numbers and that has created a ruckus in sugar industry as a result the buying of sugar has been stopped by the sugar brokers.

The outlook of the ethanol production is based on the availability of quality of molasses. Due to reduction in sugarcane crushing the production of molasses was also reduced and the price of molasses shot up during the period which also affects the cost of production of ethanol. The management is striving hard to acquire molasses at reasonable cost.

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 acknowledge the devotion 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: July 29, 2019

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)  
AS AT JUNE 30, 2019

	Note	June 30, 2019 Un-audited (Rupees in thousand)	September 30, 2018 Audited
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	7	1,651,989	1,513,245
Investment property		256	277
Long term investments	8	183,271	654,448
Long term loans		56	413
Long term deposits		11,836	11,606
Deferred taxation	9	-	-
		<u>1,847,408</u>	<u>2,179,989</u>
<b>Current Assets</b>			
Stores and spares		147,387	143,148
Stock-in-trade	10	2,776,041	1,905,094
Trade debts		13,775	243,771
Loans and advances	11	729,570	326,027
Trade deposits and short term prepayments		21,010	9,343
Interest accrued		3,763	1,625
Other receivables		289,200	592,157
Short term investments		450,600	600
Income tax refunds due from the Government		109,109	92,816
Cash and bank balances	12	138,288	112,007
		<u>4,678,743</u>	<u>3,426,588</u>
<b>Total Assets</b>		<u><u>6,526,151</u></u>	<u><u>5,606,577</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorized capital		<u>400,000</u>	<u>400,000</u>
Issued, subscribed and paid-up capital		173,623	173,623
Reserves		<u>2,924,404</u>	<u>3,420,351</u>
Shareholders' equity		<u>3,098,027</u>	<u>3,593,974</u>
<b>Non - Current Liabilities</b>			
Long term deposits		22,381	22,381
Deferred liability		92,041	87,363
		<u>114,422</u>	<u>109,744</u>
<b>Current Liabilities</b>			
Trade and other payables		1,498,713	1,168,506
Accrued mark-up		13,678	4,017
Short term borrowings	13	1,761,255	702,090
Unclaimed / withheld dividend		27,210	15,400
Provision for taxation		12,846	12,846
		<u>3,313,702</u>	<u>1,902,859</u>
Contingencies and Commitments	14		
<b>Total Equity and Liabilities</b>		<u><u>6,526,151</u></u>	<u><u>5,606,577</u></u>

The annexed notes from 1 to 21 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 OR LOSS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED JUNE 30, 2019

	Nine Months Ended		Quarter ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	Rupees in thousand			
Sales - net	4,963,335	5,903,193	2,146,144	1,872,227
Cost of sales	(3,708,886)	(4,335,718)	(1,651,294)	(1,167,873)
Gross profit	1,254,449	1,567,475	494,850	704,354
Profit from other reportable segments - net	29,927	45,268	7,862	17,547
	1,284,376	1,612,743	502,712	721,901
Distribution cost	(281,368)	(413,789)	(77,883)	(200,271)
Administrative expenses	(90,425)	(75,512)	(32,219)	(25,216)
Other operating expenses	(87,467)	(112,391)	(50,927)	(32,497)
	459,260	(601,692)	(161,029)	(257,984)
Operating profit	825,116	1,011,051	341,683	463,917
Finance cost	(50,805)	(50,517)	(29,743)	(22,053)
Other income	38,780	15,501	11,464	4,045
Profit before taxation	813,091	976,035	323,404	445,909
Taxation	(61,970)	(143,302)	(30,179)	(64,004)
Profit after taxation	751,121	832,733	293,225	381,905
Earnings per share - Basic and diluted	43.26	47.96	16.89	22.00

The annexed notes from 1 to 21 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 NINE MONTHS ENDED JUNE 30, 2019

	Nine Months Ended		Quarter ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	Rupees in thousand			
Profit after taxation	751,121	832,733	293,225	381,905
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	(96,931)	(29,168)	(37,874)	(37,293)
Total comprehensive income for the period	<u>654,190</u>	<u>803,565</u>	<u>255,351</u>	<u>344,612</u>

The annexed notes from 1 to 21 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(UN-AUDITED)  
FOR THE NINE MONTHS ENDED JUNE 30, 2019

		Nine months ended	
		June 30, 2019	June 30, 2018
	Note	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	15	489,707	542,210
Finance cost paid		(41,144)	(57,517)
Income tax paid		(78,262)	(60,728)
Long term loans recovered - net		357	169
Long term deposits paid		(230)	-
		(119,279)	(118,076)
Net cash generated from operating activities		370,428	424,134
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred on fixed assets		(217,552)	(8,633)
Proceeds from disposal of fixed assets		3,279	1,651
Proceeds from sale of long term investments		221,998	-
Investment in term deposit receipts		(450,000)	-
Interest / markup received		17,716	4,085
Dividend received		7,768	11,135
Net cash (used in) / generated from investing activities		(416,791)	8,238
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(986,522)	(137,798)
Short term borrowings obtained / (repaid) - net		1,059,165	(119,505)
Net cash generated from / (used in) financing activities		72,643	(257,303)
Net increase in cash and cash equivalents		26,280	175,069
Cash and cash equivalents at beginning of the year		112,007	23,583
Cash and cash equivalents at the end of the period		138,287	198,652

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



Asim Ghani  
Chief Executive Officer



Darakshan Ghani  
Director



Samir Hajani  
Chief Financial Officer

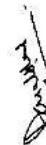
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE NINE MONTHS ENDED JUNE 30, 2019**

	RESERVES					Total Shareholder's Equity
	Revenue reserves		Capital reserves		Total Reserves	
	General reserve	Unappropriated profit	Sub total	Gain or (loss) on remeasurement of Available for Sale investments		
	Rupees in thousand					
Balance as at October 1, 2017	173,623	1,458,000	651,314	2,109,314	225,421	2,334,735
Total comprehensive income for the period						
Profit after taxation	-	-	832,733	832,733	-	832,733
Other comprehensive income for the period	-	-	-	-	(29,168)	(29,168)
Unrealized gain on remeasurement of available for sale investments	-	-	-	832,733	(29,168)	803,565
Transactions with owners						
Final Dividend 2017: Rs. 5 per share	-	-	(86,812)	(86,812)	-	(86,812)
Interim Dividend 2018: Rs. 3 per share	-	-	(52,087)	(52,087)	-	(52,087)
	-	-	(138,899)	(138,899)	-	(138,899)
Balance as at June 30, 2018	173,623	1,458,000	1,345,148	2,803,148	196,253	3,173,024
Balance as at October 1, 2018	173,623	1,458,000	1,791,550	3,249,550	170,801	3,593,974
Total comprehensive income for the period						
Profit after taxation	-	-	751,121	751,121	-	751,121
Other comprehensive income for the period	-	-	-	-	(96,931)	(96,931)
Unrealized loss on remeasurement of available for sale investments	-	-	-	-	(96,931)	(96,931)
Re-classification of gain to profit and loss account on sale of available for sale investments	-	-	-	-	(151,805)	(151,805)
	-	-	751,121	751,121	(248,736)	502,385
Transactions with owners						
Final Dividend 2018: Rs. 50 per share	-	-	(868,115)	(868,115)	-	(868,115)
Interim Dividend 2019: Rs. 7.5 per share	-	-	(130,217)	(130,217)	-	(130,217)
	-	-	(998,332)	(998,332)	-	(998,332)
Balance as at June 30, 2019	173,623	1,458,000	1,544,339	3,002,339	(77,935)	3,098,027

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



Asim Ghani  
Chief Executive Officer



Darakshan Ghani  
Director



Samir Hajani  
Chief Financial Officer

## 1 THE COMPANY AND ITS OPERATIONS

Al-Abbas 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 and sale of sugar	Mirwah Gorchani, Mirpurkhas	December 15, 1993
2	Ethanol	Processing and sale of industrial ethanol	Mirwah Gorchani, Mirpurkhas	Unit I: August 20, 2000 Unit II: January 23, 2004
3	Chemical and alloys and (note 1.1) Power (note 1.1)	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 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 This condensed interim financial information of the Company for the nine months ended June 30, 2019 is unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017 (the Act). In case where requirements differ, the provisions of or directives issued under the Act shall prevail.

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

- 2.2 These condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements, and should be

read in conjunction with the Company's annual audited financial statements for the year ended September 30, 2018.

- 2.3 This condensed interim financial information are presented in Pakistani Rupees which is also the Company's functional currency.
- 2.4 The comparative statement of financial position presented in these condensed interim financial statements as at September 30, 2018 has been extracted from the annual audited financial statements of the Company for the year ended September 30, 2018 whereas the comparative condensed interim statement of profit or loss account and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the notes thereto for the nine months period ended June 30, 2018 have been extracted from the condensed interim financial statements of the Company for the nine months period ended June 30, 2018.

### 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 period ended June 30, 2019.

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.

- IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these standards do not have any significant impact on these condensed interim financial statements of the Company.

- (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.

SECP has modified the effective date for the applicability of IFRS - 9 (Financial Instruments) till reporting year ending on or after June 30, 2019.

#### 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) June 30, 2019 (Rupees in thousand)	(Audited) September 30, 2018
7	PROPERTY, PLANT AND EQUIPMENT		
	Additions		
	Vehicles	20,132	14,469
	Office equipment	733	652
	Computers	72	-
	Transferred from CWIP		
	Plant and machinery	44,432	-
	Additions to CWIP		
	Plant and machinery	194,962	19,858
	Vehicles	1,653	-
	Disposal		
	Vehicle - at cost	2,815	5,516

#### 8 LONG TERM INVESTMENTS

Available for sale investments - in Quoted

shares at fair value

8.1, 8.2 & 8.3

183,271

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.

- 8.3 113,850 bonus shares of IGI Holding Limited was received in December 2018. However, the effect of these bonus shares were inadvertently omitted in the condensed interim financial statements for the period ended December 31, 2018. The below mentioned impact would have been recognized had there been no omission in the condensed interim financial statements for the period ended December 31, 2018 and March 31, 2019.

Impact on condensed interim financial statements for the quarter ended December 31, 2018

	Rs. In ' 000
Long term investment would have been increased by	22,904
Reserves would have been increased by	22,904
Condensed interim statement of other comprehensive income would have been increased by	22,904
Segment assets - unallocated would have been increased by	22,904
Unrecognized deferred tax asset would have been decreased by	(1,709)

Impact on condensed interim financial statements for the half year ended March 31, 2019

	Rs. In ' 000
Condensed interim statement of other comprehensive income for the quarter ended March 31, 2019 would have been decreased by	(22,904)

Note	(Un-audited) June 30, 2019	(Audited) September 30, 2018
	(Rupees in thousand)	

## 9 DEFERRED TAXATION

Deferred Tax Assets arising in respect of  
Deductible temporary differences

Available tax losses	157,925	158,916
Liabilities u/s 34(5)	68,394	68,394
Provisions	34,608	35,097
	<u>260,927</u>	<u>262,407</u>
Taxable temporary differences		
Accelerated tax depreciation	(220,568)	(225,788)
Investments - available for sale	(2,686)	(19,010)
	<u>37,673</u>	<u>17,609</u>
Unrecognized deferred tax asset	<u>(37,673)</u>	<u>(17,609)</u>
	<u>-</u>	<u>-</u>

- 9.1 The Company has not recognized its entire deferred tax asset relating to deductible differences up to the period ended June 30, 2019 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) June 30, 2019 (Rupees in thousand)	(Audited) September 30, 2018
10	STOCK-IN-TRADE		
	Raw materials	714,023	592,542
	Work-in-process	4,760	4,061
	Finished goods	2,057,258	1,308,491
		<u>2,776,041</u>	<u>1,905,094</u>

- 10.1 Value of stock of raw material and finished goods pledged as at June 30, 2019 amounting to Rs. 817.774 (September 30, 2018 Rs. 354.753) million.

	Note	(Un-audited) June 30, 2019 (Rupees in thousand)	(Audited) September 30, 2018
11	LOANS AND ADVANCES		
	Loans to growers		
	Considered good	17,019	12,725
	Considered doubtful	301	301
		17,320	13,026
	Provision for loans considered doubtful	(301)	(301)
		17,019	12,725
	Current portion of long term loans	715	798
		17,734	13,523
	Advances		
	To suppliers, contractors and others		
	Considered good	711,836	312,504
	Considered doubtful - suppliers and contractors	73,669	75,355
		785,505	387,859
	Provision for doubtful advances	(73,669)	(75,355)
		<u>711,836</u>	<u>312,504</u>
		<u>729,570</u>	<u>326,027</u>

- 11.1 This includes advances given to suppliers for purchase of molasses amounted to Rs. 662.967 million (September 30, 2018: Rs. 271.940 million)

	Note	(Un-audited) June 30, 2019 (Rupees in thousand)	(Audited) September 30, 2018
12	CASH AND BANK BALANCES		
	Cash in hand	1,094	1,047
	Cash at banks		
	Current accounts	47,157	82,038
	Saving accounts	90,037	28,922
	12.1	137,194	110,960
		138,288	112,007

- 12.1 This includes an amount of Rs. 68.138 (September 30, 2018: 0.009) million under an arrangement permissible under Shariah.

	Note	(Un-audited) June 30, 2019 (Rupees in thousand)	(Audited) September 30, 2018
13	SHORT TERM BORROWINGS		
	From banking companies - secured		
	Under Mark up arrangements		
	Cash / running finances	10,255	83,090
	Export refinance	1,751,000	619,000
		1,761,255	702,090

#### 14 CONTINGENCIES AND COMMITMENTS

##### 14.1 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.

##### 14.2 Commitments

- Commitments in respect of letter of credit amount to Rs. 18.360 (September 30, 2018: Rs. 104.044) million.
- 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.

	June 30, 2019 (Rupees in thousand)	June 30, 2018 (Rupees in thousand)
15 CASH GENERATED FROM OPERATIONS		
Profit before taxation	813,091	976,035
Adjustments for:		
Depreciation on property, plant and equipment	77,848	80,346
Depreciation on investment property	21	23
Gain on disposal of property, plant and equipment - net	(2,319)	(1,105)
Mark-up on loan to growers	(675)	(1,634)
Dividend income	(6,768)	(11,135)
Income on term deposit receipts/savings account	(19,179)	(889)
Finance cost	50,805	50,517
Subsidy on sugar export	-	(801,438)
Loss on sale of long term investments	441	-
Workers Welfare Fund	42,361	58,684
Workers Profit Participation Fund	44,665	53,865
Increase in deferred liability - market fee	4,678	6,656
	191,878	(566,110)
Cash generated from operating activities before working capital changes	1,004,969	409,925
(Increase) / decrease in current assets		
Stores and spares	(4,239)	10,181
Stock-in-trade	(870,947)	(672,764)
Trade debts	229,996	(412,397)
Loans and advances	(403,543)	290,279
Trade deposits and short term prepayments	(11,667)	3,881
Other receivables	301,957	333,091
	(758,443)	(447,729)
Increase / (decrease) in current liabilities		
Trade and other payables	243,181	580,014
Net cash generated from operations	489,707	542,210

## 16 SEGMENT REPORTING

(Rupees in thousand)

	Nine months ended June 30,					
	Sugar		Ethanol		Total	
	2019	2018	2019	2018	2019	2018
Segment profit and loss account						
Sales	1,990,040	3,339,117	2,973,295	2,564,076	4,963,335	5,903,193
Cost of sales	(1,938,901)	(2,772,336)	(1,769,985)	(1,563,382)	(3,708,886)	(4,335,718)
Gross profit	51,139	566,781	1,203,310	1,000,694	1,254,449	1,567,475
Profit from other reportable segments - net					29,927	45,268
					1,284,376	1,612,743
Distribution cost	(23,323)	(156,013)	(258,045)	(257,776)	(281,368)	(413,789)
Administrative expenses	(54,663)	(45,516)	(35,762)	(29,996)	(90,425)	(75,512)
Operating segment results	(26,847)	365,252	909,503	712,922	912,583	1,123,442
Other operating expenses					(87,467)	(112,391)
Finance cost					(50,805)	(50,517)
Other income					38,780	15,501
Profit before taxation					813,091	976,035
Taxation					(61,970)	(143,302)
Profit after taxation					751,121	832,733

(Rupees in thousand)

	Quarter ended June 30,					
	Sugar		Ethanol		Total	
	2019	2018	2019	2018	2019	2018
Profit and loss account						
Sales	1,067,912	914,743	1,078,232	957,484	2,146,144	1,872,227
Cost of sales	(1,010,994)	(692,012)	(640,300)	(475,861)	(1,167,873)	(1,167,873)
Gross profit	56,918	222,731	437,932	481,623	494,850	704,354
Profit from other reportable segments - net					7,862	17,547
					502,712	721,901
Distribution Cost	(8,134)	(19,277)	(69,740)	(180,994)	(77,883)	(200,271)
Administrative expenses	(19,734)	(15,333)	(12,485)	(9,883)	(32,219)	(25,216)
Operating segment results	29,041	188,121	355,707	290,746	392,610	496,414
Other operating expenses					(50,927)	(32,497)
Finance cost					(29,743)	(22,053)
Other income					11,464	4,045
Profit before taxation					323,404	445,909
Taxation					(30,179)	(64,004)
Net profit for the period					293,225	381,905

	June 30, 2019	September 30, 2018	June 30, 2019	September 30, 2018	June 30, 2019	September 30, 2018	June 30, 2019	September 30, 2018	June 30, 2019	September 30, 2018	Total
	Sugar		Ethanol		Chemical, alloys and power		Storage tank	terminal			
Segment assets and liabilities											
Segment assets - Allocated	2,672,279	2,611,840	2,237,871	1,359,687	420,074	435,969	148,893	174,047	5,479,117	4,581,543	
Segment assets - Unallocated									1,047,034	1,025,034	
									<u>6,526,151</u>	<u>5,606,577</u>	
Segment liabilities - Allocated	1,171,198	999,614	1,935,628	772,785	104	104	31,575	22,381	3,138,505	1,794,884	
Segment liabilities - Unallocated									289,619	217,719	
									<u>3,428,124</u>	<u>2,012,603</u>	
Capital expenditure - Allocated	170,388	-	24,574	19,858	-	-	-	-	194,962	19,858	
Capital expenditure - Unallocated									22,590	15,121	
									<u>217,552</u>	<u>34,979</u>	
Depreciation	29,547	42,851	22,742	33,706	15,896	24,347	9,663	15,717	77,848	116,621	

## 17 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:

	June 30, 2019	June 30, 2018
	(Rupees in thousand)	
Transactions with Post Employment Benefit Plan - Gratuity Fund		
Loan installments recovered from employees on behalf of Employees Gratuity Fund	6,214	6,542
Paid to Employees Gratuity Fund on account of installment recovered from employees	12,505	24,723
Contribution paid to Employees Gratuity Fund	26,000	-
Transactions with key management personnel Remuneration of Chief Executive Officer, Directors and Executives	51,857	40,795
Transactions with Directors and their relatives		
Vehicle fuel, repair and maintenance charges	63	138
Boarding and lodging charges	219	205
Meeting fee	1,250	-
Transactions with Associated Undertakings		
Commission on sale of shares	612	-
Donation paid	500	-

During the period, the Company has paid dividend amounting to Rs. 588.132 (June 30, 2018: Rs. 80.837) million to Directors and Associates.

## 18 CORRESPONDING FIGURES

Corresponding figures have been re-arranged / reclassified, whenever considered necessary, for the purpose of compliance. This includes ethanol packing expenses amounted to Rs. 141.323 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 NON ADJUSTING SUBSEQUENT EVENT


The Board of Directors of the Company in their meeting held on July 29, 2019 has declared an interim cash dividend of Rs. 12.50 per share i.e. 125% for the period ended June 30, 2019 amounting to Rs. 217.029 million. The effect will be accounted in the period of payment.

21 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information was authorized for issue on July 29, 2019 by Board of Directors of the Company.



Asim Ghani  
Chief Executive Officer



Darakshan Ghani  
Director



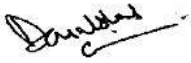
Samir Hajani  
Chief Financial Officer



## اظہار تشکر:

کمپنی اپنے ہر ملازم کی ان تمام کوششوں پر اس کی تہ دل سے مشکور ہے جو اس نے کمپنی کی اس شاندار کارکردگی پیش کرنے کے سلسلے میں سرانجام دیں نیز کمپنی اپنے صارفین کی بھی بے حد مشکور ہے کہ جنہوں نے ہماری مصنوعات پر اعتماد کیا اور اپنا مستقل تعاون جاری رکھے ہوئے ہیں۔ ہم اپنے جھص یا فنکاران پیکس اور دیگر مالیاتی اداروں کے بھی مشکور ہیں کہ جو ہماری کمپنی پر اپنا اعتماد، رہنمائی اور تعاون جاری رکھے ہوئے ہیں اور ہم یقیناً ان کے اس اعتماد اور تعاون کی مدد سے انشاء اللہ کمپنی کو درپیش مشکلات پر قابو پا لینگے۔

## منجانب: بورڈ آف ڈائریکٹرز



درخشا غنی

ڈائریکٹر



عاصم غنی

چیف ایگزیکٹو آفیسر

کراچی:

## پیداواری تفصیلات

پیداواری تفصیلات حسب ذیل ہیں

2017 - 18	2018 - 19	پیداوار - میٹرک ٹن (پنٹ اورا)
30,991	33,256	
31.496	29.800	فروخت - میٹرک ٹن

زیر جائزہ عرصہ میں انتھول کی فروخت بدستور سب سے زیادہ رہی۔ اسکی پیداوار انتھول کی برآمدی فروخت تھی جس کی وجہ سے صرف اس پنٹ کا پیداواری منافع کمپنی کے مجموعی پیداواری منافع سے زیادہ بڑھ گیا۔ اگرچہ انتھول کی فروخت شدہ مقدار کم تھی لیکن اس کے باوجود اس کی فروخت 409.219 ملین روپے بڑھ گئی جس کی بنیادی وجہ امریکی ڈالر کے مقابلے میں پاکستانی روپیہ کی قیمت کا گرنا ہے۔

### پاور کیمیکل اور بھرت پنٹ:

زیر جائزہ عرصہ میں بھی کیمیکل اور بھرت پنٹ بدستور معطل رہا اور اس عرصہ میں اس کا پیداواری خسارہ 28.918 ملین روپے تھا جبکہ گزشتہ عرصہ کے مقابلے میں 30.099 ملین روپے تھا اس کی بنیادی وجہ لازمی انتظامی اخراجات تھے۔

### بلک اسٹورج ٹرینٹل

اس عرصہ میں اس پنٹ نے 58.845 ملین روپے کا منافع کمایا جبکہ گزشتہ سال یہ منافع 75.367 ملین روپے تھا جس کی بنیادی وجہ اسٹورج ٹینکس کی مرمت کے باعث اسٹورج ٹرینٹل بھر موز میں کی تھی۔

### مستقبل کے امکانات:

زیر جائزہ عرصہ میں مقامی منڈی میں شکر کی قیمت میں اضافہ کی بنیادی وجہ شکر کی پیداوار میں 25 سے 30 فی صد کی کمی ہوئی ہے۔ اگرچہ اکناک کو آرڈینیشن کمیٹی (ای سی سی) نے ایک ملین شکر کی برآمد کی اجازت دی ہے مگر ملک کے خنڈوں مالی حالات کے باعث وفاقی حکومت نے شکر کی برآمدی سبسڈی دینے سے انکار کر دیا ہے مگر حکومت نے شکر پر برآمد کا کوڈ بڑھا کر 1.1 ملین میٹرک ٹن کر دیا ہے۔ لیکن یہ سبسڈی نہ ہونے کے باعث شکر کی برآمد کے امکانات ممکن نہیں کیونکہ بین الاقوامی منڈی میں شکر کی قیمت ہماری شوگر انڈسٹری کے لئے منافع بخش اس وقت تک نہیں ہو سکتی جب تک حکومت میں شکر کی برآمدی سبسڈی نہ دے۔ جبکہ ملک میں شکر کی خوردہ قیمت میں اضافہ کی توقعات ہیں۔ زیر جائزہ عرصہ میں وفاقی حکومت نے اپنے حصہ کی 50% واجب الادا شکر کی برآمدی سبسڈی کی ادائیگی کر دی ہے۔ مگر حکومت سندھ نے تاحال اپنے حصہ کی یہ 50% سبسڈی کی رقم کی ادائیگی نہیں کی ہے اس تاخیر کے باعث شوگر ملز کافی حد تک مالی بحران کا شکار ہیں۔

حکومت نے یکم جولائی 2019 سے فنانس بل 20 - 2019 کے ذریعہ شکر پر عائد سلیر ٹیکس 8% سے بڑھا کر 17% کر دیا ہے۔ جبکہ غیر رجسٹرڈ خریداروں پر عائد 3% اضافی سلیر ٹیکس ختم کر دیا ہے۔ مزید برآں اب فروخت کنندہ کے لیے لازمی ہے کہ سلیر انوائس جاری کرتے وقت غیر رجسٹرڈ خریدار کا کمپیوٹرائزڈ شناختی کارڈ نمبر سلیر انوائس پر درج کرے بصورت دیگر جس سلیر انوائس پر غیر رجسٹرڈ خریدار کا این آئی سی نمبر نہیں ہوگا تو اس سلیر انوائس پر درج ان پٹ ٹیکس تسلیم نہیں کیا جائیگا اور اس ان پٹ ٹیکس کا کوئی فائدہ بھی فروخت کنندہ کو نہیں دیا جائیگا۔ مگر حکومت نے غیر رجسٹرڈ خریداروں میں این آئی سی نمبروں کے اندراج کی یہ شرط یکم اگست 2019 تک معطل کر دی ہے۔ شکر کے بروکرز بھی اپنی این آئی سی نمبر دینے کے خلاف کافی مزاحمت کر رہے ہیں اس ساری صورتحال کے نتیجے میں شوگر انڈسٹری میں بھی کافی انتشار پھیل گیا ہے اور بروکرز نے شکر کی خریداری بھی بند کر دی ہے۔

انتھول کی پیداوار کا انحصار اچھی کوالٹی کے شیرہ کی دستیابی ہے۔ گنے کی کم کرٹنگ کے باعث شیرہ کی پیداوار بھی کم ہوئی جس کے باعث شیرہ کی قیمت میں بھی اضافہ ہوا ہے۔ انتھول کی پیداواری لاگت میں بھی اضافہ ہوا۔ ہماری بھرپور کوشش ہے کہ شیرہ انتہائی مناسب قیمت پر حاصل کیا جائے۔ کمپنی ان تمام مشکلات سے بخوبی آگاہ ہے جو اسے درپیش ہیں اور اس ضمن میں ہم وہ تمام ضروری اقدامات ہر ممکن طور پر بروئے کار لائے ہیں جو اس کی پیداوار اور مجموعی منافع کو بڑھا سکتے ہیں۔

## شکر ڈویژن:

شکر ڈویژن کی پیداواری اور مالیاتی کارکردگی حسب ذیل ہے:

مالیاتی کارکردگی	نومائی 30 جون 2019	نومائی 30 جون 2018
فروخت	روپے ہزار میں	روپے ہزار میں
	1,990,040	3,339,117
لاگت	(1,938,901)	(2,772,336)
خام منافع	51,139	566,781
تفصیلی لاگت	(23,323)	(156,013)
انتظامی اخراجات	(54,663)	(45,516)
پیداواری نتائج	(26,847)	(365,252)
پیداواری کارکردگی	2018-19	2017 - 18
آغاز سیزن	13 دسمبر 2018	28 نومبر 2017
سیزن کا دورانیہ - دن	84	135
کرسٹل (میٹرک ٹن)	467,828	665,539
شکر کی پیداوار	50,892	74,387
فروخت (میٹرک ٹن)	42,025	65,443
شکر حصول (%)	10.88%	11.17 %

زیر جائزہ نومائی میں شکر کی فروخت 1.990 بلین روپے رہی جبکہ گزشتہ سال کے اسی عرصہ میں یہ فروخت 3.339 بلین روپے تھی چنانچہ اس سیزن میں شکر کی فروخت میں 1.349 بلین روپے کی کمی واقع ہوئی جس کی بنیادی وجہ فروخت میں 23,418 میٹرک ٹن کی کمی تھی۔ اس عرصہ میں کمپنی نے شکر کی برآمدتوں کی کیونکہ شکر کی قیمت مقامی منڈی میں بین الاقوامی منڈیوں کے مقابلے میں کافی منافع بخش تھی۔ جبکہ اس عرصہ میں وفاقی اور سندھ حکومتوں کی جانب سے شکر کی برآمدی سبسڈی کی موجودہ سیزن میں نہیں دی گئی جس کی وجہ سے شکر کی برآمداتی مشکل تھی۔

## استھنول ڈویژن

استھنول ڈویژن کی پیداواری اور مالیاتی کارکردگی کے نتائج حسب ذیل ہیں:

مالیاتی کارکردگی	نومائی 30 جون 2019	نومائی 30 جون 2018
فروخت	روپے ہزار میں	روپے ہزار میں
	2,973,295	2,564,076
لاگت فروخت	(1,769,985)	(1,563,382)
خام منافع	1,203,310	1,000,694
تفصیلی لاگت	(258,045)	(257,776)
انتظامی اخراجات	(35,762)	(29,996)
پیداواری نتائج	909,503	712,922

# ڈائریکٹرز کی جائزہ رپورٹ

معزز ممبران  
السلام علیکم

ہمیں بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کے عبوری مالیاتی آڈٹ شدہ دستاویزات برائے نوامیاتی ختم شدہ 30 جون 2019 پیش کرتے ہوئے بے حد مسرت ہو رہی ہے۔  
مالیاتی کارکردگی:  
زیر جائزہ نوامیاتی ختم شدہ 30 جون 2019 کے مالیاتی اعداد و شمار کا گزشتہ نوامیاتی سے تقابلی جائزہ درج ذیل ہے:

نوامی 30 جون 2018	نوامی 30 جون 2019	
روپے ہزار میں	روپے ہزار میں	
1,011,051	825,116	پیداواری منافع
(50,517)	(50,805)	مالیاتی لاگت
960,534	774,311	
15,501	38,780	دیگر آمدن
976,035	813,091	منافع قبل از ٹیکس
(143,302)	(61,970)	ٹیکس
832,733	751,121	منافع - بعد از ٹیکس
47.96	43.26	فی شخص آمدنی - روپے میں

زیر جائزہ نوامیاتی میں آپ کی کمپنی نے 751.121 ملین روپے منافع بعد از ٹیکس کمایا جبکہ گزشتہ سال کے اسی عرصہ میں یہ منافع 832.733 ملین روپے تھا۔ جبکہ اس نوامیاتی میں خالص فروخت 4.963 ملین روپے تھی جبکہ گزشتہ عرصہ میں یہ فروخت 5.903 ملین روپے تھی چنانچہ 0.939 ملین روپے (16%) کی کمی نوٹ کی گئی۔

پیداواری اور مالیاتی کارکردگی کے نتائج:  
ڈویژن کے اعتبار سے پیداواری اور مالیاتی کارکردگی کے نتائج حسب ذیل ہیں۔