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COMPANY INFORMATION

BOARD OF DIRECTORS

Muhammad Iqbal Usman	Chairman
Asim Ghani	Chief Executive Officer
Asma Aves Cochinwala	Director
Darakshan Ghani	Director
Duraidd Qureshi	Director
Zakria Usman	Director
Irfan Nasir Cheema	Director
Suleman Lalani	Director

COMPANY SECRETARY

Zuhair Abbas

CHIEF FINANCIAL OFFICER

Samir Hajani

AUDIT COMMITTEE

Zakria Usman	Chairman
Asma Aves Cochinwala	Member
Darakshan Ghani	Member
Duraidd Qureshi	Member
Suhaib Afzal	Secretary

HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

STATUTORY AUDITORS

Reanda Haroon Zakaria & Co.	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 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 Shahra-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



CHAIRMAIN'S REVIEW

Dear Shareholders

On the end of half year of financial year 2017-18, I welcome you. As stakeholders in Al-Abbass Sugar Mills Limited, you invest your capital in this company and facilitating us to create even greater value and we express our sincerest thanks for your trust in us.

The last six months was very challenging for sugar industry where at one side industry was fighting a price war of sugarcane with Government and growers and on the other hand they are also engaged with Government for export quota and realization of export subsidy. However, the board and the management of your company are well aware of the challenges and trying their level best to overcome these challenges in effective and efficient manner.

Your Board is responsible for setting the right tone from the top and ensuring that a strong governance structure is in place to enable the business to succeed and deliver long term sustainable growth. Your board follows strict measure to ensure it evaluates your directors and the value they add to your board.

To enforce the importance 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 our shareholders, employees, financial institutions and all other stakeholders for their continued support and contribution in making company a success story.

Muhammad Iqbal Usman
Chairman

Karachi: May 28, 2018



DIRECTORS' REVIEW REPORT

The directors are pleased to present the condensed interim financial statements for the Half Year ended March 31, 2018.

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

	Half year ended March 31, 2018 (Rupees in thousands)	Half year ended March 31, 2017
Operating profit	547,134	315,673
Finance cost	(28,464)	(37,639)
	<u>518,670</u>	<u>278,034</u>
Other income	11,456	6,580
Profit before taxation	530,126	284,614
Taxation	(79,298)	(39,640)
Profit after taxation	<u>450,828</u>	<u>244,974</u>
Basic earnings per share (Rupees)	<u>25.97</u>	<u>14.11</u>

During the period under review, your company has earned a profit after tax of Rs. 450.828 million as compared to the profit of Rs. 244.974 million of the corresponding period of last year.

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

	Half year ended March 31, 2018 (Rupees in thousands)	Half year ended March 31, 2017
Sales	2,424,374	1,652,447
Cost of sales	(2,080,324)	(1,431,406)
Gross profit	<u>344,050</u>	<u>221,041</u>
Distribution cost	(136,736)	(8,631)
Administrative expenses	(30,183)	(35,674)
Segment operating result	<u>177,131</u>	<u>176,736</u>

Operational performance	2017-18	2016-17
Date of start of season	November 28, 2017	November 14, 2016
Duration of season (Days)	124	128
Crushing (M. Tons)	634,601	659,154
Production from sugarcane (M.Tons)	69,803	70,484
Sales (M. Tons)	50,069	30,543
Recovery (%)	11.16	10.70



During the period your Company has able to achieve all time highest recovery rate. The plant operated for 124 days as against 128 days of preceding season. The sugarcane crushed during the current season was 634,601M.Tons with average sucrose recovery of 11.16% and sugar production of 69,803 M.Tons as compared with crushing of 659,154M.Tons with average sucrose recovery of 10.70% and sugar production of 70,484 M.Tons of same period last year.

During the season the provisional government has fixed the sugarcane support price at Rs. 182 per 40 kgs for the season 2017-18. In petition C.P. No. D-8666 of 2017 filed by Mirpurkhas Sugar Mills and others Vs province of Sindh and others with the consent of all parties and interim order was passed by Honorable High Court of Sindh wherein millers are bound to purchase sugarcane at the rate of Rs. 160 per 40 kgs from the growers for the crushing season 2017-2018.

Ethanol Division

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

	Half year ended March 31, 2018 (Rupees in thousands)	Half year ended March 31, 2017
Sales	1,606,592	953,408
Cost of sales	(1,087,521)	(754,856)
Gross profit	519,071	198,552
Distribution cost	(76,782)	(42,818)
Administrative expenses	(20,113)	(23,772)
Segment operating result	422,176	131,962

The operational data is given below:

Operational data

Operational performance	2017-18	2016-17
Production (M. Tons) - Unit I and II	22,146	15,446
Sales (M. Tons)	20,213	12,764

During the period under review, this division produced 22,146 M.Tons of ethanol as compared to corresponding period of 15,446 M.Tons. Registering an increase of 220% amounted to Rs. 290.214 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.20.108million as compared to loss of Rs. 22.833 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. 47.829 million as compared to profit of Rs. 44.599 million of last year. The improved performance of this division is mainly due to increase in service income.

FUTURE PROSPECTS

During the season your Company has seen many ups and downs in terms of fixation of sugarcane price and subsidy on sale of sugar export. Growers claimed an enhanced rate and timely payment of sugarcane; while the sugar industry claims that their economic viability is at stake due to low market prices of local and international sugar against the prevailing price of sugarcane and non-payment of export subsidy fixed by the Government. Recently the Supreme Court of Pakistan in Suo Moto No. 9 of 2018 has given the sugar millers deadline to clear outstanding dues within 5 weeks. However, the Sugar industry is still waiting to receive the stuck export subsidy from Federal Government to pay their outstanding dues of growers. The price of ethanol is expected to be on the same level, 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 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 patronage.

We also thank our shareholders, banks and financial institution 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 periods. May Allah bless us in our efforts to achieve more records this year. A'meen!

On behalf of Board of Directors

Asim Ghani
Chief Executive Officer

Darakshan Ghani
Director

Karachi: May 28, 2018



REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **AL-ABBAS SUGAR MILLS LIMITED ("the Company")** as at March 31, 2018 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

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

Conclusion

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

Emphasis of Matter

We draw attention to note 14.1.2 of the condensed interim financial information which describes the uncertainty related to the outcome of the lawsuit filed against the company and others by a non-executive Director of the company. Our conclusion is not qualified in respect of this matter.

Other Matters

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended March 31, 2018 have not been reviewed as we are required to review only the cumulative figures for the half year ended March 31, 2018.

Further, our review report format is based on Auditors (Reporting Obligations) Regulations, 2018 notified by the SECP through S.R.O. 558 (I) / 2018 dated April 26, 2018.

The engagement partner on the review resulting in this report on interim financial statements is Farhan Ahmed Memon.

Reanda Haroon Zakaria SCA

Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: May 28, 2018


**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2018**

		March 31, 2018 Un-audited	September 30, 2017 Audited
	Note	(Rupees in thousand)	
ASSETS			
Non-Current Assets			
Property, plant and equipment	7	1,534,867	1,586,688
Investment property		293	308
Long term investments	8	717,193	709,068
Long term loans		708	487
Long term deposits		11,406	11,406
Deferred taxation	9	-	-
		<u>2,264,467</u>	<u>2,307,957</u>
Current Assets			
Stores and spares		156,658	159,183
Stock-in-trade	10	3,108,221	1,962,675
Trade debts	11	150,279	28,312
Loans and advances		323,240	512,820
Trade deposits and short term prepayments		18,471	15,327
Interest accrued		1,238	2,868
Other receivables	12	538,548	66,607
Short term investments		600	600
Income tax refunds due from the Government		53,834	91,212
Cash and bank balances	13	42,412	23,583
		<u>4,393,501</u>	<u>2,863,187</u>
Total Assets		<u><u>6,657,968</u></u>	<u><u>5,171,144</u></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		2,654,789	2,334,735
Shareholders' equity		<u>2,828,412</u>	<u>2,508,358</u>
Non - Current Liabilities			
Long term deposits		22,381	22,381
Deferred liability		87,053	80,707
		<u>109,434</u>	<u>103,088</u>
Current Liabilities			
Trade and other payables		1,937,858	722,719
Accrued mark-up		11,344	22,226
Short term borrowings		1,742,541	1,788,526
Unclaimed / withheld dividend		15,533	13,381
Provision for taxation		12,846	12,846
		<u>3,720,122</u>	<u>2,559,698</u>
Contingencies and Commitments	14		
Total Equity and Liabilities		<u><u>6,657,968</u></u>	<u><u>5,171,144</u></u>

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

Asim Ghani
Chief Executive Officer

Darakshan Ghani
Director

Samir Hajani
Chief Financial Officer



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2018**

Note	Half Year Ended		Quarter Ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
(Rupees in thousand)				
Sales	15 4,030,966	2,605,855	2,098,891	824,708
Cost of sales	(3,167,845)	(2,186,262)	(1,478,846)	(633,476)
Gross profit	863,121	419,593	620,045	191,232
Profit from other reportable segments - net	27,721	21,766	13,565	12,239
	890,842	441,359	633,610	203,471
Distribution cost	(213,518)	(51,449)	(151,373)	(24,342)
Administrative expenses	(50,296)	(59,446)	(23,911)	(30,963)
Other operating expenses	(79,894)	(14,791)	(72,023)	(5,869)
	(343,708)	(125,686)	(247,307)	(61,174)
Operating profit	547,134	315,673	386,303	142,297
Finance cost	(28,464)	(37,639)	(11,060)	(31,384)
Other income	11,456	6,580	8,362	2,129
Profit before taxation	530,126	284,614	383,605	113,042
Taxation	(79,298)	(39,640)	(55,973)	(17,769)
Profit after taxation	450,828	244,974	327,632	95,273
Earnings per share - Basic and diluted	25.97	14.11	18.87	5.49

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

Asim Ghani
Chief Executive Officer

Darakshan Ghani
Director

Samir Hajani
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2018**

Half Year Ended		Quarter Ended	
March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017

(Rupees in thousand)

Profit after taxation	450,828	244,974	327,632	95,273
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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	8,125	381,307	15,238	202,034
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Total comprehensive income for the period	<u>458,953</u>	<u>626,281</u>	<u>342,870</u>	<u>297,307</u>
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The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Asim Ghani
Chief Executive Officer

Darakshan Ghani
Director

Samir Hajani
Chief Financial Officer



**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEARLY ENDED MARCH 31, 2018**

Note	Half Year Ended	
	March 31, 2018	March 31, 2017
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Cash generated from /		
(used in) operations	16 272,408	(2,943,058)
Finance cost paid	(39,346)	(13,276)
Income tax paid	(41,920)	(71,577)
Long term loans (given) / recovered - net	(221)	439
	(81,487)	(84,414)
Net cash generated from /		
(used in) operating activities	190,921	(3,027,472)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred on fixed assets	(2,300)	(20,105)
Proceeds from disposal of fixed assets	1,651	1,172
Interest / markup received	4,190	3,389
Dividend received	7,099	1,949
Net cash generated from /		
(used in) investing activities	10,640	(13,595)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(136,747)	(154,723)
Short term borrowings (repaid) / obtained-net	(45,985)	3,164,189
Net cash (used in) / generated from		
financing activities	(182,732)	3,009,466
Net increase / (decrease) in cash and		
cash equivalents	18,829	(31,601)
Cash and cash equivalents at beginning		
of the period	23,583	58,365
Cash and cash equivalents at the end		
of the period	42,412	26,764

The annexed notes from 1 to 21 form an integral part of these condensed interim 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 HALF YEAR ENDED MARCH 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 / (loss) on remeasurmet of Available for Sale investments
Balance as at October 1, 2016	173,623	1,458,000	678,192	2,136,192	25,293	2,161,485	2,335,108
Total comprehensive income for the period	-	-	244,974	244,974	-	244,974	244,974
Profit after taxation	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-
Unrealized gain on remeasurement of available for sale investments	-	-	-	-	381,307	381,307	381,307
Transactions with owners	-	-	244,974	244,974	381,307	626,281	626,281
Final Dividend 2016: Rs. 4 per share	-	-	(69,449)	(69,449)	-	(69,449)	(69,449)
Interim Dividend 2017: Rs. 5 per share	-	-	(86,812)	(86,812)	-	(86,812)	(86,812)
	-	-	(156,261)	(156,261)	-	(156,261)	(156,261)
Balance as at March 31, 2017	173,623	1,458,000	766,905	2,224,905	406,600	2,631,505	2,805,128
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	-	-	450,828	450,828	-	450,828	450,828
Profit after taxation	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-
Unrealized gain on remeasurement of available for sale investments	-	-	-	-	8,125	8,125	8,125
Transactions with owners	-	-	450,828	450,828	8,125	458,953	458,953
Final Dividend 2017: Rs. 5 per share	-	-	(86,812)	(86,812)	-	(86,812)	(86,812)
Interim Dividend 2018: Rs. 3 per share	-	-	(52,087)	(52,087)	-	(52,087)	(52,087)
	-	-	(138,899)	(138,899)	-	(138,899)	(138,899)
Balance as at March 31, 2018	173,623	1,458,000	963,243	2,421,243	233,546	2,654,789	2,828,412

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


Samir Hameed
Chief Executive Officer


Usama Khan
Director


Samir Hameed
Chief Executive Officer





NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2018

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 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 agreement for 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 This condensed interim financial information of the Company for the half year ended March 31, 2018 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.

2.2 The figures of condensed interim profit and loss account for the quarter ended March 31, 2018 have not been reviewed by the auditors of the Company as they have reviewed the cumulative figures for the half year ended March 31, 2018. 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, 2017.

2.3 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.

2.4 This 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, 2017, 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 March 31, 2017.

2.6 New amended and revised standards and interpretations of IFRSs

The Company has adopted the following amendments and improvements in IFRSs which became effective for the current period:

Standard or Interpretation

IAS 7 Statement of Cash Flows – Disclosure Initiative (Amendment)

IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

Improvements to Accounting Standards issued by the IASB in September 2014

IFRS 12 Disclosure of Interests in Other Entities - Clarification of the scope of the disclosure requirements in IFRS 12

The adoption of the above amendments and improvements to accounting standards did not have any effect on the condensed interim financial statements.

The Company expects that such improvements to the standards do not have any material impact on the Company's financial statements for the period.

3 SIGNIFICANT ACCOUNTING POLICIES

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, 2017.

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, 2017.

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, 2017.

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.



		Un-audited March 31, 2018 (Rupees in thousand)	Audited September 30, 2017 (Rupees in thousand)
7	PROPERTY, PLANT AND EQUIPMENT		
	Additions		
	Plant and machinery	-	18,528
	Vehicles	2,255	1,187
	Office equipment	45	677
	Disposal		
	Vehicle - at cost	3,448	2,487
8	LONG TERM INVESTMENTS		
	Available for sale investments - in		
	Quoted shares at fair value	8.1 <u>717,193</u>	<u>709,068</u>
8.1	The reclassification matter of the portion of above investments along with the SECP showcase on such reclassification is discussed in detail in note no. 6.2.4 of the annual financial statements for the year ended September 30, 2017. However, subsequent to period end, SECP has directed Company to avoid such reclassification in future for which the Company is seeking appropriate professional advice.		
		Un-audited March 31, 2018 (Rupees in thousand)	Audited September 30, 2017 (Rupees in thousand)
9	DEFERRED TAXATION		
	Deferred Tax Assets arising in respect of Deductible temporary differences		
	Available tax losses	205,976	224,820
	Minimum tax	152,928	147,308
	Alternative corporate tax	3,977	-
	Provisions	36,308	36,308
		<u>399,189</u>	<u>408,436</u>
	Taxable temporary differences		
	Accelerated tax depreciation	(239,474)	(242,707)
	Unrealized gain on investment	(25,666)	(24,075)
		<u>(265,140)</u>	<u>(266,782)</u>
		134,049	141,654
	Less: Deferred tax asset not recognized	<u>(134,049)</u>	<u>(141,654)</u>
		-	-
9.1	The Company has not recognised its entire deferred tax asset relating to tax losses up to the period ended March 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.		
		Un-audited March 31, 2018 (Rupees in thousand)	Audited September 30, 2017 (Rupees in thousand)
10	STOCK-IN-TRADE		
	Raw materials	739,247	606,160
	Work-in-process	43,729	4,498
	Finished goods	2,325,245	1,352,017
		<u>3,108,221</u>	<u>1,962,675</u>
10.1	Value of stock of raw material and finished goods pledged as at March 31, 2018 amounting to Rs. 564.236 (September 30, 2017 Rs. 842.681) million.		



	Note	Un-audited March 31, 2018 (Rupees in thousand)	Audited September 30, 2017 (Rupees in thousand)
11	TRADE DEBTS		
Considered good			
Export		136,061	14,436
Local		14,218	13,876
		<u>150,279</u>	<u>28,312</u>
Considered doubtful			
Local		15,432	15,432
		<u>165,711</u>	<u>43,744</u>
Provision for doubtful debts		<u>(15,432)</u>	<u>(15,432)</u>
		<u>150,279</u>	<u>28,312</u>
12	OTHER RECEIVABLES		
- Considered good			
Sales tax and excise duty		64,503	24,054
Freight subsidy on sugar export		473,956	42,343
Others		89	210
		<u>538,548</u>	<u>66,607</u>
13	CASH AND BANK BALANCES		
Cash in hand		1,175	1,062
Cash at banks			
Current accounts		41,122	16,948
Saving accounts	13.1	115	5,573
		<u>41,237</u>	<u>22,521</u>
		<u>42,412</u>	<u>23,583</u>
13.1	This includes an amount of Rs. 0.025 (September 30, 2017: 0.009) million under an arrangement permissible under Shariah.		
14	CONTINGENCIES AND COMMITMENTS		
14.1	Contingencies		
14.1.1	During the period, final decision was issued by Supreme Court of Pakistan in C.P. No. 334 to 344 of 2004 that the grant of quality premium being just and fair and based on statutory provision is legally enforceable. The impugned notification was validly issued, hence the appeals of sugar mills are dismissed and payment of premium to be paid to growers not later than two months after the expiry of crushing season. The Company has already recorded sufficient provision against payment of quality premium. Therefore, no further provision is required in these financial statements.		
14.1.2	A suit bearing no. 281 has been filed in the Honorable High Court of Sindh at Karachi by Mr. Suleman Lalani, (non-executive and minority Director) against the Company, its Chief Executive and eight others, alleging mismanagement in the company's affairs including siphoning off and divergence of Company's funds by the Chief Executive and others. The prayer sought in the suit mainly comprises of Rs. 236.716 million retrieval of the Company's funds along-with costs of the suit filed by the plaintiff and seeking appointment of receiver and carrying out of the forensic audit of the Company and removal of its Chief Executive. In response to the aforementioned, the Company and its management denied all allegations of the plaintiff. The hearings are in progress.		
	The Company's legal counsel have stated that considering the vagaries of litigation, no definite prediction can be made regarding the outcome of the case at this stage. However, in view of the Company's management, no adverse inference is likely to materialize in the suit.		
	However, Mr. Lalani also filed another Civil Miscellaneous Application No. 9973 of 2013, seeking to refrain the Board of Directors of the Company from specifically approving any investment in Javedan Corporation Limited ("JCL"),		



a separate and unrelated public limited company. The said CMA was argued before the Honorable High Court of Sindh by both parties which the High Court restrained the defendant not to take any decision for investment in JCL until the final outcome of the suit and directed the Securities Exchange Commission of Pakistan ("SECP") to treat the plaint filed in this matter as a complaint under Section 263 of the Companies Ordinance, 1984 and accordingly investigate the affairs of the Company and submit a report on the same.

The said Order of the Court has been challenged by the Company before the Division Bench of the High Court of Sindh through appeal bearing No. HCA-124, which has suspended a portion of the High Court's Order relating to SECP carrying out an investigation of the Company. This Appeal is currently pending before the Division Bench, and as per view of the legal advisor, the Company has fair chance to succeed in the said case.

- 14.1.3** There were no major changes in the status of other contingencies as reported in the annual financial statements for the year ended September 30, 2017.

14.2 Commitments

- a) Commitments in respect of letter of credit amount to Rs. 2.563 (September 30, 2017: Rs. 6.654) million.
- b) Bank guarantees of Rs. 54.6 (September 30, 2017: Rs. 76.232) million have been issued by the banking companies on behalf of the Company in favour of customers and suppliers.

15 SALES

		Half Year Ended		Quarter Ended	
		March31, 2018	March31 2017	March31, 2018	March31, 2017
Note		(Rupees in thousand)			
Sales-gross	15.1& 15.2	4,080,497	2,770,064	2,101,183	854,125
Federal excise duty/Sales tax		(49,531)	(164,209)	(2,292)	(164,209)
		4,030,966	2,605,855	2,098,891	689,916

- 15.1** It includes exchange gain amounting to Rs. 42.62 (March 31, 2017: Rs. 3.07) million realized on export sale.

- 15.2** It includes Rs. 456.01 million in respect of export subsidy.



	March 31, 2018 (Rupees in thousand)	March 31, 2017
16 CASH GENERATED FROM / (USED) IN OPERATIONS		
Profit before taxation	530,126	284,614
Adjustments for:		
Depreciation on property, plant and equipment	53,575	58,221
Depreciation on investment property	15	17
Gain on disposal of property, plant and equipment - net	(1,105)	(709)
Mark-up on loan to growers	(1,693)	(1,343)
Dividend income	(7,099)	(1,949)
Income on term deposit receipts	(867)	(376)
Finance cost	28,464	37,639
Subsidy on sugar export	(456,009)	-
Workers Welfare Fund	49,670	-
Workers Profit Participation Fund	30,146	14,791
Increase in deferred liability - market fee	6,346	6,591
	(298,557)	112,882
Cash generated from operating activities before working capital changes	231,569	397,496
(Increase) / decrease in current assets		
Stores and spares	2,525	2,969
Stock-in-trade	(1,145,546)	(2,867,481)
Trade debts	(121,967)	16,204
Loans and advances	189,580	(246,913)
Trade deposits and short term prepayments	(3,144)	(13,658)
Other receivables	(15,932)	17,193
	(1,094,484)	(3,091,686)
Increase / (decrease) in current liabilities		
Trade and other payables	1,135,323	(248,868)
Net cash generated from / (used in) operations	272,408	(2,943,058)



17 SEGMENT REPORTING

(Rupees in thousand)

	Half Year ended March 31					
	2018		2017		2017	
	Sugar		Ethanol		Total	
Segment profit and loss account						
Sales	2,424,374	1,652,447	1,606,592	953,408	4,030,966	2,605,855
Cost of sales	(2,080,324)	(1,431,406)	(1,087,521)	(754,856)	(3,167,845)	(2,186,262)
Gross profit	344,050	221,041	519,071	198,552	863,121	419,593
Profit from other reportable segments - net					27,721	21,766
					890,842	441,359
Distribution cost	(136,736)	(8,631)	(76,782)	(42,818)	(213,518)	(51,449)
Administrative expenses	(30,183)	(35,674)	(20,113)	(23,772)	(50,296)	(59,446)
Operating segment results	177,131	176,736	422,176	131,962	627,028	330,464
Other operating expenses					(79,894)	(14,791)
Finance cost					(28,464)	(37,639)
Other income					11,456	6,580
Profit before taxation					530,126	284,614
Taxation					(79,298)	(39,640)
Profit after taxation					450,828	244,974



	(Rupees in thousand)					
	Quarter ended March 31					
	2018	2017	2018	2017	2018	2017
	Sugar		Ethanol		Total	
Sales	1,222,263	254,065	876,628	570,643	2,098,891	824,708
Cost of sales	(953,973)	(146,717)	(524,873)	(486,759)	(1,478,846)	(633,476)
Gross profit	268,290	107,348	351,755	83,884	620,045	191,232
Profit from other reportable segments - net					13,565	12,239
Distribution cost					633,610	203,471
Administrative expenses	(105,563)	(5,069)	(45,810)	(19,273)	(151,373)	(24,342)
Operating segment results	(14,349)	(18,580)	(9,562)	(12,383)	(23,911)	(30,963)
Other operating expenses	148,378	83,699	296,383	52,228	458,326	148,166
Finance cost					(72,023)	(5,869)
Other income					(11,060)	(31,384)
Profit before taxation					8,362	2,129
Taxation					383,605	113,042
Net profit for the period					(55,973)	(17,769)
					327,632	95,273

22

**18 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:

	March 31, 2018	March 31, 2017
	(Rupees in thousand)	
- other related parties		
Loan installments recovered from employees on behalf of Employees Gratuity Fund	4,375	3,609
Paid to Employees Gratuity Fund on account of installment recovered from employees	14,000	-
Key management personnel		
Remuneration of Chief Executive Officer, Directors and Executives	22,117	45,784

The aggregate amount of perquisites incurred on Chairman's vehicle amounted to Rs. 0.111 (March 31, 2017: Rs. 0.177) million. The boarding and lodging expenses of Non-Executive Director amounting to Rs. 0.133 (March 31, 2017: Rs. 0.123) million was incurred during the period.

During the period, the Company has paid dividend amounting to Rs. 80.837 (March 31, 2017: Rs. 101.790) million to Directors and Associates.

19 CORRESPONDING FIGURES

Corresponding figures have been re-arranged / reclassified, whenever considered necessary, for the purpose of compliance. This includes unclaimed / withheld dividend amounting to Rs. 13.381 million reclassified from trade and other payable and shown on the balance sheet in accordance with the requirement of Fourth Schedule of the Act.

20 GENERAL

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

21 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information was authorized for issue on May 28, 2018 by Board of Directors of the Company.

Asim Ghani
Chief Executive Officer

Darakshan Ghani
Director

Samir Hajani
Chief Financial Officer



چیرمین کی جائزہ رپورٹ

ڈیرٹھس یانڈنگان

مالیاتی سال 2017-18 کے پہلے ششماہی کے اختتام پر میں آپ کو خوش آمدید کہتا ہوں۔ العباس شکر ملز لمیٹڈ کے حصص یافتہ ہونے کے ناطے آپ کی سرمایہ کاری نے ہمیں یہ موقع دیا ہے کہ ہم اس سرمایہ کاری میں اور اضافہ کریں۔ آپ کے اس اعتماد اور بحروسہ پر ہم آپ کے تہہ دل سے شکر گزار ہیں۔

زیر جائزہ ششماہی شکر ملز ٹرسٹری کے لیے بڑی کٹھن ثابت ہوئی جس میں کہ ایک طرف گئے کی قیمت کے تعین کے لئے کسانوں اور حکومت سے مذاکرات مشکل ثابت ہوئے تو دوسری طرف ایکسپورٹ اور سبسڈی حاصل کرنے کے لئے بھی حکومت سے نہر آ زما ہونا پڑا بہر حال آپ کا بورڈ اور انتظامیہ ان مشکل حالات سے بخوبی واقف ہیں اور اپنی تمام صلاحیتوں کو بروئے کار لاتے ہوئے ان مسائل کے حل کے لئے اپنی بھرپور کوشش جاری رکھے ہوئے ہے۔

آپ کا بورڈ اس بات کا ذمہ دار ہے کہ ادارے میں بالائی سطح سے درست ضوابط قائم کرے تاکہ کامیاب کاروبار اور طویل المدت پائیدار ترقی کی راہ فراہم کرنے کے لیے کاروباری ڈھانچے کی تشکیل کو یقینی بنایا جاسکے۔ آپ کا بورڈ ان اصولوں پر کاربند ہے کہ ڈائریکٹرز کی کارکردگی کا جائزہ لے جو وہ بورڈ کو اپنے فرائض بہتر طور پر انجام دینے میں مدد دیتے ہیں۔

کمپنی کے تمام شعبہ جات میں درست معیار کے قیام اور اس کی اہمیت کے پیش نظر ہم نے ضابطہ اخلاق، اقدار اور معیار جو کاروباری معاملات میں ضروری ہوتے ہیں، کمپنی کے معاملات کی گہمبانی کے لیے بہتر اسلوب انتظام کو نافذ کیا ہے جس کا مقصد صحت و تحفظ، ملازمین کے رویہ، اختلاف، مالیاتی کنٹرول اور کاروباری دیانت کے معیار کو قائم کرنا ہے۔

میں یقین رکھتا ہوں کہ مسابقتی مستقبل کے لئے ہم بہتر کاروباری مقام پر ہیں۔ میں اس موقع پر اپنے حصص یافتگان، ملازمین، مالیاتی ادارے اور دیگر اسٹاک ہولڈرز کا العباس شکر ملز لمیٹڈ کو کامیابی کے مقام تک لے جانے کے لیے ان کی مسلسل معاونت اور شراکت پر ان کا بھرپور شکریہ ادا کرتا ہوں۔

جناب محمد اقبال عثمان
چیرمین

کراچی: ۲۸ مئی ۲۰۱۸ء



بحیثیت مجموعی آپ کی کمپنی درپیش چیلنج سے بخوبی آگاہ ہے اور اپنی تمام تر صلاحیتوں کو بروئے کار لاتے ہوئے تمام ہر ممکن لازمی اقدامات اٹھائے ہوئے اس کے ہر ڈویژن کی پیداوار اور منافع بڑھانے کے لئے کوشاں ہے۔

اظہار تشکر

کمپنی اس بات پر پختہ یقین رکھتی ہے کہ اس کی کامیابی اس کے ملازمین کے عزم اور محنت کا نتیجہ ہے۔ ہم کمپنی کے ہر عملے و رکن کا بہترین کارکردگی کی فراہمی پر ان کے کردار اور محنت کا اعتراف کرتے ہیں۔ ہم اپنے صارفین اور خریداروں کا بھی ہماری مصنوعات پر اعتماد اور مسلسل حمایت کا شکریہ ادا کرتے ہیں۔

ہم اپنے حصص یافتگان، بینکس اور مالیاتی اداروں کا بھی ان کی معاونت، رہنمائی اور ہمارے ادارے پر بھرپور اعتماد پر ان کا شکریہ ادا کرتے ہیں اور آنے والے ادوار میں ان کی سرمایہ کاری کے بہترین صلہ کو یقینی بنانے کے لئے اپنی بھرپور کوشش کے ساتھ پُر عزم ہیں۔ اللہ تعالیٰ اس سال بھی مزید کامیابیوں کے حصول کی کوششوں میں ہمارا معاون و مددگار ہو۔ (آمین)

منجانب بورڈ آف ڈائریکٹرز

درخشاں غنی
ڈائریکٹر

عاصم غنی
چیف ایگزیکٹو آفیسر

کراچی: ۲۸ مئی ۲۰۱۸ء



گذشتہ دور میں 15,446 میٹرک ٹن پیداوار حاصل کی۔ اس حصہ کے نتائج 298,106 روپے 226% کا مثبت اضافہ ظاہر کرتے ہیں۔
پاور، کیمیکل اور بھرت ڈویژن

زیر جائزہ دور میں کیمیکل اور پاور ڈویژن بدستور معطل رہا اور اس حصہ کا خسارہ 20.108 ملین روپے جبکہ گذشتہ اسی دور میں 22.833 ملین روپے رہا۔ اس نقصان کی بڑی بنیادی وجہ مقررہ اخراجات تھے۔

بلک اسٹوریج ٹرمینل

زیر جائزہ دور میں اس ڈویژن نے 47.829 ملین روپے جبکہ گذشتہ دور میں 44.599 ملین روپے منافع کمایا۔ اس ڈویژن میں منافع کی بہتری کی بنیادی وجہ کرایہ اور سروس آمدنی میں اضافہ ہے۔

مستقبل کے امکانات

زیر جائزہ دور میں آپ کی کمپنی نے کئی طرح کے کاروباری اتار چڑھاؤ کا سامنا کیا جس میں بنیادی طور پر گنے کی قیمت کا تعین اور شوگر ایکسپورٹ پرسیسڈی کا حاصل کرنا تھا۔ ایک طرف کاشتکاروں کا گنے کی زیادہ قیمت اور بروقت ادائیگی کا مطالبہ رہا جب کہ دوسری طرف چینی کی صنعت کاروں کا کہنا تھا کہ مقامی اور بین الاقوامی مارکٹ میں چینی کی حالیہ گرتی ہوئی قیمت اور حکومت کی طرف سے مقررہ کردہ سبسڈی کی ادائیگی میں تاخیر کی وجہ سے اس کی معاشی بقاء داؤ پر ہے۔

حال ہی میں سپریم کورٹ آف پاکستان نے ازخود نوٹس نمبر 9/2018 کے تحت شوگر ملرز کو 5 ہفتوں کے اندر اندر واجب الادا رقم ادا کرنے کی ہدایات جاری کی ہیں مگر تا حال شوگر انڈسٹری وفاقی حکومت کی جانب سے اس سبسڈی کی رقم ملنے کی منتظر ہے تاکہ ملرز کسانوں کو ان کے بقایا جات



D-8666/2017 دائر کی تھی جس کے نتیجے میں تمام فریقین کی اجازت سے سندھ ہائی کورٹ نے احکامات جاری کئے کہ سندھ کی تمام شوگر ملز 2017-18 کے موسم میں کسانوں سے -/160 روپے فی من کے حساب سے گنا خریدنے کی پابند ہوں گی۔

استھانول یونٹ

استھانول یونٹ کی مالیاتی و آپریشنل کارکردگی درج ذیل ہے:

ششماہی مارچ 1-2016 روپے ہزار میں	ششماہی مارچ 1-2017 روپے ہزار میں	مالیاتی کارکردگی
953,408	1,606,592	فروخت
(754,856)	(1,087,521)	لاگت فروخت
198,856	519,071	خام منافع
(42,818)	(76,782)	منقسم لاگت
(23,772)	(20,113)	انتظامی اخراجات
131,962	422,176	استھانول یونٹ کا منافع

آپریشنل کوائف درج ذیل ہیں:

2016-17	2017-18	آپریشنل کارکردگی
15,446	22,146	پیداوار (میٹرک ٹن) یونٹ I اور II
12,764	20,213	فروخت (میٹرک ٹن)

زیر جائزہ دور میں اس ڈویژن نے 22,146 میٹرک ٹن جبکہ



مارچ 2016-17	مارچ 2017-18	آپریشنل کارکردگی
2016 نومبر 14	2017 نومبر 28	موسم کے آغاز کی تاریخ
125	124	موسم کی مدت (دن)
659,154	634,601	کرشنگ (میٹرک ٹن)
70,484	69,803	گنے سے پیداوار (میٹرک ٹن)
30,543	50,069	فروخت (میٹرک ٹن)
10.70	11.16	ریکوری ریٹ (%)

آپ کی کمپنی نے زیر جائزہ دورانیہ کے دوران سب سے زیادہ ریکوری ریٹ حاصل کیا ہے۔ اس موسم میں کارخانہ پچھلے موسم کے 125 دن کے مقابلے میں 124 دن چلا۔ اس عرصہ میں گنے کی کرشنگ 634,601 میٹرک ٹن اور اوسط سکروس ریکوری 11.16% اور شنکر کی پیداوار 69,803 میٹرک ٹن حاصل کی جبکہ گزشتہ سال اسی عرصہ میں گنے کی کرشنگ 659,154 میٹرک ٹن اور اوسط سکروس ریکوری 10.70% اور شنکر کی پیداوار 70,484 میٹرک ٹن رہی۔

اس سال صوبائی حکومت نے گنے کی امدادی قیمت -/182 روپے فی من مقرر کی ہے۔ جو میرپور خاص شوگر ملز لمیٹڈ اور دیگر شوگر ملز نے سندھ ہائی کورٹ میں سندھ حکومت کے خلاف ایک پٹیشن سی پی نمبر



آپریشنل کارکردگی اور نتائج:
یونٹ کے اعتبار سے کارکردگی کے نتائج حسب ذیل ہیں:
شکر یونٹ

شکر یونٹ کی آپریشنل اور مالیاتی کارکردگی درج ذیل ہے:

ششماہی مارچ-2016	ششماہی مارچ-2017	مالیاتی کارکردگی
1,652,447	2,424,374	فروخت
(1,431,406)	(2,080,324)	لاگت فروخت
221,041	344,050	خام منافع
(8,631)	(136,736)	منقسم لاگت
(35,674)	(30,183)	انتظامی اخراجات
176,736	177,131	شکر یونٹ کا منافع



ڈائریکٹرز جائزہ رپورٹ

آپ کی کمپنی کے ڈائریکٹرز انتہائی مسرت کے ساتھ کمپنی کی کارکردگی کا جائزہ بمعہ غیر آڈٹ شدہ مالیاتی دستاویزات برائے ششماہی رواں 2017-18 آپ کی خدمت میں پیش کر رہے ہیں۔ زیر جائزہ دورانیے 2017-18 کے دوران کمپنی کے منافع کا جائزہ پچھلے دورانیے کے مقابلے میں مندرجہ ذیل ہے:

ششماہی مارچ 2017 روپے ہزار میں	ششماہی مارچ 2018 روپے ہزار میں	تفصیلات
315,673 (37,639)	547,134 (28,464)	پیداواری منافع مالیاتی لاگت
278,034 6,580	518,670 11,456	دیگر آمدن
284,614 (39,640)	530,126 (79,298)	منافع قبل از ٹیکس ٹیکس
244,974	450,828	منافع بعد از ٹیکس
14.11	25.97	منافع فی حصص (روپے)

زیر جائزہ دور میں آپ کی کمپنی نے 450.828 ملین روپے بعد از ٹیکس منافع کمایا جبکہ گزشتہ سال کے اسی دور میں منافع 244.974 ملین روپے تھا۔



