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COMPANY INFORMATION

BOARD OF DIRECTORS

Muhammad Iqbal Usman	Chairman
Shunaid Qureshi	Chief Executive
Asim Ghani	Director
Duraid Qureshi	Director
Jahangir Siddiqui	Director
Muhammad Salman Husain Chawala	Director
Abdul Hamid Ahmed Dagia	Director

COMPANY SECRETARY

Muhammad Suleman Kanjiani - FCA

CHIEF FINANCIAL OFFICER

Zuhair Abbas - ACA

AUDIT COMMITTEE

Muhammad Iqbal Usman	Chairman
Jahangir Siddiqui	Director
Asim Ghani	Director
Duraid Qureshi	Director
Safar Ali - ACA	Secretary

AUDITORS

Hyder Bhimji & Co. Chartered Accountants

LEGAL ADVISOR

Usmani & Iqbal Advocate & Solicitors

BANKERS

Al-Barka Islamic Bank
Allied Bank Limited
Bank Al-falah Limited
Bank Islami Pakistan Limited
Barclays Bank Plc Pakistan
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
KASB Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Pak Brunei Investment Company Limited
Standard Chartered Bank
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

Technology Trade (Pvt.) Ltd.
Dagia House, 241-C. Block-2,
P.E.C.H.S., Off. Shahrah-e-Quaideen, Karachi.

FACTORIES LOCATIONS

- 1) Mirwah Gorchani, Distt. Mirpurkhas, Sindh
- 2) Main National Highway, Dhabeji, Sindh



DIRECTORS' REVIEW REPORT

The directors are pleased to present the condensed interim financial information for the quarter ended December 31, 2011.

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

The profit and loss account for the quarter ended December 31, 2011 under review is as follows:

	Quarter ended	
	December 31, 2011	December 31, 2010
	← (Rupees in thousands) →	
Operating profit	66,088	116,697
Other operating income	<u>2,664</u>	<u>19,713</u>
	68,752	136,410
Finance costs	<u>(70,036)</u>	<u>(57,798)</u>
(Loss) / profit before taxation	(1,284)	78,612
Provision for taxation	<u>(18,493)</u>	<u>(21,205)</u>
(Loss) / profit after taxation	<u>(19,777)</u>	<u>57,407</u>
Basic (loss) / earnings per share (Rupees)	<u>(1.14)</u>	<u>3.31</u>

OPERATING RESULTS

During the quarter ended December 31, 2011, your Company has incurred loss of Rs. 19.777 million as compared to the profit after tax of Rs. 57.407 million of the corresponding period of last year. The main reasons for incurring loss are sharp decline in selling price of sugar and surge in financial cost due to carry over of stock.

The division - wise performance is presented below:

Sugar Division

The financial and operational performance is given below:

Financial performance

	Quarter ended	
	December 31, 2011	December 31, 2010
	← (Rupees in thousands) →	
Sales - net	908,513	1,312,612
Cost of sales	<u>(917,115)</u>	<u>(1,234,957)</u>
Gross (loss) / profit	(8,602)	77,205
Distribution cost	<u>(1,596)</u>	<u>(4,161)</u>
Segment result	<u>(10,198)</u>	<u>73,044</u>

Operational performance

	2011-12	2010-11
Date of start of season	December 9, 2011	November 3, 2010
No. of days worked	23	58
Crushing (M. Tons)	102,965	126,977
Production from sugarcane (M. Tons)	8,510	12,005
Recovery (%)	9.12	9.16



Crushing operations for 2011-12 season started on December 9, 2011 and the plant operated for 23 days ending on December 31, 2011 as against 58 days of preceding season. The Sugarcane crushed during the current season was 102,965 M.T with average sucrose recovery of 9.12% and sugar production of 8,510 M.T, as compared with crushing of 126,977 M.T with average sucrose recovery of 9.16% and sugar production of 12,005 M.T of same period of last year.

	Quarter ended	
	December 31, 2011	December 31, 2010
	← (Rupees in thousands) →	
Ethanol Division		
Sales - net	535,009	615,646
Cost of sales	(385,008)	(462,340)
Gross profit	150,001	153,306
Distribution cost	(18,914)	(14,988)
Segment result	131,087	138,318

The operational data is given below:

Operational data

Operational performance	2011-12	2010-11
Production (M. Tons) - Unit I and II	6,299	6,280
Capacity attained Unit I and II	97.7%	99%

During the period under review, this division produced 6,299 M.T ethanol as compared to corresponding period of last financial year of 6,280 M.T.

Power, Chemical and Alloys Division

During the period under review, the chemical division has incurred segment loss of Rs. 16.847 million as compared to the segment loss of Rs. 86.778 million for the same period last year.

The Company incurred segment loss of Rs. 3.927 million during the year under review in power division as compared to the segment profit of Rs. 1.795 million in corresponding period.

FUTURE PROSPECTS

The ensuing year seems to be very tough especially for your company. The future outlook of our sugar segment entirely depends on selling price of sugar, availability of sugarcane at affordable rate and quality of sugarcane procurement. The ethanol segment is showing stability in selling price of ethanol and cost of molasses. This segment is expected to continue its performance well in future.



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 production of all its divisions and overall profitability of the Company despite a daunting situation ahead.

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 to 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 years. May Allah bless us in our efforts. A'meen!

On behalf of Board of Directors

Shunaid Qureshi
Chief Executive

Karachi: **January 30, 2012**

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)****AS AT DECEMBER 31, 2011**

	Note	December 31, 2011 Un-audited	September 30, 2011 Audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,981,911	1,999,174
Intangible assets		460	613
Long term loans and advances		3,902	3,404
Long term deposits		11,328	11,127
Long term investments		11,480	9,114
Deferred tax asset	7	14,586	14,586
		<u>2,023,667</u>	<u>2,038,018</u>
CURRENT ASSETS			
Stores and spares		164,128	153,152
Stock-in-trade		1,929,098	2,430,743
Trade debts		108,563	487,536
Loans and advances		354,718	170,399
Trade deposits and short term prepayments		37,611	1,012
Other receivable		43	19,600
Short term investment		8,250	10,000
Accrued mark-up		207	416
Cash and bank balances		12,106	18,179
		<u>2,614,724</u>	<u>3,291,037</u>
Total assets		<u>4,638,391</u>	<u>5,329,055</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 17,500,000 Ordinary shares of Rs. 10 each		<u>175,000</u>	<u>175,000</u>
Issued, subscribed and paid-up capital		173,623	173,623
Reserves		1,190,530	1,207,941
Shareholders' equity		<u>1,364,153</u>	<u>1,381,564</u>
NON-CURRENT LIABILITIES			
Long term financing		341,367	433,791
Deferred liability		48,620	47,591
		<u>389,987</u>	<u>481,382</u>
CURRENT LIABILITIES			
Trade and other payables		1,027,615	1,588,808
Accrued mark-up		51,328	84,026
Short term borrowings		1,572,765	1,548,977
Current maturity of long term financing		219,697	219,697
Provision for taxation		12,846	24,601
		<u>2,884,251</u>	<u>3,466,109</u>
CONTINGENCIES AND COMMITMENTS	8		
Total equity and liabilities		<u>4,638,391</u>	<u>5,329,055</u>

The annexed notes form an integral part of this condensed interim financial information

Shunaid Qureshi
Chief Executive**Asim Ghani**
Director



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2011

	Quarter Ended	
	December 31, 2011	December 31, 2010
	(Rupees in thousand)	
Sales - net	1,447,499	2,120,487
Cost of sales	(1,326,815)	(1,955,378)
Gross profit	120,684	165,109
Distribution cost	(20,510)	(19,149)
Administrative expenses	(27,129)	(23,437)
Other operating expenses	(6,957)	(5,826)
	(54,596)	(48,412)
Operating profit	66,088	116,697
Finance cost	(70,036)	(57,798)
Other operating income	2,664	19,713
(Loss) / profit before taxation	(1,284)	78,612
Taxation		
Current	(14,492)	(21,205)
Prior	(4,001)	-
	(18,493)	(21,205)
Net (loss) / profit after taxation	(19,777)	57,407
	(Rupees)	
(Loss) / earning per share - Basic and diluted	(1.14)	3.31

The annexed notes form an integral part of this condensed interim financial information.

Shunaid Qureshi
Chief Executive

Asim Ghani
Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2011**

	Quarter Ended	
	December 31, 2011	December 31, 2010
(Loss) / profit after taxation	(19,777)	57,407
Other comprehensive income		
Unrealised gain on revaluation of available for sale investments	2,366	1,976
Total comprehensive (loss) income for the period	<u>(17,411)</u>	<u>59,383</u>

The annexed notes form an integral part of this condensed interim financial information.

Shunaid Qureshi
Chief Executive

Asim Ghani
Director



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2011

	Note	Quarter Ended	
		December 31, 2011	December 31, 2010
(Rupees in thousand)			
Cash flows from operating activities			
Cash generated from / (used in) operations	9	188,779	(89,549)
Financial charges paid		(102,734)	(81,735)
Taxes paid		(30,248)	(36,599)
		<u>(132,982)</u>	<u>(118,334)</u>
Net cash generated from / (used in) operating activities		55,797	(207,883)
Cash flows from investing activities			
Capital expenditure on property, plant and equipment		(12,843)	(11,368)
Proceeds from disposal of fixed assets		1,000	-
Proceeds from sales of non-current assets held for sale		19,308	-
Long term loans and advances		(498)	(418)
Long term deposits		(201)	-
Net cash generated from / (used in) investing activities		6,766	(11,786)
Cash flows from financing activities			
Repayment of long term financing		(92,424)	(92,255)
Repayment of liabilities against assets subject to finance lease		-	(506)
Short term borrowings - net		23,788	320,106
Net cash (used in) / generated from financing activities		<u>(68,636)</u>	<u>227,345</u>
Net (decrease) / increase in cash and cash equivalents		(6,073)	7,676
Cash and cash equivalents at beginning of the period		18,179	29,613
Cash and cash equivalents at the end of the period		<u>12,106</u>	<u>37,289</u>

The annexed notes form an integral part of this condensed interim financial information.

Shunaid Qureshi
Chief Executive

Asim Ghani
Director



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE QUARTER ENDED DECEMBER 31, 2011

	Issue, subscribed and paid-up capital	Revenue reserves		Fair value reserve on remeasurement of available for sale investment	Total Reserves	Total Shareholder's Equity
		General Reserve	Unappropriated profit			
		(Rupees in thousand)				
Balance as at October 01, 2010	173,623	458,000	637,141	(21,863)	1,073,278	1,246,901
Total comprehensive income for the period	-	-	57,407	-	57,407	57,407
Profit for the period	-	-	-	1,976	1,976	1,976
Other comprehensive income	-	-	57,407	1,976	59,383	59,383
Balance as at December 31, 2010	173,623	458,000	694,548	(19,887)	1,132,661	1,306,284
Balance as at October 01, 2011	173,623	458,000	777,192	(27,251)	1,207,941	1,381,564
Total comprehensive loss for the period	-	-	(19,777)	-	(19,777)	(19,777)
Loss for the period	-	-	-	2,366	2,366	2,366
Other comprehensive income	-	-	(19,777)	2,366	(17,411)	(17,411)
Balance as at December 31, 2011	173,623	458,000	757,415	(24,885)	1,190,530	1,364,153

The annexed notes form an integral part of this condensed interim financial information.


Shunaid Qureshi
 Chief Executive


Asim Ghani
 Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2011**

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 Karachi Stock Exchange. 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	Power*, chemical and alloys Division	Manufacturing and sales of Calcium Carbide, Ferro alloys, *Generation and sales of electricity	Dhabeji, Thatta.	*November 1, 2006 *April 06, 2010*

2 BASIS OF PREPARATION

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standards 34 "Interim Financial Reporting" and is submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984. This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the published annual financial statements for the year ended September 30, 2011.

3 ACCOUNTING POLICIES

The accounting policies, related judgments, estimates and assumptions adopted for the preparation of this condensed interim financial information are the same as those applied in preparation of the annual financial statements of the Company for the year ended September 30, 2011.

4 INCOME TAX, WORKERS' PROFIT PARTICIPATION FUND AND WORKERS' WELFARE FUND

Provision in respect of income tax, workers' profit participation fund and workers welfare fund are estimated only and final liabilities will be determined on the basis of annual results.

5 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, 2011	Audited September 30, 2010
	(Rupees in thousand)	
6 PROPERTY, PLANT AND EQUIPMENT Additions		
Furniture, fixture and others	48	3,500
Vehicles	2,128	123
Office equipment	461	661
Computers	741	1,309



	Un-audited December 31, 2011	Audited September 30, 2010
	(Rupees in thousand)	
Additions to CWIP		
Tank Terminal	9,465	45,348
Disposal/Adjustment		
Vehicle - at cost	1,169	4,681

7 DEFERRED TAX ASSET

The company has not recognised its entire deferred tax debit relating to tax losses upto the period ended December 31, 2011 as it is improbable that in current/ensuing years, available tax losses would be fully adjusted against taxable incomes.

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There were no major changes in the status of contingencies as reported in the annual financial statements for the year ended September 30, 2011.

8.2 Commitments

Commitments in respect of open letter of credit is amounting to Rs. 13.938 million (September 30, 2011: Rs. 2.284 million) and capital commitments in respect of tank terminal is Rs. 28.535 million (September 30, 2011: Rs. 40 million).

	December 31, 2011	December 31, 2010
	(Rupees in thousand)	
9 CASH USED IN OPERATIONS		
Profit before taxation and after discontinued operations	(1,284)	78,612
Adjustments for:		
Depreciation	29,851	30,088
Gain on disposal of fixed assets	(744)	-
Amortization of intangible assets	153	1,857
Fair value changes in short term investment	1,750	(1,000)
Interest income on loan to growers	(298)	-
Finance cost	70,036	57,798
Increase in deferred liability	1,029	635
	101,777	89,378
Operating profit before working capital changes	100,493	167,990
(Increase)/decrease in current assets		
Stores, spare parts and loose tools	(10,976)	(2,442)
Stock-in-trade	501,645	156,142
Trade debts	378,973	81,753
Loans and advances	(184,319)	(351,553)
Other receivables	249	(76,643)
Trade deposits and short term prepayments	(36,599)	(7,143)
Accrued mark-up	507	(96)
	649,480	(199,982)
Increase in trade and other payables	(561,194)	(57,557)
	188,779	(89,549)



(Rupees in thousand)

	December 31, 2011		September 30, 2011		December 31, 2011		September 30, 2011		Total
	Sugar	Ethanol	Sugar	Ethanol	Power, Chemical, Alloys and Others	Power, Chemical, Alloys and Others			
10.1 Segment assets	2,122,917	2,636,562	1,637,396	1,793,476	791,786	798,172	4,552,099	5,228,210	
Unallocated segment assets	-	-	-	-	-	-	86,292	100,845	
							<u>4,638,391</u>	<u>5,329,055</u>	
10.2 Segment liabilities	2,327,928	2,819,725	744,090	955,737	510	511	3,072,528	3,775,973	
Unallocated segment liabilities	-	-	-	-	-	-	201,710	171,518	
							<u>3,274,238</u>	<u>3,947,491</u>	
10.3 Capital expenditure	-	400	9,465	45,348	-	-	9,465	45,748	
Unallocated capital expenditure	-	-	-	-	-	-	3,378	5,593	
							<u>12,843</u>	<u>51,341</u>	
10.4 Depreciation	13,404	52,900	6,418	30,143	9,172	36,609	28,994	119,652	
10.5 Amortization	92	5,078	61	5,077	-	-	153	10,155	
10.6 Non cash items other than depreciation	-	7,517	-	38,908	-	-	-	46,425	



11 RELATED PARTY TRANSACTIONS

Transactions in relation to sales, purchases and services with related parties are made at arm's length prices determined in accordance with the Comparable Uncontrolled Price Method except for the allocation of expenses such as utilities and office rent, shared with associated company, which are based on the advices received.

	December 31, 2011	December 31, 2010
	(Rupees in thousand)	
Purchases - Cement	131	97
Dividend received	405	-
Contribution paid to employee Gratuity Fund	9,820	2,867
Insurance premium paid	15,501	15,120
Finance cost - related parties	11,299	3,749

Key management personnel

Remuneration of chief executive, directors and executives.	19,338	15,137
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12 CORRESPONDING FIGURES

Corresponding figures in the Condensed Interim Balance Sheet and Condensed Interim Statement of Changes in Equity comprise of balances as per the annual audited financial statements for the year ended September 30, 2011. Corresponding figures in the Condensed Interim Profit and Loss Account, Condensed Interim Other Comprehensive Income and Condensed Interim Cash Flow Statement comprise of balances of comparable period as per the Condensed Interim Financial Information for the quarter ended December 31, 2010.

13 DATE OF AUTHORIZATION FOR ISSUE

These financial Information were authorised for issue on January 30, 2012 by Board of Directors' of the Company.

14 EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company in their meeting held on December 26, 2011 has proposed a final cash dividend of Rs. 5 per share i-e 50% for the year ended September 30, 2011.

15 GENERAL

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

Shunaid Qureshi
Chief Executive

Asim Ghani
Director