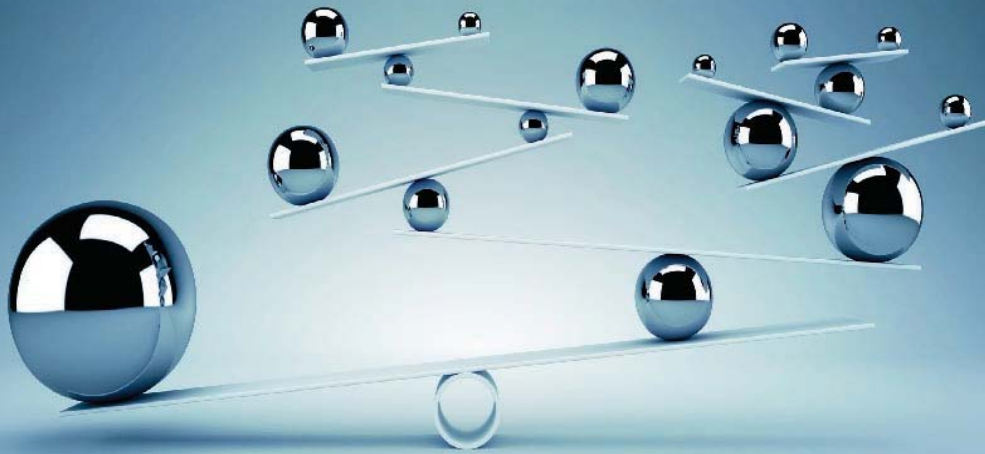


*Redefining
Balance
Of
Success*

QUARTERLY REPORT
Condensed Interim
Financial Statements (Un-Audited)
For the Quarter Ended
December 31, 2019



AL-ABBAS SUGAR Mills
Limited



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COMPANY INFORMATION

BOARD OF DIRECTORS

Zakaria Usman	Chairman
Asim Ghani	Chief Executive Officer
Asma Aves Cochinwala	Director
Darakshan Zohaib	Director
Haroon Askari	Director
Muhammad Salman Hussain Chawala	Director
Shahid Hussain Jatoi	Director
Siddiq Khokhar	Director
Suleman Lalani	Director

COMPANY SECRETARY

Zuhair Abbas

CHIEF FINANCIAL OFFICER

Samir Hajani

AUDIT COMMITTEE

Haroon Askari	Chairman
Asma Aves Cochinwala	Member
Darakshan Zohaib	Member
Muhammad Salman Hussain Chawala	Member
Zakaria Usman	Member
Suhaib Afzal	Secretary

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Muhammad Salman Hussain Chawala	Chairman
Asim Ghani	Member
Shahid Hussain Jatoi	Member
Siddiq Khokhar	Member
Zakaria Usman	Member

RISK MANAGEMENT COMMITTEE

Haroon Askari	Chairman
Asim Ghani	Member
Darakshan Zohaib	Member
Zakaria Usman	Member

STATUTORY AUDITORS

Reanda Haroon Zakaria & Co. Chartered Accountants

BANKERS

Al Baraka Bank Pakistan Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank
National Bank of Pakistan
The Bank of Punjab
Meezan Bank Limited
Soneri Bank Limited
United Bank Limited

REGISTERED OFFICE

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

SHARE REGISTRAR OFFICE

M/s. CDC Share Services Limited
CDC House-99B, Block 'B', S.M.C.H.S
Main Shahrah-e-faisal, Karachi-74400

FACTORIES / STORAGE LOCATIONS

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

DIRECTORS' REVIEW REPORT

Dear Members,
Assalam-o-Alaikum

On behalf of the Board of Directors' we take the opportunity to place before the members condensed interim financial statements for the quarter ended December 31, 2019.

Financial performance

The financial results of the Company for the quarter ended December 31, 2019 compared with the corresponding period are summarized below:

	Quarter ended December 31, 2019	Quarter ended December 31, 2018
	(Rupees in thousands)	
Operating profit	289,478	373,183
Finance cost	(13,504)	(5,583)
	<u>275,974</u>	<u>367,645</u>
Other income	50,141	22,356
Profit before taxation	326,115	390,001
Taxation	(25,909)	(21,195)
Profit after taxation	<u>300,206</u>	<u>368,806</u>
Basic earnings per share (Rupees)	<u>17.29</u>	<u>21.24</u>

During the period under review, your company has earned a profit after tax of Rs. 300.206 million as compared to the profit of Rs. 368.806 million in the corresponding period of last year. Net sales during the three months ended were Rs. 1.818 billion as compared to Rs. 1.906 billion in the corresponding period resulting a decrease of Rs. 0.088 billion that is around 4.85%.

SUBSEQUENT EVENT AND DIVIDEND

The Board of Directors in their meeting held on December 30, 2019 has declared a final cash dividend of Rs. 30 per shares i.e. 300% for the year ended September 30, 2019. These condensed interim financial statements do not include the effect of final cash dividend.

OPERATING SEGMENT RESULTS

The division wise performance is presented below:

Sugar Division

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

Financial performance

	Quarter ended December 31, 2019	Quarter ended December 31, 2018
	(Rupees in thousands)	
Sales	995,735	659,158
Cost of sales	(920,806)	(730,482)
Gross (loss) / profit	74,929	(71,324)
Distribution cost	(2,440)	(4,133)
Administrative expenses	(17,770)	(17,776)
Segment operating result	<u>54,719</u>	<u>(93,233)</u>

Operational performance

	2019-20	2018-19
Date of start of season	November 25, 2019	December 13, 2018
No. of days mill operated	26	19
Crushing (M. Tons)	85,880	114,171
Production from sugarcane (M.Tons)	7,750	10,533
Sales (M. Tons)	18,190	15,137
Recovery (%)	9.82	10.38

Sugarcane crushing started well on time as ordered by the Government of Sindh without deciding the minimum sugarcane price to be paid to growers. On December 9, 2019 the Sindh Government notified Rs. 192 per 40 kg the minimum sugarcane procurement rate. Before issuance of the notification, millers had started buying the fresh crop for Rs. 230 to Rs. 240 per 40 kg. The shortage of sugarcane had resulted in price escalation, therefore the mills in southern Sindh region have decided to suspend the crushing process till the availability of sugarcane. Our mill's operations were suspended from December 19, 2019 till December 29, 2019. Sales of Sugar segment in the current period was Rs 995.735 million as compared to corresponding period of Rs 659.158 million registering an increase of Rs 336.577 million due to increase in sales quantity by 3,053 M.Tons.

Ethanol Division

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

	Quarter ended December 31, 2019	Quarter ended December 31, 2018
	(Rupees in thousands)	
Sales	822,538	1,247,332
Cost of sales	(466,165)	(644,614)
Gross profit	356,373	602,718
Distribution cost	(89,501)	(86,905)
Administrative expenses	(11,842)	(11,847)
Segment operating result	255,030	503,966

The operational data is given below:

Operational data

Operational performance	2019-20	2018-19
Production (M. Tons) - Unit I and II	6,858	11,755
Sales (M. Tons)	6,983	12,811

During the period under review ethanol sales remained geared primarily toward exports, which is a highly profitable business. The revenue of ethanol segment declined by Rs. 424.794 million due to decrease in sales quantity by 5,828 M.Ton. The production was also declined by 4,897 M.Tons due to short availability of molasses.

Power, Chemical and Alloys Division

The operations for the chemical and power division were remained suspended during

the period under review and the division has incurred operating segment loss of Rs. 9.407 million as compared to loss of Rs. 9.636 million for the same period last year. The loss mainly represents the fixed expenses.

Bulk Storage Terminal

During the period under review the agreement with HASCOL has come to an end and portion of facility rented out to a new tenant. Further the Company's management is trying to start repair work by obtaining N.O.C from Karachi Port Trust.

FUTURE PROSPECTS

As expected the current year for sugar industry is going to be extremely challenging due to the fact that decline in sugarcane crop acreage was being anticipated in Sindh. As a result, currently the price of sugarcane has soared to around Rs. 260 to Rs. 270 per 40 kg and if this situation persists it might be very difficult for the sugar industry to sustain crushing further. Sugar prices in domestic market have been improving recently but the increase in tax from Rs. 4.6 per kg to Rs. 10.2 per kg reduces the impact of increased prices. The wave of uncertainty with regard to restriction for sugar industry to sell to unregistered buyers without the CNIC number was deferred till January 31, 2020 is still there.

The Provincial Government is yet to clear the 50 percent of their outstanding share of subsidy for the year 2017-18. Due to delay in payment of subsidy amount, sugar mills are facing severe financial crunch.

The outlook of the ethanol production is based on the availability of quality of molasses. If the crushing of sugarcane is reduced due to the indications said above it might hamper the profitability of this segment but despite this worry the prospects of this segment is quite good as your Company has already purchased the molasses in advance.

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

ACKNOWLEDGEMENT

The Company strongly acknowledges the devotion of each and every staff member of the Company for significant contribution in delivering such a strong performance. We would also like to express our thanks to the customers for their trust in our products and look forward for their continued support.

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

On behalf of Board of Directors



Asim Ghani
Chief Executive Officer



Darakshan Zohaib
Director

Dated: January 28, 2020

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2019**

		December 31, 2019	September 30, 2019
	Note	Un-audited	Audited
		Rupees in thousand	
ASSETS			
Non-Current Assets			
Property, plant and equipment	7	1,652,801	1,634,297
Investment property		243	249
Long term investments		234,555	170,985
Long term loans		-	6
Long term deposits		11,848	11,848
Deferred taxation	8	-	-
		<u>1,899,447</u>	<u>1,817,385</u>
Current Assets			
Biological assets		803	729
Stores and spares		181,393	146,699
Stock-in-trade		1,289,427	1,346,695
Trade debts		74,979	81,158
Loans and advances		1,387,091	1,438,652
Trade deposits and short term prepayments		22,580	17,933
Short term investments	9	1,478,095	1,029,586
Other receivables		307,639	294,705
Interest accrued		20,956	11,497
Income tax refunds due from the government		103,355	103,447
Cash and bank balances		174,233	124,131
		<u>5,040,551</u>	<u>4,595,232</u>
Total Assets		<u><u>6,939,998</u></u>	<u><u>6,412,617</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		3,417,404	3,053,628
Shareholders' equity		<u>3,591,027</u>	<u>3,227,251</u>
Non-Current Liabilities			
Deferred liability		92,900	92,041
Current Liabilities			
Trade and other payables		1,547,065	1,421,211
Accrued markup		11,749	6,648
Short term borrowings		1,655,110	1,623,237
Unclaimed dividend		29,301	29,383
Provision for taxation		12,846	12,846
		<u>3,256,071</u>	<u>3,093,325</u>
Contingencies and Commitments	10		
Total Equity and Liabilities		<u><u>6,939,998</u></u>	<u><u>6,412,617</u></u>

The annexed notes from 1 to 17 form an integral part of these financial statements.



Asim Ghani
Chief Executive Officer



Darakshan Zohaib
Director



Samir Hajani
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2019**

	Quarter ended	
	December 31, 2019	December 31, 2018
	Rupees in thousand	
Sales - net	1,818,273	1,906,490
Cost of sales	<u>(1,386,971)</u>	<u>(1,375,096)</u>
Gross profit	431,302	531,394
Profit / (loss) from other reportable segments - net	<u>3,894</u>	<u>(7,836)</u>
	435,196	523,558
Distribution cost	<u>(91,941)</u>	<u>(91,038)</u>
Administrative expenses	<u>(29,612)</u>	<u>(29,623)</u>
Other operating expenses	<u>(24,165)</u>	<u>(29,714)</u>
	<u>(145,718)</u>	<u>(150,375)</u>
Operating profit	289,478	373,183
Finance cost	<u>(13,504)</u>	<u>(5,538)</u>
Other income	<u>50,141</u>	<u>22,356</u>
Profit before taxation	326,115	390,001
Taxation	<u>(25,909)</u>	<u>(21,195)</u>
Profit after taxation	<u>300,206</u>	<u>368,806</u>
Earnings per share - Basic and diluted	<u>17.29</u>	<u>21.24</u>

The annexed notes from 1 to 17 form an integral part of these financial statements.



Asim Ghani
Chief Executive Officer



Darakshan Zohaib
Director



Samir Hajani
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2019

	Quarter ended	
	December 31, 2019	December 31, 2018
	Rupees in thousand	
Profit after taxation	300,206	368,806
Other comprehensive income for the period		
Items that will not be reclassified to statement of profit or loss account in subsequent periods		
Gain / (loss) on remeasurement of investments at fair value through other comprehensive income	63,570	(59,057)
Total comprehensive income for the period	<u>363,776</u>	<u>309,749</u>

The annexed notes from 1 to 17 form an integral part of these financial statements.



Asim Ghani
Chief Executive Officer



Darakshan Zohaib
Director



Samir Hajani
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED DECEMBER 31, 2019**

	RESERVES					Total Shareholder's Equity	
	Revenue reserves		Sub total	Capital reserves Unrealized gain/ (loss) on investment at fair value through other comprehensive income	Total Reserves		
	General reserve	Unappropriated profit					
Balance as at October 1, 2018	173,623	1,458,000	1,791,550	3,249,550	170,801	3,420,351	3,593,974
Total other comprehensive income for the period	-	-	-	-	-	-	-
Profit after taxation	-	-	368,806	368,806	-	368,806	368,806
Other comprehensive income for the period	-	-	-	-	(59,057)	(59,057)	(59,057)
Loss on remeasurement of investments at fair value through other comprehensive income	-	-	-	-	(151,806)	(151,806)	(151,806)
Reclassification of gain to profit and loss account on sale of available for sale investments	-	-	368,806	368,806	(210,863)	157,943	157,943
Total comprehensive income for the period	-	-	368,806	368,806	(40,062)	3,578,294	3,751,917
Balance as at December 31, 2018	173,623	1,458,000	2,160,356	3,618,356			
Balance as at October 1, 2019	173,623	1,458,000	1,485,851	3,143,851	(90,223)	3,053,628	3,227,251
Total other comprehensive income for the period	-	-	-	-	-	-	-
Profit after taxation	-	-	300,206	300,206	-	300,206	300,206
Other comprehensive income for the period	-	-	-	-	63,570	63,570	63,570
Gain on remeasurement of investments at fair value through other comprehensive income	-	-	300,206	300,206	63,570	363,776	363,776
Total comprehensive income for the period	-	-	1,986,057	3,444,057	(28,653)	3,417,404	3,591,027
Balance as at December 31, 2019	173,623	1,458,000	1,986,057	3,444,057			

(Rupees in thousand)

The annexed notes from 1 to 17 form an integral part of these financial statements.



Asim Ghani
Chief Executive Officer



Darakshan Zohaib
Director



Samir Hajjani
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED DECEMBER 31, 2019**

	Note	Quarter ended	
		December 31, 2019	December 31, 2018
Rupees in thousand			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	11	506,245	537,183
Finance cost paid		(8,403)	(5,943)
Income tax paid		(25,817)	(20,978)
Long term loans recovered - net		6	283
		<u>(34,214)</u>	<u>(26,638)</u>
Net cash generated from operating activities		472,031	510,545
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred on property, plant and equipment		(44,961)	(15,039)
Proceeds from disposal of property, plant and equipment		816	643
Proceeds from sale of long term investments		-	221,998
Investment in TDRs and T-Bills		(448,509)	(701,000)
Interest / markup received		38,934	9,797
Dividend received		-	3,277
Net cash used in investing activities		(453,720)	(480,324)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(82)	-
Short term borrowings obtained / (repaid) - net		31,873	7,392
Net cash generated from financing activities		31,791	7,392
Net increase in cash and cash equivalents		50,102	37,613
Cash and cash equivalents at beginning of the year		124,131	112,007
Cash and cash equivalents at the end of the period		174,233	149,620

The annexed notes from 1 to 17 form an integral part of these financial statements.



Asim Ghani
Chief Executive Officer



Darakshan Zohaib
Director



Samir Hajani
Chief Financial Officer

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2019**

1 THE COMPANY AND ITS OPERATIONS

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

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 1.1)**	*Manufacturing and sales of calcium carbide and ferro alloys. Generation and sales of electricity.	Dhabeji, Thatta.	*November 01, 2006 **April 06, 2010
4	Tank Terminal	Providing bulk storage facility	Oil Industrial Area, Kemari, Karachi.	October 15, 2012

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

2 BASIS OF PREPARATION

2.1 These condensed interim financial statements of the Company for the three months period ended December 31, 2019 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case where the requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended September 30, 2019.

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

2.3 The comparative statement of financial position presented in these condensed interim financial statements as at September 30, 2019 has been extracted from the annual audited financial statements of the Company for the year ended September 30, 2019 whereas the comparative condensed interim statement of profit or loss account and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the notes thereto for the three months period ended December 31, 2018 have been extracted from the condensed interim financial statements of the Company for the three months period ended December 31, 2018.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies, applied in the preparation of this condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended September 30, 2019.

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

(a) Standards and amendments to published approved accounting standards which are effective during the quarter ended December 31, 2019

There are certain new standards and amendments to approved accounting standards which are mandatory for the Company's annual accounting period which began on October 1, 2019. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial information.

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

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

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

4.1 The preparation of this condensed interim financial statements 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 statements, 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, 2019.
- 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, 2019.

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) (Audited)
December 31, September 30,
2019 2019
(Rupees in thousand)

7 PROPERTY, PLANT AND EQUIPMENT

Additions

Vehicles	3,929	21,770
Office equipment	344	1,096
Computers	187	190

Transferred from CWIP

Plant and machinery	149,913	44,432
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Additions to CWIP

Plant and machinery	40,501	204,171
---------------------	--------	---------

Disposal

Vehicle - at cost	1,703	2,958
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8	DEFERRED TAXATION	Note	(Un-audited) December 31, 2019	(Audited) September 30, 2019
			(Rupees in thousand)	
Deferred Tax Assets arising in respect of Deductible temporary differences				
	Available tax losses		134,242	150,794
	Liabilities u/s 34(5)		74,022	74,022
	Provisions		<u>34,609</u>	<u>34,609</u>
			<u>242,873</u>	<u>259,425</u>
Taxable temporary differences				
	Accelerated tax depreciation		(228,373)	(218,644)
	Investments - available for sale		<u>(5,273)</u>	<u>(2,686)</u>
			9,227	38,095
	Unrecognized deferred tax asset	8.1	<u>(9,227)</u>	<u>(38,095)</u>
			<u>-</u>	<u>-</u>

- 8.1** The Company has not recognized its entire deferred tax asset relating to deductible differences up to the year period ended December 31, 2019 as the management expects that major portion of taxes of the Company in foreseeable future will fall under minimum tax and final tax regime.

9	SHORT TERM INVESTMENTS	Note	(Un-audited) December 31, 2019	(Audited) September 30, 2019
			(Rupees in thousand)	
At amortized cost				
	Term Deposit Receipts	9.1	309,600	833,600
	Treasury Bills	9.2	<u>1,168,495</u>	<u>195,986</u>
			<u>1,478,095</u>	<u>1,029,586</u>

- 9.1** These carry profit ranging from 11.41% to 13.3% (September 30, 2019: 6.74% to 12.65%) per annum.

- 9.2** These carry profit ranging from 13.10% to 13.40% (September 30, 2019: 13.60%) per annum.

10 CONTINGENCIES AND COMMITMENTS

10.1 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, 2019.

10.2 Commitments

- a) Commitments in respect of letter of outstanding letter of credit amounts to Rs. 1.554 (September 30, 2019: Rs. 21.540) million.
- b) Capital commitments in respect of plant and machinery amounting to Rs. 138.030 (September 30, 2019: Rs. 177.167) million.

	December 31, 2019	December 31, 2018
Note	(Rupees in thousand)	
11 CASH GENERATED FROM OPERATIONS		
Profit before taxation	326,115	390,001
Adjustments for:		
Depreciation on property, plant and equipment	26,398	25,139
Depreciation on investment property	6	5
Gain on disposal of property, plant and equipment - net	(757)	(477)
Mark-up on loan to growers	(574)	(472)
Dividend income	-	(2,277)
Income on term deposit receipts/ savings account	(47,819)	(11,658)
Finance cost	13,504	5,538
Loss on sale of long term investments	-	441
Workers Welfare Fund	6,654	7,931
Workers Profit Participation Fund	17,511	20,872
Increase in deferred liability - market fee	859	1,142
	15,782	46,184
Cash generated from operating activities before working capital changes	341,897	436,185
(Increase) / decrease in current assets		
Biological assets	(74)	-
Stores and spares	(34,694)	(25,740)
Stock-in-trade	57,268	448,269
Trade debts	6,179	13,674
Loans and advances	51,561	(683,360)
Trade deposits and short term prepayments	(4,647)	(17,544)
Other receivables	(12,934)	45,708
	62,659	(218,993)
Increase in current liabilities		
Trade and other payables	101,689	319,991
Net cash generated from operations	506,245	537,183

12 SEGMENT REPORTING

(Rupees in thousand)

	Quarter ended December 31,			
	2019		2018	
	Sugar	Ethanol	Total	Total
Segment profit and loss account				
Sales	995,735	659,158	822,538	1,247,332
Cost of sales	(920,806)	(730,482)	(466,165)	(644,614)
Gross profit / (loss)	74,929	(71,324)	356,373	602,718
Profit / (loss) from other reportable segments - net			3,894	(7,836)
Distribution cost	(2,440)	(4,133)	(89,501)	(86,905)
Administrative expenses	(17,770)	(17,776)	(11,842)	(11,847)
Operating segment results	54,719	(93,233)	255,030	503,966
Other operating expenses			(24,165)	(29,714)
Finance cost			(13,504)	(5,538)
Other income			50,141	22,356
Profit before taxation	326,115	390,001	(25,909)	(21,195)
Taxation			300,206	368,806
Profit after taxation				

		(Rupees in thousand)					
		December 31, 2019	September 30, 2019	December 31, 2019	September 30, 2019	December 31, 2019	September 30, 2019
		Sugar	Ethanol	Chemical, alloys and power	Storage tank terminal	Total	
Segment assets and liabilities							
Segment assets - Allocated		1,678,886	1,950,334	2,533,961	2,328,910	409,810	414,773
Segment assets - Unallocated						144,166	148,401
						30,181	39,504
Segment liabilities - Allocated		1,447,066	1,254,400	1,649,133	1,672,697	328	104
Segment liabilities - Unallocated						328	328
						3,348,971	3,185,366
Capital expenditure - Allocated		5,548	28,657	34,953	175,514	-	-
Capital expenditure - Unallocated						4,460	23,056
						44,961	227,227

13 RELATED PARTY TRANSACTIONS

The related parties include directors, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Transactions with related parties are as follows:

	December 31, 2019	December 31, 2018
Note	(Rupees in thousand)	
Transactions with Post Employment Benefit Plan - Gratuity Fund		
Loan installments recovered from employees on behalf of Employees Gratuity Fund	2,220	1,972
Paid to Employees Gratuity Fund on account of installment recovered from employees	2,220	8,263
Contribution paid to Employees Gratuity Fund	5,400	18,465
Transactions with key management personnel		
Remuneration of Chief Executive Officer, Directors and Executives	21,348	16,374
Transactions with Directors and their relatives		
Vehicle fuel, repair and maintenance charges	-	63
Boarding and lodging charges	-	86
Meeting fee	400	250
Transactions with Associated Undertakings		
Commision on sale of shares	-	612

14 NON ADJUSTING SUBSEQUENT EVENT

The Board of Directors of the Company in their meeting held on December 30, 2019 has proposed a final cash dividend of Rs. 30 (2018: Rs. 50) per share i-e 300% (2018: 500%) for the year ended September 30, 2019 amounting to Rs. 520.869 (2018: Rs. 868.115) million. The effect will be accounted in the period of payment.

15 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 period are as follows:

Reclassification from the caption component	Reclassification to the caption component	Rupees in thousand
Distribution expenses	Cost of sales	2,662

16 GENERAL

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

17 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information was authorized for issue on January 28, 2020 by Board of Directors of the Company.



Asim Ghani
Chief Executive Officer



Darakshan Zohaib
Director



Samir Hajani
Chief Financial Officer

مستقبل کے امکانات:

موجودہ سال جیسا کہ توقع کی جارہی تھی کہ سندھ میں فی ایکڑ گنے کی پیداوار میں کمی کے باعث شوگر انڈسٹری کے لئے سخت ہوگا چنانچہ فی الوقت گنے کی قیمت خرید 260 سے 270 روپے فی من تک ہے اگر یہی صورت حال رہی تو شوگر انڈسٹری کے لئے مزید کٹنگ کرنا بے حد دشوار ہوگا۔ اگرچہ شوگر کی قیمت میں اضافہ ہوا ہے لیکن یہ اضافہ اس بنا پر ہے اثر رہا کہ شوگر پرائیویٹائزنگ میں اضافہ کر دیا گیا یعنی یہ سیلزنگس 4.6 روپے فی کلو سے بڑھا کر 10.2 روپے فی کلو کر دیا گیا۔ مزید برآں غیر رجسٹرڈ خریداروں کو بغیر سی این ائی سی نمبر فروخت پر پابندی کی شرط 31 جنوری 2020 تک منظرے مگر اس پابندی سے شوگر انڈسٹری میں بے یقینی اور بے چینی کی اہم دستور باقی ہے۔ صوبائی حکومت نے 2017-18 کی سبسڈی میں سے اپنے حصہ کی سبسڈی کا 50 فی صد بھی تک شوگر ملز کو ادا نہیں کیا ہے۔ نیز اس میں تاخیر کے باعث شوگر ملز بدستور مالی مشکلات کا شکار ہیں۔

۱۔ تھنول کی پیداوار کا انحصار معیاری شیر و کی دستیابی پر ہے۔ یعنی مزکورہ بالا حالات کے باعث اگر گنے کی کٹنگ کم ہوئی تو اس کا منافع بڑی حد تک متاثر ہو سکتا ہے مگر آپ کی کمپنی کے اس ڈویژن نے پہلے ہی سے شیر و خرید لیا ہے۔
کمپنی کے مجموعی منافع اور اس کے ڈویژن کی پیداوار کے لئے درکار ضروری اقدامات اور درپیش چیلنجز سے بخوبی آگاہ ہے۔

اظہار تشکر:

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

منجانب: بورڈ آف ڈائریکٹرز



درخشاں ذوہیب
ڈائریکٹر



عاصم غنی
چیف ایگزیکٹو آفیسر
کراچی: 28 جنوری 2020

اتھنول ڈویژن:

اتھنول ڈویژن کی مالیاتی اور پیداواری کارکردگی درج ذیل ہیں:

سہ ماہی 31 دسمبر 2018	سہ ماہی 31 دسمبر 2019	مالیاتی کارکردگی
روپے ہزار میں	روپے ہزار میں	فروخت
1,247,332	822,538	لاگت فروخت
(644,614)	(466,165)	خام منافع
602,718	356,373	تفصیلی لاگت
(86,905)	(89,501)	انتظامی اخراجات
(11,847)	(11,842)	منافع۔ اتھنول ڈویژن
503,966	255,030	

پیداواری کوائف درج ذیل ہیں:

2018-19	2019-20	پیداواری کارکردگی
11,755	6,858	پیداوار۔ پونٹ اور پونٹ II
12,811	6,983	فروخت۔ میٹرک ٹن

زیر جائزہ عرصہ میں اتھنول کی فروخت میں برآمدی فروخت کا حصہ بدستور زیادہ رہا کیونکہ برآمدی فروخت بہت ہی منافع بخش کاروبار ہے۔ اتھنول کی فروخت 424.794 ملین روپے کم رہی جس کی بنیادی وجہ اتھنول کی کم مقدار میں فروخت تھی۔ نیز اتھنول کی پیداوار 4,897 میٹرک ٹن کم ہوئی جس کی بنیادی وجہ شہرہ کی قلیل دستیابی تھی۔

پاور کیمیکل اور بھرت ڈویژن:

زیر جائزہ عرصہ میں بھی کیمیکل اور بھرت ڈویژن میں پیداواری عمل معطل رہا اور اس کا پیداواری خسارہ 9.407 ملین روپے تھا جبکہ گزشتہ سال یہ خسارہ 9.636 ملین روپے تھا۔ اس خسارے کی بنیادی وجہ لازمی انتظامی اخراجات تھے۔

بلک اسٹوریج ڈیمینٹ:

زیر جائزہ عرصہ میں حسیکول سے معاہدہ کی مدت پوری ہونے پر ڈیمینٹ کا پورشن نئے کرایہ دار کو کرایہ پر دیا گیا ہے۔ مزید برآں کیمینی ڈیمینٹ پر ضروری مرمت کا کام شروع کرنے کے لئے کپنی ٹی سے درکار این او سی کے حصول کے لئے بھرپور کوشش کر رہی ہے۔

شکر یونٹ:

اس یونٹ کی مالیاتی اور پیداواری کارکردگی درج ذیل ہیں:

سہ ماہی 31 دسمبر 2019	سہ ماہی 31 دسمبر 2018	
روپے ہزار میں	روپے ہزار میں	مالیاتی کارکردگی
995,735	659,158	فروخت
(920,806)	(730,482)	لاگت فروخت
74,929	71,324	خام منافع / (نقصان)
(2,440)	(4,133)	تقسیمی لاگت
(17,770)	(17,776)	انتظامی اخراجات
54,719	(93,233)	منافع / (نقصان) - شکر یونٹ

2019-20	2018-19	
25 نومبر 2019	13 دسمبر 2018	پیداواری کارکردگی
26 دن	19 دن	موسم کے آغاز کی تاریخ
85,880	114,171	پیداوار کا دورانیہ - دن
7,750	10,533	کرشنگ - میٹرک ٹن
18,190	15,137	شکر کی پیداوار - میٹرک ٹن
9.82	10.38	شکر کی فروخت - میٹرک ٹن
		شکر حصول کی شرح - فی صد

گنے کی کم از کم قیمت خرید کے تعین بغیر حکومت سندھ کے احکامات کے مطابق گنے کی کرشنگ بروقت شروع کی گئی۔ بعد ازاں حکومت سندھ نے 9 دسمبر 2019 کو گنے کی کم از کم قیمت خرید 192 روپے فی من مقرر کی مگر اس حکم نامے کے اجراء سے پہلے شوگر ملز مالکان گنے کی تازہ فصل کی خریداری 230 روپے سے 240 روپے فی من کے حساب سے کر چکے تھے۔ گنے کی قلت کے باعث گنے کی قیمت میں اضافہ ہوا اس بناء پر جنوبی سندھ کے شوگر ملز نے گنے کی دستیابی تک کرشنگ بند رکھنے کا فیصلہ کیا۔ ہماری ملز کی پیداوار بھی 19 دسمبر 2019 سے 29 دسمبر 2019 تک معطل رہی زیر جائزہ دورانیہ میں شکر کی فروخت 995.735 ملین روپے تھی جبکہ گزشتہ سال کے اسی عرصہ میں یہ فروخت 659.158 ملین روپے تھی نتیجتاً 336.577 ملین روپے کا اضافہ ہوا جس کی بنیادی وجہ شکر کی مقدار 3,053 میٹرک ٹن تھی۔

محترم ممبران

ہمیں بورڈ کی جانب سے آپ کو کمپنی کے عبوری مالیاتی گوشوارے برائے سہ ماہی 31 دسمبر 2019 پیش کرتے ہوئے بے حد مسرت ہو رہی ہے۔
مالیاتی کارکردگی:

زیر جائزہ دورانیہ میں کمپنی کے مالیاتی نتائج اور اس سے گزشتہ دورانیہ کے اعداد و شمار کا تقابلی جائزہ درج ذیل ہے:

تفصیلات	سہ ماہی 31 دسمبر 2019	سہ ماہی 31 دسمبر 2018
پیداواری منافع	روپے ہزار میں 289,478	روپے ہزار میں 373,183
مالیاتی لاگت	(13,504)	(5,583)
	<u>275,974</u>	<u>367,645</u>
دیگر آمدن	50,141	22,356
منافع قبل از ٹیکس	326,115	390,001
ٹیکس	(25,909)	(21,195)
منافع بعد از ٹیکس	<u>300,206</u>	<u>368,806</u>
فی حصص آمدن - روپے	<u>17.29</u>	<u>21.24</u>

زیر جائزہ دورانیہ میں آپ کی کمپنی نے 300,206 ملین روپے کا بعد از ٹیکس منافع کمایا جبکہ گزشتہ سال یہ منافع 368,806 ملین روپے تھا جبکہ خاص فروخت 1.818 بلین روپے رہی جبکہ گزشتہ سال یہ فروخت اس دورانیہ میں 1.906 بلین روپے تھی۔ 0.088 بلین روپے یعنی 4.85 فی صد کی کمی واقع ہوئی۔

منافع منقسمہ اور بعد کے واقعات

بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ 30 دسمبر 2019 میں 30 ستمبر 2019 کو ختم ہونے والے سال کے لئے 30 روپے فی حصص یعنی 300 فی صد حتمی نقد منافع منقسمہ دینے کا اعلان کیا ہے۔ اس عبوری مالیاتی رپورٹ میں مذکورہ حتمی نقد منافع منقسمہ کا اثر شامل نہیں ہے۔

شعبہ جاتی پیداواری نتائج:

یونٹ کے اعتبار سے کارکردگی کے نتائج حسب ذیل ہیں:



AL-ABBAS SUGAR MILLS LTD.

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