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COMPANY INFORMATION

BOARD OF DIRECTORS

Muhammad Iqbal Usman	Chairman
Shunaid Qureshi	Chief Executive Officer
Asim Ghani	Executive Director
Asma Aves Cochinwala	Director
Darakshan Ghani	Director
Duraid Qureshi	Director
Irfan Nasir Cheema	Director
Sayyed Rafay Akber Rashdi	Director
Suleman Lalani	Director

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Zuhair Abbas

AUDIT COMMITTEE

Sayyed Rafay Akber Rashdi	Chairman
Asma Aves Cochinwala	Member
Darakshan Ghani	Member
Duraid Qureshi	Member
Tariq Iqbal	Secretary

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Muhammad Iqbal Usman	Chairman
Asim Ghani	Member
Asma Aves Cochinwala	Member
Darakshan Ghani	Member

STATUTORY AUDITORS

Haroon Zakaria & Co.	Chartered Accountants
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COST AUDITORS

Siddiqi & Company	Chartered Accountants
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BANKERS

Al Baraka Bank Pakistan Limited (Burj Bank Limited)
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
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 Shahra-e-faisal, Karachi-74400

FACTORIES LOCATIONS

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



DIRECTORS' REVIEW REPORT

The directors are pleased to present the condensed interim financial statements for the Quarter ended December 31, 2016.

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

	Quarter ended December 31, 2016 (Rupees in thousands)	Quarter ended December 31, 2015
Operating profit	173,376	130,940
Finance cost	(6,255)	(7,264)
	<u>167,121</u>	<u>123,676</u>
Other income	4,451	23,036
Profit before taxation	<u>171,572</u>	<u>146,712</u>
Taxation	(21,871)	(19,158)
Profit after taxation	<u><u>149,701</u></u>	<u><u>127,554</u></u>
Basic earnings per share (Rupees)	<u><u>8.62</u></u>	<u><u>7.35</u></u>

SUBSEQUENT EVENT AND DIVIDEND

The Board of Directors in their meetings held on January 03, 2017 and on January 30, 2017 has proposed 40% final cash dividend and 50% interim cash dividend for the year ended September 30, 2016 and for the quarter ended December 31, 2016 respectively. These condensed interim financial statements do not include the effect of final and interim dividend.

Sugar Division

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

Financial performance

	Quarter ended December 31, 2016 (Rupees in thousands)	Quarter ended December 31, 2015
Sales	1,398,382	829,956
Cost of sales	(1,284,689)	(736,674)
Gross profit	<u>113,693</u>	<u>93,282</u>
Distribution cost	(3,562)	(3,134)
Administrative expenses	(17,094)	(16,314)
Operating Segment profit	<u><u>93,037</u></u>	<u><u>73,834</u></u>

Operational performance

	2016-17	2015-16
Date of start of season	November 14, 2016	November 23, 2015
Duration of season (Days)	48	39
Crushing (M. Tons)	221,008	272,265
Production from sugarcane (M.Tons)	20,703	26,020
Sales (M. Tons)	25,992	17,456
Recovery (%)	9.61	9.95



The plant operated for 48 days as against 39 days of preceding season. The plant was closed for 7 days during the current season. The sugarcane crushed during the current season was 221,007 M.Tons with average sucrose recovery of 9.61% and sugar production of 20,703 M.Tons as compared with crushing of 272,265 M.Tons with average sucrose recovery of 9.95% and sugar production of 26,020 M.Tons of same period last year. During the current season the PSMA (Sindh zone) decided to stop sugarcane crushing from December 15, 2016 due to shortage of sugarcane supply and increase in sugarcane prices by growers. However, after a meeting held between growers, millers and Minister Agriculture Sindh, crushing was resumed by your Company on December 22, 2016 with the assurance of grower to start full swing harvesting of sugarcane.

Ethanol Division

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

	Quarter ended December 31, 2016 (Rupees in thousands)	Quarter ended December 31, 2015
Sales	382,765	308,328
Cost of sales	(268,097)	(226,882)
Gross profit	114,668	81,446
Distribution cost	(23,545)	(17,855)
Administrative expenses	(11,389)	(10,871)
Operating Segment profit	79,734	52,720

The operational data is given below:

Operational data

Operational performance	2016-17	2015-16
Production (M. Tons) - Unit I and II	6,019	4,481
Sales (M. Tons)	4,967	3,920

During the period under review, this division produced 6,019 M. Tons ethanol as compared to corresponding period of 4,481 M. Tons. The sales has been increased by 1,047 M.Tons thus increased the turnover by Rs. 74.437 million and segment profit Rs. 27.014 million.

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. 11.518 million as compared to loss of Rs. 11.875 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. 21.045 million as compared to profit of Rs. 25.537 million of last year. The decrease in profit is due to gantry income.



FUTURE PROSPECTS

The future outlook of sugar segment depends a lot on the selling prices of sugar which is stable at a moment. The cane commissioner Sindh has fixed the minimum sugarcane price for the season 2016-17 at Rs. 182 per maunds for the Sindh region. However, due to shortage of supply, the growers are demanding the higher prices for sugarcane. Looking at the current selling prices the higher prices of sugarcane is in any way not feasible for the sugar mills to produce sugar.

The Economic Co-ordination Committee (ECC) of the cabinet has approved 225,000 M.Tons of sugar export till March 2017 from the surplus available after ascertaining that there would be 1.23 million M.tons of surplus sugar available in the country. Unlike previous years, it was decided that there will be no freight/export rebate payable by the government to sugar exporters on such exports. However, the current local market prices are higher than the export prices making the export option unviable.

International analysis reveals that the sugar production in 2016-17 is forecast to up by 5 million metric tons to 171 million as gains in Brazil and the European Union and the most of the 25 producers more than offset declines in India and Thailand. Despite production gains in 2016/17, low stock levels portend another year of rebuilding supplies amid strong prices.

The future outlook of distillery entirely depends on continuous availability of good quality of molasses at reasonable prices. The Management is striving hard to acquire molasses at reasonable cost. In the past few years, due to worldwide doldrums the prices of ethanol showed a declining trend and it may continue to further decline in the future. However, Your Company is targeting growth industries to capture high prices.

As a whole, your 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 dedication of its employees. We acknowledge the contribution of each and every staff member of the Company for significant contribution, continued dedication and hard work 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 to their continued patronage. We also thank our shareholders, banks and financial institutions for their support, guidance and confidence reposed in our enterprise and stand committed to do our best to ensure full reward of their investment in the coming years. May Allah bless us in our efforts. A'meen!

On behalf of Board of Directors

Shunaid Qureshi
Chief Executive Officer

Karachi: January 30, 2017


**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2016**

		December 31, 2016 Un-audited (Rupees in thousand)	September 30, 2016 Audited
Note			
ASSETS			
Non-Current Assets			
	7	1,673,705	1,683,380
Property, plant and equipment			
Investment property		333	342
Long term investments	8	614,593	200,420
Long term loans		1,010	1,249
Long term deposits		11,406	11,406
Deferred taxation	9	-	-
		2,301,047	1,896,797
Current Assets			
		184,055	151,437
Stores and spares			
Stock-in-trade		658,618	707,135
Trade debts		278,288	40,769
Loans and advances	10	727,161	77,910
Trade deposits and short term prepayments		45,201	7,931
Interest accrued		1,410	2,542
Other receivables		55,984	97,022
Short term investments		600	235,500
Income tax refunds due from the Government		55,605	37,523
Cash and bank balances	11	21,045	58,365
		2,027,967	1,416,134
Total Assets		4,329,014	3,312,931
EQUITY AND LIABILITIES			
Share Capital and Reserves			
		400,000	400,000
Authorized capital			
Issued, subscribed and paid-up capital		173,623	173,623
Reserves		2,490,459	2,161,485
Shareholders' equity		2,664,082	2,335,108
Non - Current Liabilities			
		76,262	74,116
Deferred liability			
Current Liabilities			
		687,110	874,194
Trade and other payables			
Accrued mark-up		3,200	1,030
Short term borrowings	12	885,514	15,637
Provision for taxation		12,846	12,846
		1,588,670	903,707
Contingencies and Commitments	13		
Total Equity and Liabilities		4,329,014	3,312,931

The annexed notes form an integral part of these condensed interim financial statements.

Shunaid Qureshi
Chief Executive Officer

Asim Ghani
Director



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT(UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2016**

	Quarter Ended	
	December 31, 2016	December 31, 2015
	(Rupees in thousand)	
Sales	1,781,147	1,138,284
Cost of sales	(1,552,786)	(963,556)
Gross profit	228,361	174,728
Profit from other reportable segments - net	9,527	13,662
	237,888	188,390
Distribution cost	(27,107)	(20,989)
Administrative expenses	(28,483)	(27,185)
Other operating expenses	(8,922)	(9,276)
	(64,512)	(57,450)
Operating profit	173,376	130,940
Finance cost	(6,255)	(7,264)
Other income	4,451	23,036
Profit before taxation	171,572	146,712
Taxation	(21,871)	(19,158)
Profit after taxation	149,701	127,554
 Earnings per share - Basic and diluted	 8.62	 7.35

The annexed notes form an integral part of these condensed interim financial statements.

Shunaid Qureshi
Chief Executive Officer

Asim Ghani
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME(UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2016**

Quarter Ended	
December 31, 2016	December 31, 2015
(Rupees in thousand)	

Profit after taxation	149,701	127,554
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Other comprehensive income for the period**Items to be classified to profit and loss
account in subsequent period**

Unrealized gain on remeasurement of available for sale investments	179,273	15,068
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Total comprehensive income for the period	<u>328,974</u>	<u>142,622</u>
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The annexed notes form an integral part of these condensed interim financial statements.

Shunaid Qureshi
Chief Executive Officer

Asim Ghani
Director



**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2016**

Note	Quarter Ended		
	December 31, 2016	December 31, 2015	
	(Rupees in thousand)		
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	14	(848,204)	(727,900)
Finance cost paid		(4,085)	(3,971)
Income tax paid		(39,953)	(12,150)
Long term loans recovered / (disbursed)		239	(27)
		(43,799)	(16,148)
Net cash used in operating activities		(892,003)	(744,048)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(19,819)	(3,944)
Proceeds from disposal of property, plant and equipment		1,169	530
Interest / markup received		2,456	1,934
Dividend received		1,000	3,272
Net cash (used in) / generated from investing activities		(15,194)	1,792
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		-	(122,242)
Proceeds from short term borrowings		869,877	843,351
Net cash generated from financing activities		869,877	721,109
Net decrease in cash and cash equivalents		(37,320)	(21,147)
Cash and cash equivalents at beginning of the year		58,365	41,740
Cash and cash equivalents at the end of the period		21,045	20,593

The annexed notes form an integral part of these condensed interim financial statements.

Shunaid Qureshi
Chief Executive Officer

Asim Ghani
Director



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2016

	Issued, subscribe and paid-up capital	RESERVES						Total Shareholder's Equity	
		Revenue reserves			Capital reserves				
		General reserve	Unappropriated profit	Sub total	Gain/(loss) on re-measurement of retirement benefit obligation	Unrealized gain/(loss) on re-measurement of AFS investment	Sub total		
									Total Reserves
Balance as at October 1, 2015	173,623	1,458,000	601,791	2,059,791	35,774	(41,140)	(5,366)	2,054,425	2,228,048
Total comprehensive income for the period	-	-	127,554	127,554	-	-	-	127,554	127,554
Profit for the period	-	-	127,554	127,554	-	-	-	127,554	127,554
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Unrealized gain on re-measurement of available for sale investments	-	-	127,554	127,554	-	15,068	15,068	15,068	15,068
Transactions with owners	-	-	(112,855)	(112,855)	-	-	-	(112,855)	(112,855)
Interim Dividend 2015: Rs.6.50 per share	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2015	173,623	1,458,000	616,490	2,074,490	35,774	(26,072)	9,702	2,084,192	2,257,815
Balance as at October 1, 2016	173,623	1,458,000	625,616	2,083,616	52,576	25,293	77,869	2,161,485	2,335,108
Total comprehensive income for the period	-	-	149,701	149,701	-	-	-	149,701	149,701
Profit for the period	-	-	149,701	149,701	-	-	-	149,701	149,701
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Unrealized gain on re-measurement of available for sale investments	-	-	-	-	-	179,273	179,273	179,273	179,273
Balance as at December 31, 2016	173,623	1,458,000	775,317	2,233,317	52,576	204,566	257,142	2,490,459	2,664,082

The annexed notes form an integral part of these condensed interim financial statements.

Shunaid Qureshi
 Chief Executive Officer

Asim Ghani
 Director



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED DECEMBER 31, 2016

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 Companies Ordinance, 1984. The Company is listed on the Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited). 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 (note 1.1)	Processing and sale of industrial ethanol	Mirwah Gorchani, Mirpurkhas	Unit I: August 20, 2000 Unit II: January 23, 2004
3	*Chemical, alloys and **Power (note 1.2)	*Manufacturing and sales of calcium carbide and ferro alloys. **Generation and sales of electricity.	Dhabeji, Thatta.	*November 1, 2006 **April 06, 2010
4	Tank Terminal	Providing bulk storage facility	Oil industrial area, Kamari, Karachi.	October 15, 2012

1.1 The Company has also entered into agreement for supply of CO₂ gas at its ethanol division. The same is 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 This condensed interim financial information of the Company for the quarter ended December 31, 2016 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 Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed.

2.2 This condensed interim financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2016.

2.3 These condensed interim financial information have been prepared under 'historical cost convention' except for investments classified as available for sale and at fair value through profit and loss account and financial assets and liabilities which are carried out at their fair values.

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

2.5 The comparative balance sheet presented has been extracted from annual financial statements for the year ended September 30, 2016, whereas the comparative condensed interim profit and loss account, condensed interim statement of 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 the quarter ended December 31, 2015.



3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, applied in the preparation of these 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, 2016.

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, 2016.

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, 2016.

5 INCOME TAX AND WORKERS' PROFIT PARTICIPATION FUND

Provision in respect of income tax and workers' profit participation fund are estimated 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.

	Un-audited December 31, 2016	Audited September 30, 2016 (Rupees in thousand)
7 PROPERTY, PLANT AND EQUIPMENT		
Additions		
Vehicles	973	13,703
Office equipment	198	2,717
Computers	-	330
Transferred from CWIP to operating assets		
Plant and machinery	18,648	-
Additions to CWIP		
Plant and machinery	18,648	-
Disposal		
Vehicle - at cost	2,487	9,662
8 LONG TERM INVESTMENTS		
Available for sale investments - in		
Quoted shares at fair value		
- Related party	67	54
- Others	8.1 & 8.2 <u>614,526</u>	<u>200,366</u>
	<u>614,593</u>	<u>200,420</u>



8.1 The short term investments of Rs. 234.9 million has been reclassified from fair value through profit or loss to available for sale category and transferred to long term investment. During the last two years there has been no sale in short term investments, therefore, on October 01, 2016, the management has decided to hold these investment for long term period.

8.2 The unrealized gain of Rs. 179.273 million on remeasurement of available for sale investments recognized in other comprehensive income, out of which Rs. 91.683 million would have been recognized in profit or loss if no recalcification was made.

Un-audited Audited
December September
31, 2016 30, 2016
(Rupees in thousand)

9 DEFERRED TAXATION

Deferred tax liability arising in respect of :

Accelerated tax depreciation for tax purposes (256,419) (252,739)

Less: Deferred tax asset arising in respect of:

Available Tax losses	129,774	163,849
Minimum tax	136,958	133,471
Provisions	37,698	37,698
	<u>304,430</u>	<u>335,018</u>
	48,011	82,279
Less deferred tax asset not recognized	<u>(48,011)</u>	<u>(82,279)</u>
	<u>-</u>	<u>-</u>

9.1 Deferred tax asset as at December 31, 2016 of Rs. 48.011 million (September 30, 2016: Rs. 82.279 million) has not been recognized as the Company is uncertain about the timing and extent of future taxable profits against which such benefits can be utilized.

Un-audited Audited
December September
31, 2016 30, 2016
(Rupees in thousand)

10 LOANS AND ADVANCES

Current portion of long term loans	1,025	1,360
Loans to growers	21,013	41,826
Provision for loans to growers	(301)	(301)
	<u>20,712</u>	<u>41,525</u>
Advance to employees against salary	48	94
Advance to employees against expenses	1,725	1,057
Advance to suppliers and contractors	776,942	87,514
Advance against letter of credit for stores and spares parts	2,064	21,715
	<u>780,779</u>	<u>110,380</u>
Provision for advances	(75,355)	(75,355)
	<u>705,424</u>	<u>35,025</u>
	<u>727,161</u>	<u>77,910</u>



Un-audited Audited
December September
31, 2016 30, 2016
(Rupees in thousand)

11 CASH AND BANK BALANCES

Cash in hand 1,240 1,173

Cash at banks

Current accounts		15,574		20,983
Saving accounts	11.1	4,231		36,209
		19,805		57,192
		21,045		58,365

11.1 This include an amount of Rs. 0.902 million under and arrangement permissible under shariah.

Un-audited Audited
December September
31, 2016 30, 2016
(Rupees in thousand)

12 SHORT TERM BORROWINGS
**From banking companies - secured
Under Mark up arrangements**

Cash / running finances	12.1	235,514		15,637
Export refinance	12.1	650,000		-
		885,514		15,637

12.1 The available aggregate finance facilities (short term funded) amounted to Rs.3.810 billion (December 31, 2015: Rs.3.910 billion) which have been arranged from various commercial banks out of which Rs. 2.885 billion (December 31, 2015: 3.110 billion) are with export refinance and FE 25, out of total export refinance limit Rs.2.600 billion (December 31, 2015: 2.460 billion) are interchangeable. The short term financing facilities are secured against hypothecation of current assets, pledge of stock and hypothecation over present and future property, plant and equipment of the Company. Cash / running finance carry mark-up ranging from 1 to 3 months KIBOR plus 0.75% to 1.5% (December 31, 2015: 1 to 3 months KIBOR plus 1% to 1.5%) per annum payable quarterly in arrears or upon maturity and Export refinance carry mark up of SBP rate plus 1 % (December 31, 2015 : SBP rate plus 1%). At the quarter end, facilities amounting to Rs.2.949 billion (December 31, 2015: Rs.2.610 billion) remained unutilized. These facilities are expiring on various dates latest by October 31, 2017 and are renewable.

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, 2016.

13.2 Commitments

Commitments in respect of letter of credit amounts to Rs. 3.118 million (September 30, 2016: Rs. 12.138 million).

Bank guarantees of Rs. 54.6 million (September 30, 2016: Rs. 54.6 million) have been issued by the banking companies on behalf of the Company in favour of customers and suppliers.



December 31, 2016 December 31, 2015
(Rupees in thousand)

14 CASH USED IN OPERATIONS

Profit before taxation **171,572** 146,712

Adjustments for:

Depreciation on property, plant and equipment	29,031	30,828
Depreciation on investment property	9	10
Gain on disposal of property, plant and equipment - net	(706)	(212)
Carried at fair value through profit or loss	-	(17,429)
Mark-up on loan to growers	(1,131)	(817)
Dividend income	(1,000)	(3,272)
Income on term deposit receipts	(193)	(226)
Finance cost	6,255	7,264
Workers Welfare Fund	-	2,554
Workers Profit Participation Fund	8,922	6,722
Increase in deferred liability - market fee	2,146	2,724
	43,333	28,146

Cash generated from operating activities before working capital changes **214,905** 174,858

(Increase) / decrease in current assets

Stores and spares	(32,618)	(27,590)
Stock-in-trade	48,517	(574,731)
Trade debts	(237,519)	170,029
Loans and advances	(649,251)	(633,581)
Trade deposits and short term prepayments	(37,270)	(8,627)
Other receivables	41,038	481
	(867,103)	(1,074,019)

Increase / (decrease) in current liabilities

Increase / (decrease) in trade and other payables	(196,006)	171,261
Net cash used in operations	(848,204)	(727,900)



15 SEGMENT REPORTING

(Rupees in thousand)

	Quarter ended December 31					
	2016		2015		2014	
	Sugar		Ethanol		Total	
Segment profit and loss account						
Sales	1,398,382	829,956	382,765	308,328	1,781,147	1,138,284
Cost of sales	(1,284,689)	(736,674)	(268,097)	(226,882)	(1,552,786)	(963,556)
Gross profit	113,693	93,282	114,668	81,446	228,361	174,728
Profit from other reportable segments - net					9,527	13,662
					237,888	188,390
Distribution cost	(3,562)	(3,134)	(23,545)	(17,855)	(27,107)	(20,989)
Administrative expenses	(17,094)	(16,314)	(11,389)	(10,871)	(28,483)	(27,185)
Operating segment results	93,037	73,834	79,734	52,720	182,298	140,216
Other operating expenses					(8,922)	(9,276)
Finance cost					(6,255)	(7,264)
Other income					4,451	23,036
Profit before taxation					171,572	146,712
Taxation					(21,871)	(19,158)
Net profit for the period					149,701	127,554

[illegible][illegible]



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 note to the financial statement. Transactions with related parties are as follows:

	December 31, 2016	December 31, 2015 (Rupees in thousand)
- associated companies		
Dividend Income	-	1
Sale of ethanol and others	-	15,504
- other related parties		
Installment recovered from employees on behalf of Employees Gratuity Fund	1,687	1,290
Key management personnel		
Remuneration of chief executive, directors and executives.	20,995	19,240

The aggregate amount of perquisites incurred on chairman's vehicle was amounting to Rs. 0.035 million (December 31, 2015: Rs. 0.083 million).

During the period the company has paid dividend amounting to Rs. Nil to Directors and Associates (December 31, 2015: Rs. 93.195 million).

17 CORRESPONDING FIGURES

Corresponding figures have been re-arranged / reclassified, whenever necessary, for the purpose of compliance, comparison and better presentation. Major changes made during the year are as follows:

Reclassification from the caption component	Reclassification to the caption component	Note	Amount in million
Sale of fusel oil, CO2 gas and electricity income	Fuel, electricity and water charges	Cost of sales	3.132
Net loss from chemical, alloys and power segment and fixed expenses due to suspension	Net profit from storage tank terminal	Profit from other reportable segments - net	0.975

18 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorised for issue on January 30, 2017 by Board of Directors' of the Company.

**19 NON ADJUSTING SUBSEQUENT EVENT**

- 19.1** The Board of Directors of the Company in their meeting held on January 03, 2017 has proposed a final cash dividend of Rs. 4 per share i.e 40% for the period ended September 30, 2016. The effect will be accounted in the period of payment.
- 19.2** The Board of Directors of the Company in their meeting held on January 30, 2017 has proposed an interim cash dividend of Rs. 5 per share i.e 50% for the quarter ended December 31, 2016. The effect will be accounted in the period of payment.

20 GENERAL

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

Shunaid Qureshi
Chief Executive Officer

Asim Ghani
Director



اظہار تشکر

کمپنی اس بات پر یقین رکھتی ہے کہ اس کی کامیابی اس کے ملازمین کی محنت کی وجہ سے ہے۔ کمپنی کی ترقی کے لیے ہم ملازمین کی محنت کا اعتراف کرتے ہیں۔ ہم اپنے صارفین اور خریداروں کا بھی ہماری مصنوعات پر اعتماد کا شکریہ ادا کرتے ہیں۔ ہم اپنے حصہ یافتگان، بینکس اور مالیاتی اداروں کا بھی شکریہ ادا کرتے ہیں کہ ہمیں ان کا مکمل اعتماد اور تعاون حاصل ہے اور وعدہ کرتے ہیں کہ کمپنی میں ان کی سرمایہ کاری کا بہترین فائدہ ان کو دیں گے۔ اللہ تعالیٰ ہماری کوششوں میں ہماری مدد فرمائے۔ (آمین)

منجانب بورڈ آف ڈائریکٹرز

شنید قریشی
چیف ایگزیکٹو آفیسر

کراچی: 30 جنوری 2017ء



کیبنٹ کی اقتصادی رابطہ کمیٹی (ECC) نے تحقیق کے بعد کہ ملک میں 1.23 ملین میٹرک ٹن فاضل شکر دستیاب ہے مارچ 2017 تک 225,000 میٹرک ٹن فاضل شکر برآمد کرنے کی منظوری دے دی ہے۔ گزشتہ سالوں کے برعکس یہ طے کیا گیا ہے کہ شکر کے برآمد کنندگان کو شکر کی برآمد پر اس مرتبہ حکومت کی طرف سے کوئی کرایہ میں رعایت / برآمدی چھوٹ نہیں دی جائے گی۔ تاہم برآمدی اختیار بہتر بنانے کے لیے موجودہ مقامی مارکیٹ کی قیمتوں کا از سر نو جائزہ لینا ہوگا۔

بین الاقوامی تجزیہ سے پتہ چلتا ہے کہ 2016-17 میں شکر کی پیداوار 5 ملین میٹرک ٹن سے 171 ملین میٹرک ٹن تک بڑھے گی، جبکہ برازیل اور یورپی یونین اور 25 زیادہ تر شکر ساز کی پیداوار میں اضافہ انڈیا اور تھائی لینڈ کی پیداوار میں کمی سے برابر ہو جائے گا۔ 2016-17 میں پیداواری کامیابی کے باوجود ذخیرہ کی کم سطح قیمتوں میں استحکام کے لیے ایک لمبی امید ہے۔

استھانول یونٹ کے مستقبل کا نقطہ نگاہ مکمل طور پر مولاسیز کے اچھے معیار، مسلسل دستیابی اور معقول قیمتوں پر منحصر ہے۔ انتظامیہ مناسب قیمت پر مولاسیز کے حصول کے لیے انتھک کوششیں کر رہی ہے۔ گزشتہ چند سالوں کے دوران سکونی کیفیت کے باعث دنیا بھر میں استھانول کی قیمتوں میں گرتا ہوا رجحان پایا جاتا ہے جو مستقبل میں مزید کمی کا شکار ہو سکتا ہے۔ تاہم، آپ کی کمپنی نے صنعت کی ترقی اور بلند قیمت حاصل کرنے کو ہدف بنا رکھا ہے۔

بحیثیت مجموعی آپ کی کمپنی درپیش چیلنج سے بخوبی آگاہ ہے اور اپنی تمام تر صلاحیتوں کو استعمال کر کے اور لازمی اقدامات اٹھاتے ہوئے کمپنی کے تمام ڈویژنوں کی پیداوار اور کمپنی کا منافع بڑھانے کے لیے کوشاں ہے۔



2015-16	2016-17	آپریشنل کارکردگی
4,481	6,019	پیداوار M ٹونٹا اور I
3,920	4,967	فروخت میٹرک ٹن

زیر جائزہ دور میں اس ڈویژن کی پیداوار 6,019 میٹرک ٹن گذشتہ دور میں 4,481 میٹرک ٹن تھی۔ فروخت میں اضافہ 1,047 میٹرک ٹن چنانچہ کاروباری حجم میں اضافہ 74.437 ملین روپے اور منافع 27.014 ملین روپے رہا۔

پاور، کیمیکل اور بھرت ڈویژن

زیر جائزہ دور میں کیمیکل اور پاور ڈویژن بدستور معطل رہا اور اس حصہ کا خسارہ 11.518 ملین روپے گذشتہ اسی دور 11.875 ملین روپے کے مقابلہ میں نقصان برداشت کرنا پڑا۔ نقصان کی بڑی وجہ قائم لاگت تھی۔

بلک اسٹوریج ٹرمینل

زیر جائزہ دور میں اس ڈویژن نے 21.045 ملین روپے گذشتہ دور 25.537 ملین روپے کے مقابلہ میں منافع کمایا۔ منافع میں کمی کی وجہ گینتری آمدن تھی۔

مستقبل کے امکانات

کمپنی کے مستقبل کا نقطہ نگاہ بیشتر طور پر شکر کی قیمت فروخت پر منحصر ہے جو اس وقت مستحکم ہے۔ کین کمشنر سندھ نے سندھ کے خطہ کے لیے گنے کی کم از کم قیمت 2016-17 کے موسم کے لیے 182 روپے فی من مقرر کر دی ہے۔ تاہم قلیل رسد کی بنا پر کاشتکاروں نے گنے کے لیے گراں قیمت کا مطالبہ کر دیا ہے۔ موجودہ قیمت فروخت دیکھتے ہوئے شوگر ملز کے لیے یہ کسی طرح بھی ممکن نہیں ہے کہ مہنگے داموں گنا حاصل کر کے شکر کی پیداوار کریں۔



پلانٹ گذشتہ 39 دنوں کے مقابلہ میں 48 دن چلایا گیا۔
پلانٹ کو موجودہ موسم میں 7 دنوں کے لیے بند کیا گیا۔ موجودہ موسم
میں 221,007 میٹرک ٹن گنا کرش کیا گیا ہمراہ اوسط 9.61%
مصفا شکر، گذشتہ سال 272,265 میٹرک ٹن ہمراہ اوسط 9.95%
مصفا شکر اور شکر کی پیداوار موجودہ موسم میں 20,703 میٹرک ٹن گذشتہ
اسی موسم میں 26,020 میٹرک ٹن کی گئی۔ موجودہ موسم کے دوران
رسد کی کمی اور کاشتکاروں کی جانب سے گنے کی قیمت میں اضافہ کی بنا پر
P S M A (سندھ زون) کے ارکان نے فیصلہ کیا
کہ 15 دسمبر 2016 سے گنے کی کرشنگ کو روک دیا جائے۔ تاہم
کاشتکاروں، ملز مالکان اور وزیر زراعت سندھ کے مابین ایک اجلاس
کے بعد اس یقین دہانی پر کہ کاشتکار کی تمام فصل گنے پر مشتمل ہوگی 22
دسمبر 2016 سے آپ کی کمپنی نے کرشنگ دوبارہ شروع کر دی ہے۔

استھانول یونٹ

استھانول یونٹ کی مالیاتی و آپریشنل کارکردگی درج ذیل ہے:

مالیاتی کارکردگی	سہ ماہی ختم 31 دسمبر 2016 روپے ہزار میں	سہ ماہی ختم 31 دسمبر 2015 روپے ہزار میں
فروخت	382,765	308,328
لاگت فروخت	(268,097)	(226,882)
خام منافع	114,668	81,446
منقسم لاگت	(23,545)	(17,855)
انتظامی اخراجات	(11,389)	(10,871)
رواں حصہ منافع	79,734	52,720



ان ملٹف عبوری مالیاتی گوشواروں میں فائنل کیش ڈیویڈنڈ اور عبوری کیش ڈیویڈنڈ کا اثر شامل نہیں ہے۔

شکر پونٹ

شکر پونٹ کی آپریشنل اور مالیاتی کارکردگی درج ذیل ہے:

سہ ماہی ختم 31 دسمبر 2015	سہ ماہی ختم 31 دسمبر 2016	مالیاتی کارکردگی
روپے ہزار میں	روپے ہزار میں	
829,959	1,398,382	فروخت
(736,674)	(1,284,689)	لاگت فروخت
93,282	113,693	خام منافع
(3,134)	(3,562)	منقسم لاگت
(16,314)	(17,094)	انتظامی اخراجات
73,834	93,037	رواں حصہ منافع

2015-16	2016-17	آپریشنل کارکردگی
23 نومبر 2015	14 نومبر 2016	موسم کے آغاز کی تاریخ
39	48	موسم کی مدت (دن)
272,265	221,008	کرشنگ (MT)
26,020	20,703	گنے سے پیداوار MT
17,456	25,992	فروخت (MT)
9.95	9.61	بحالی (%)



ڈائریکٹرز جائزہ رپورٹ

آپ کی کمپنی کے ڈائریکٹرز مکثف عبوری مالیاتی گوشوارے برائے 31 دسمبر 2016 میں ختم شدہ سہ ماہی کے لئے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

کمپنی کے زیر جائزہ دور کا تقابل متعلقہ نظر ثانی مدت کے نتائج کا خلاصہ درج ذیل ہے:

سہ ماہی ختم 31 دسمبر 2015 روپے ہزار میں	سہ ماہی ختم 31 دسمبر 2016 روپے ہزار میں	
130,940	173,376	جاری منافع
(7,264)	(6,255)	مالیاتی لاگت
123,676	167,121	
23,036	4,451	دیگر آمدن
146,712	171,572	منافع قبل از ٹیکس
(19,158)	(21,871)	ٹیکس
127,554	149,701	منافع بعد از ٹیکس
7.35	8.62	فی حصص آمدن روپے

ڈیویڈنڈ اور بعد کے واقعات

بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ 03 جنوری 2017 کو اختتام سال 30 ستمبر 2016 کے لیے 40% فائل کیش ڈیویڈنڈ اور 30 جنوری 2017 کو منعقدہ اجلاس میں 31 دسمبر 2016 کو اختتام سہ ماہی کے لئے 50% کیش ڈیویڈنڈ تجویز کیا ہے۔