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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 AND CHIEF FINANCIAL OFFICER

Zuhair Abbas

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 Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
MCH 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



CHAIRMAN'S REVIEW

Dear Shareholders

On the end of first quarter 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.

Sugar industry has been facing very bad time indeed during this quarter. 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: January 26, 2018



DIRECTORS' REVIEW REPORT

The directors are pleased to present the condensed interim financial statements for the quarter ended December 31, 2017.

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

	Quarter ended December 31, 2017 (Rupees in thousands)	Quarter ended December 31, 2016 (Rupees in thousands)
Operating profit	160,831	173,376
Finance cost	(17,404)	(6,255)
	<u>143,427</u>	<u>167,121</u>
Other income	3,094	4,451
Profit before taxation	<u>146,521</u>	<u>171,572</u>
Taxation	(23,325)	(21,871)
Profit after taxation	<u>123,196</u>	<u>149,701</u>
Basic earnings per share (Rupees)	<u>7.10</u>	<u>8.62</u>

During the period under review, your company has earned a profit after tax of Rs. 123.196 million as compared to the profit of Rs. 149.701 million of the corresponding period of last year.

SUBSEQUENT EVENT AND DIVIDEND

The Board of Directors in their meetings held on January 26, 2018 and December 26, 2017 has proposed an interim cash dividend of 30% and a final cash dividend of 50% for the quarter ended December 31, 2017 and for the year ended September 30, 2017 respectively. These condensed interim financial statements do not include the effect of interim and final dividends.

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, 2017 (Rupees in thousands)	Quarter ended December 31, 2016 (Rupees in thousands)
Sales	1,202,111	1,398,382
Cost of sales	(1,126,351)	(1,284,689)
Gross profit	<u>75,760</u>	<u>113,693</u>
Distribution cost	(31,173)	(3,562)
Administrative expenses	(15,834)	(17,094)
Segment operating result	<u>28,753</u>	<u>93,037</u>



Operational performance

	2017-18	2016-17
Date of start of season	November 28, 2017	November 14, 2016
Duration of season (Days)	34	48
Crushing (M. Tons)	115,899	221,008
Production from sugarcane (M.Tons)	11,300	20,703
Sales (M. Tons)	25,028	25,992
Recovery (%)	10.07	9.61

The plant operated for 34 days as against 48 days of preceding season. The sugarcane crushed during the current season was 115,899 M.Tons with average sucrose recovery of 10.07% and sugar production of 11,300 M.Tons as compared with crushing of 221,008 M.Tons with average sucrose recovery of 9.61% and sugar production of 20,703 M.Tons of same period last year.

Ethanol Division

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

	Quarter ended December 31, 2017 (Rupees in thousands)	Quarter ended December 31, 2016
Sales	729,964	382,765
Cost of sales	(562,648)	(268,097)
Gross profit	167,316	114,668
Distribution cost	(30,972)	(23,545)
Administrative expenses	(10,551)	(11,389)
Segment operating result	125,793	79,734

The operational data is given below:

Operational data

Operational performance	2017-18	2016-17
Production (M. Tons) - Unit I and II	10,427	6,019
Sales (M. Tons)	9,733	4,967

During the period under review, this division produced 10,427 M.Tons of ethanol as compared to corresponding period of 6,019 M.Tons. The segment result shows positive increase of Rs.46.059 millions.

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.10.062million as compared to loss of Rs. 11.518 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.24.218 million as compared to profit of Rs. 21.045 million of last year. The improved performance of this division is mainly due to increase in service income.

FUTURE PROSPECTS

The ongoing season 2017-18 looks very stressful and challenging for all stakeholders, particularly for growers and Millers. The provisional government



has fixed the sugarcane support price at Rs. 182 per 40 kgs for the season 2017-18. The cane cost is more than 80% of total production cost, the current selling price has already crashed and is below the cost of production that will push the sugar sector in a very difficult situation. We see additional domestic price risk due to expectation of ample domestic as well as global supplies in this ongoing season.

Members of PSMA-Sindh Zone have filed a petition C.P. No.D7951/2017 in the Honorable High Court of Sindh at Karachi where interim relief were sought by granting stay against notified price of Rs. 182 per maund. In petition it was stated that notified minimum price was not viable and would result in sugar mills to operate at loss. The notification was assailed on various grounds and it was prayed that sugar industry in Sindh were entitled to appropriate interim relief.

The Honorable High Court of Sindh in C.P. No. D-8666 of 2017 between Mirpurkhas Sugar Mills and others Vs province of Sindh and others held that sugar mills must pay a price of Rs. 172 per maund to the sugar growers from December 23, 2017 and for balance amount sugar mills shall give such security as satisfies the Nazir of High Court. If compliance is not made with aforesaid order contempt proceeding may be initiated against Chief Executive and Directors of the mills.

Pursuant to Court's direction, advocate General Sindh submitted that Government is willing to get matter resolved amicably by calling a meeting of all the stakeholders so that a minimum purchase price of sugarcane will be determined and a fresh notification will be issued within given time frame. However Court further directed sugar millers to continue purchase of sugarcane at the rate of Rs. 172 per maund.

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: January 26, 2018



**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2017**

	Note	December 31, 2017 Un-audited (Rupees in thousand)	September 30, 2017 Audited
ASSETS			
Non-Current Assets			
Property, plant and equipment	7	1,561,555	1,586,688
Investment property		300	308
Long term investments		701,955	709,068
Long term loans		358	487
Long term deposits		11,406	11,406
Deferred taxation	8	-	-
		<u>2,275,574</u>	<u>2,307,957</u>
Current Assets			
Stores and spares		183,806	159,183
Stock-in-trade	9	1,078,791	1,962,675
Trade debts	10	436,985	28,312
Loans and advances		572,929	512,820
Trade deposits and short term prepayments		22,284	15,327
Interest accrued		2,065	2,868
Other receivables	11	242,499	66,607
Short term investments		600	600
Income tax refunds due from the Government		84,411	91,212
Cash and bank balances	12	27,457	23,583
		<u>2,651,827</u>	<u>2,863,187</u>
Total Assets		<u><u>4,927,401</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		<u>2,450,818</u>	<u>2,334,735</u>
Shareholders' equity		<u>2,624,441</u>	<u>2,508,358</u>
Non - Current Liabilities			
Long term deposits		22,381	22,381
Deferred liability		81,866	80,707
		<u>104,247</u>	<u>103,088</u>
Current Liabilities			
Trade and other payables		1,028,549	736,100
Accrued mark-up		11,895	22,226
Short term borrowings	13	1,145,423	1,788,526
Provision for taxation		12,846	12,846
		<u>2,198,713</u>	<u>2,559,698</u>
Contingencies and Commitments	14		
Total Equity and Liabilities		<u><u>4,927,401</u></u>	<u><u>5,171,144</u></u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

Asim Ghani
Chief Executive Officer

Darakshan Ghani
Director

Zuhair Abbas
Chief Financial Officer

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT(UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2017**

	Quarter Ended	
	December 31, 2017	December 31, 2016
	(Rupees in thousand)	
Sales	1,932,075	1,781,147
Cost of sales	(1,688,999)	(1,552,786)
Gross profit	243,076	228,361
Profit from other reportable segments - net	14,156	9,527
	257,232	237,888
Distribution cost	(62,145)	(27,107)
Administrative expenses	(26,385)	(28,483)
Other operating expenses	(7,871)	(8,922)
	(96,401)	(64,512)
Operating profit	160,831	173,376
Finance cost	(17,404)	(6,255)
Other income	3,094	4,451
Profit before taxation	146,521	171,572
Taxation	(23,325)	(21,871)
Profit after taxation	123,196	149,701
Earnings per share - Basic and diluted	7.10	8.62

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

Asim Ghani
Chief Executive Officer

Darakshan Ghani
Director

Zuhair Abbas
Chief Financial Officer



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME(UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2017

Quarter Ended	
December 31, 2017	December 31, 2016
(Rupees in thousand)	

Profit after taxation	123,196	149,701
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Other comprehensive income for the period

Items to be classified to profit and loss
account in subsequent period

Unrealized (loss) / gain on remeasurement of available for sale investments	(7,113)	179,273
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Total comprehensive income for the period	<u>116,083</u>	<u>328,974</u>
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The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

Asim Ghani
Chief Executive Officer

Darakshan Ghani
Director

Zuhair Abbas
Chief Financial Officer



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2017

Note	Quarter Ended	
	December 31, 2017	December 31, 2016
	(Rupees in thousand)	

CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from / (used in) operations	15	689,457	(848,204)
Finance cost paid		(27,735)	(4,085)
Income tax paid		(16,524)	(39,953)
Long term loans recovered - net		129	239
Long term deposits paid		-	-
		(44,130)	(43,799)
Net cash generated from / (used in) operating activities		645,327	(892,003)

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure incurred on fixed assets	(1,955)	(19,819)
Proceeds from disposal of fixed assets	600	1,169
Interest / markup received	2,078	2,456
Dividend received	1,041	1,000
Net cash generated from / (used in) investing activities	1,764	(15,194)

CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid	(114)	-
Short term borrowings obtained / (repaid) - net	(643,103)	869,877
Net cash (used in) / generated from financing activities	(643,217)	869,877
Net increase / (decrease) in cash and cash equivalents	3,874	(37,320)
Cash and cash equivalents at beginning of the period	23,583	58,365
Cash and cash equivalents at the end of the period	27,457	21,045

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

Asim Ghani
Chief Executive Officer

Darakshan Ghani
Director

Zuhair Abbas
Chief Financial Officer

Issued, subscribe and paid-up capital	RESERVES					Total Shareholder's Equity	
	Revenue reserves			Capital reserves			
	General reserve	Unappropri- ated profit	Sub total	Gain/(loss) on renea- surement of AFS	Total Reserves		
	(Rupees in thousand)						
173,623	1,458,000	678,192	2,136,192	25,293	2,161,485	2,335,108	
-	-	149,701	149,701	-	149,701	149,701	
-	-	149,701	-	179,273	179,273	179,273	
	-	149,701	149,701	179,273	328,974	328,974	
173,623	1,458,000	827,893	2,285,893	204,566	2,490,459	2,684,082	
173,623	1,458,000	651,314	2,109,314	225,421	2,334,735	2,508,358	
-	-	123,196	123,196	-	123,196	123,196	
-	-	-	-	(7,113)	(7,113)	(7,113)	
-	-	123,196	123,196	(7,113)	116,083	116,083	
173,623	1,458,000	774,510	2,232,510	218,308	2,450,818	2,624,441	

Balance as at October 1, 2016	
Total comprehensive income for the period	
Profit after taxation	
Other comprehensive income for the period	
Unrealized gain on remeasurement of available for sale investments	

Balance as at December 31, 2016
Balance as at October 1, 2017
Total comprehensive income for the period
Profit after taxation
Other comprehensive income for the period
Unrealized gain on remeasurement of available
for sale investments

Balance as at December 31, 2017

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.


Asim Ghannam
Chief Executive Officer


Darakshan Ghani
Director


Zuhair Abbas
Chief Financial Officer



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2017**

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-PSX. The registered office of the Company is situated at Pardesi House, Survey No. 2/1, R.Y.16. Old Queens Road, Karachi, Pakistan. The principal activities of the Company under following business segments / divisions comprises of :

S.NO	Division	Principal Activities	Location of undertaking	Commencement of commercial production
1	Sugar	Manufacturing and sale of sugar	Mirwah Gorchani, Mirpurkhas	December 15, 1993
2	Ethanol (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 the 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 quarter ended December 31, 2017 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 (Act). In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 (Act) shall prevail.

2.2 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.

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

2.4 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 December 31, 2017.



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 AND POST RETIREMENT BENEFITS

Provision in respect of income taxes, Workers' Profit Participation Fund and post 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 December 31, 2017	Audited September 30, 2017
(Rupees in thousand)	

7 PROPERTY, PLANT AND EQUIPMENT

Additions		
Plant and machinery	-	18,528
Vehicles	1,955	1,187
Office equipment	-	677
Disposal		
Vehicle - at cost	1,426	2,487



	Un-audited December 31, 2017 (Rupees in thousand)	Audited September 30, 2017 (Rupees in thousand)
8 DEFERRED TAXATION		
Deferred Tax Assets arising in respect of		
Deductible temporary differences		
Available tax losses	222,163	224,820
Minimum tax	118,985	147,308
Provisions	36,308	36,308
	<u>377,456</u>	<u>408,436</u>
Taxable temporary differences		
Accelerated tax depreciation	(241,293)	(242,707)
Unrealized gain on investment	(22,312)	(24,075)
	<u>(263,605)</u>	<u>(266,782)</u>
	113,851	141,654
Less: Deferred tax asset not recognized 8.1	<u>(113,851)</u>	<u>(141,654)</u>
	<u>-</u>	<u>-</u>
8.1	The Company has not recognised its entire deferred tax asset relating to tax losses up to the period ended December 31, 2017 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 December 31, 2017 (Rupees in thousand)	Audited September 30, 2017 (Rupees in thousand)
9 STOCK-IN-TRADE		
Raw materials	183,722	606,160
Work-in-process	15,870	4,498
Finished goods	879,199	1,352,017
	<u>1,078,791</u>	<u>1,962,675</u>
9.1	Value of stock of raw material and finished goods pledged as at December 31, 2017 amounting to Rs. Nil (September 30, 2017 Rs. 842.681) million.	
9.2	Finished goods include stock items valued at net realizable value (NRV) amounting to Rs. 78.615 (September 30, 2017 Rs. 1,167.540) million.	
	Un-audited December 31, 2017 (Rupees in thousand)	Audited September 30, 2017 (Rupees in thousand)
10 TRADE DEBTS		
Considered good		
Export	423,068	14,436
Local	13,917	13,876
	<u>436,985</u>	<u>28,312</u>
Considered doubtful		
Local	15,432	15,432
	<u>15,432</u>	<u>15,432</u>
Provision for doubtful debts	<u>(15,432)</u>	<u>(15,432)</u>
	<u>436,985</u>	<u>28,312</u>



		Un-audited December 31, 2017 (Rupees in thousand)	Audited September 30, 2017 (Rupees in thousand)
11	OTHER RECEIVABLES		
	- Considered good		
	Sales tax and excise duty	6,016	24,054
	Freight subsidy on sugar export	236,273	42,343
	Others	210	210
		<u>242,499</u>	<u>66,607</u>
12	CASH AND BANK BALANCES		
	Cash in hand	1,139	1,062
	Cash at banks		
	Current accounts	26,110	16,948
	Saving accounts	208	5,573
		<u>26,318</u>	<u>22,521</u>
		<u>27,457</u>	<u>23,583</u>
12.1	This includes an amount of Rs. 0.025 (September 30, 2017: 0.009) million under an arrangement permissible under shariah.		
		Un-audited December 31, 2017 (Rupees in thousand)	Audited September 30, 2017 (Rupees in thousand)
13	SHORT TERM BORROWINGS		
	From banking companies - secured		
	Under Mark up arrangements		
	Cash / running finances	109,423	831,526
	Export refinance	1,036,000	957,000
		<u>1,145,423</u>	<u>1,788,526</u>
13.1	The available aggregate finance facilities (short term funded) amounted to Rs. 4.210 (September 30, 2017: Rs. 3.810) billion which have been arranged from various commercial banks out of which Rs. 2.885 (September 30, 2017: 2.885) billion are with export refinance and FE 25. Out of total export refinance limit, Rs. 2.785 (September 30, 2017: 2.600) billion are interchangeable. The short term financing facilities are secured against hypothecation of current assets, pledge of stock and hypothecation over present and future property, plant and equipment of the Company. Cash / running finance carry mark-up ranging from 1 to 3 months KIBOR plus 0.65% to 1.5% (September 30, 2017: 1 to 3 months KIBOR plus 1% to 1.5%) per annum payable quarterly in arrears or upon maturity and Export refinance carry mark up of SBP rate plus 0.65% to 1 % (September 30, 2017: SBP rate plus 1%). At the quarter end, facilities amounting to Rs. 2.974 (September 30, 2017: Rs. 3.794) billion remained unutilized. These facilities are expiring on various dates latest by September 30, 2018 and are renewable.		
14	CONTINGENCIES AND COMMITMENTS		
14.1	Contingencies		
14.1.1	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. Nil (September 30, 2017: Rs. 6.654) million.
- b) Bank guarantees of Rs. 76.232 (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.

December 31, 2017 December 31, 2016
(Rupees in thousand)

15 CASH GENERATED FROM / (USED) IN OPERATIONS

Profit before taxation	146,521	171,572
Adjustments for:		
Depreciation on property, plant and equipment	26,791	29,031
Depreciation on investment property	8	9
Gain on disposal of property, plant and equipment - net	(303)	(706)
Mark-up on loan to growers	(1,275)	(1,131)
Dividend income	(1,027)	(1,000)
Income on term deposit receipts	(14)	(193)
Finance cost	17,404	6,255
Subsidy on sugar export	-	-
Workers Profit Participation Fund	7,669	8,922
Increase in deferred liability - market fee	1,159	2,146
	50,412	43,333
Cash generated from operating activities before working capital changes	196,933	214,905
(Increase) / decrease in current assets		
Stores and spares	(24,623)	(32,618)
Stock-in-trade	883,884	48,517
Trade debts	(408,673)	(237,519)
Loans and advances	(60,109)	(649,251)
Trade deposits and short term prepayments	(6,957)	(37,270)
Other receivables	(175,892)	41,038
	207,630	(867,103)
Increase / (decrease) in current liabilities		
Increase / (decrease) in trade and other payables	284,894	(196,006)
Net cash generated from / (used in) operations	689,457	(848,204)



16 SEGMENT REPORTING

(Rupees in thousand)

	Quarter ended December 31					
	2017		2016		2017	
	Sugar		Ethanol		Total	
Segment profit and loss account						
Sales	1,202,111	1,398,382	729,964	382,765	1,932,075	1,781,147
Cost of sales	(1,126,351)	(1,284,689)	(562,648)	(268,097)	(1,688,999)	(1,552,786)
Gross profit	75,760	113,693	167,316	114,668	243,076	228,361
Profit from other reportable segments - net					14,156	9,527
Distribution cost	(31,173)	(3,562)	(30,972)	(23,545)	257,232	237,888
Administrative expenses	(15,834)	(17,094)	(10,551)	(11,389)	(62,145)	(27,107)
Operating segment results	28,753	93,037	125,793	79,734	(26,385)	(28,483)
Other operating expenses					168,702	182,298
Finance cost					(7,871)	(8,922)
Other income					(17,404)	(6,255)
Profit before taxation					3,094	4,451
Taxation					146,521	171,572
Profit after taxation					(23,325)	(21,871)
					123,196	149,701



(Rupees in thousand)

	December 31, 2017	September 30, 2017	December 31, 2017	September 30, 2017	December 31, 2017	September 30, 2017	December 31, 2017	September 30, 2017	December 31, 2017	September 30, 2017	Total
	Sugar	Ethanol	Chemical, alloys and power	Storage tank terminal							
Segment assets and liabilities											
Segment assets - Allocated	1,877,472	1,997,830	1,522,045	1,611,894	452,980	458,653	163,611	168,575	4,016,108	4,236,952	
Segment assets - Unallocated									911,293	934,192	
									4,927,401	5,171,144	
Segment liabilities - Allocated	943,796	1,487,968	1,114,751	972,641	200	104	47,419	26,973	2,106,166	2,487,686	
Segment liabilities - Unallocated									196,794	175,100	
									2,302,960	2,662,786	
Capital expenditure - Allocated	-	-	-	18,528	-	-	-	-	-	18,528	
Capital expenditure - Unallocated									1,955	1,864	
									1,955	20,392	
Depreciation	10,023	42,851	7,556	33,706	5,677	24,347	3,535	15,717	26,791	116,621	



17 RELATED PARTY TRANSACTIONS

The related parties comprise associated undertakings, other related group companies, Directors of the Company, Key Management Personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Amounts due to / from related parties are shown in under respective notes to the financial statement. Transactions with related parties are as follows:

	December 31, 2017	December 31, 2016
	(Rupees in thousand)	
- associated companies		
Vehicle tracker system	130	-
- other related parties		
Loan installments recovered from employees on behalf of Employees Gratuity Fund	2,131	1,687
Paid to Employees Gratuity Fund on account of installment recovered from employees	4,000	-
Key management personnel		
Remuneration of Chief Executive Officer, Directors and Executives	12,855	22,602

The aggregate amount of perquisites incurred on Chairman's vehicle amounted to Rs. 0.114 (December 31, 2016: Rs. 0.090) million. The boarding and lodging expenses of Non-Executive Director amounting to Rs. 0.067 (December 31, 2016: Rs. 0.069) million was incurred during the period.

During the period, the Company has paid dividend amounting to Rs. Nil (December 31, 2016: Rs. Nil) million to Directors and Associates.

18 GENERAL

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

Corresponding figures have been re-arranged / reclassified, whenever considered necessary, for the purpose of comparison and better presentation.

19 NON ADJUSTING SUBSEQUENT EVENT

The Board of Directors of the Company in their meetings held on January 26, 2018 and December 26, 2017 has proposed an interim and a final cash dividend of Rs. 3 per share i.e 30% amounting to Rs. 52.087 million and Rs. 5 per share i.e 50% amounting to Rs. 86.812 million for the quarter ended December 31, 2017 and for the year ended September 30, 2017 respectively. The effect will be accounted in the period of payment.

20 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information was authorized for issue on January 26, 2018 by Board of Directors of the Company.

Asim Ghani
Chief Executive Officer

Darakshan Ghani
Director

Zuhair Abbas
Chief Financial Officer



چیرمین کی جائزہ رپورٹ

ڈیرھنص یانفنگان

مالیاتی سال 2017-18 کی پہلی سہ ماہی کے اختتام پر میں آپ کو خوش آمدید کہتا ہوں۔ العباس شوگر ملز لمیٹڈ میں اسٹیک ہولڈرز کے طور پر آپ نے اس کمپنی میں اپنی سرمایہ کاری کرتے ہیں اور ہمیں بھی بلند قدر کی تخلیق میں سہولت فراہم کرتے اور آپ ہم پر اعتماد کرتے ہیں جس پر ہم آپ کے تہہ دل سے شکر گزار ہیں۔

مالیاتی سال کی پہلی سہ ماہی کے دوران شوگر انڈسٹری کو کافی مشکل حالات کا سامنا ہے جس سے بورڈ اور کمپنی کی انتظامیہ بخوبی واقف ہے اور اپنی بھر پور استعداد اور صلاحیتوں کو بروئے کار لاتے ہوئے ان مشکل حالات سے نہرواڑا ہے۔

آپ کا بورڈ اس بات کا ذمہ دار ہے کہ ادارے میں بلائی سطح سے درست ضوابط قائم کرے تاکہ کامیاب کاروبار اور طویل مدت پائیدار ترقی کی راہ فراہم کرنے کے لیے کاروباری ڈھانچے کی تشکیل کو یقینی بنایا جاسکے۔ آپ کا بورڈ ان اصولوں پر کاربند ہے جو آپ کے ڈائریکٹرز نے بورڈ کی قدر و قیمت کے تعین اور اسے یقینی بنانے کیلئے مقرر کیے ہیں۔

کمپنی کے تمام شعبہ جات میں درست معیار کے قیام اور اس کی اہمیت کے تحت ہم نے ضابطہ اخلاق، اقدار اور معیار جو کاروباری معاملات میں ہم توقع کرتے ہیں، کی نگہبانی 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 مستقبل کے لیے ہم بہتر کاروباری مقام پر ہیں۔ میں اس موقع پر اپنے حصص یافتگان، ملازمین، مالیاتی ادارے اور دیگر اسٹاک ہولڈرز کا کمپنی کو کامیابی کے مقام تک لے جانے کے لیے ان کی مسلسل معاونت اور شرکت پر ان کا بھرپور شکریہ ادا کرتا ہوں۔

محمد اقبال عثمان
چیرمین

کراچی: 26 جنوری 2018



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: 26 جنوری 2018



پور خاص شوگر ملز و دیگر بخلاف سندھ حکومت و دیگر میں یہ طے کیا تھا کہ 23 دسمبر 2017 سے سندھ کی تمام شوگر ملز لازمی طور پر گنے کی قیمت -172/ روپے فی من کے حساب سے کسانوں کو ادا کریں گی اور بقایا واجب الادا رقم کی اطمینان بخش سیکورٹی سندھ ہائی کورٹ کے ناظر کو مہیا کرینگے اگر کوئی شوگر ملز اس حکم پر عملدرآمد نہیں کریگی تو اس شوگر ملز کے چیف ایگزیکٹو اور ڈائریکٹرز کے خلاف قانونی کارروائی عمل میں لائی جائے گی۔ عدالت عالیہ کی ہدایت کی روشنی میں ایڈوکیٹ جنرل سندھ نے کیا ہے کہ حکومت فوری طور پر اس مسئلے کو تمام اسٹیک ہولڈرز کی مشاورت سے حل کرے یعنی گنے کی امدادی قیمت خرید طے کرے اور باقاعدہ طور پر اس نظر ثانی شدہ قیمت کا نوٹیفکیشن جاری کرے گی۔ اس کے علاوہ عدالت نے مزید احکامات دیئے ہیں کہ اس دوران شوگر ملز گنے کی قیمت خرید -172/ روپے فی من کے حساب سے جاری رکھیں۔

اسٹیک ہولڈرز کی قیمتیں ایک ہی سطح پر برقرار رہنے کی توقع ہے، تاہم آپ کی کمپنی نے صنعت کی ترقی اور بلند قیمت حاصل کرنے کو ہدف بنایا ہوا ہے۔

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



بڑی وجہ مقررہ اخراجات تھے۔

بلک اسٹوریج ٹرمینل

زیر جائزہ دور میں اس ڈویژن نے 24.218 ملین روپے جبکہ گذشتہ دور میں 21.045 ملین روپے کا منافع کمایا۔ اس ڈویژن کی بہتر کارکردگی کی وجہ بنیادی طور پر سروس آمدنی میں اضافہ ہے۔
مستقبل کے امکانات

موجودہ 18-2017 کا سیزن شوگر انڈسٹری سے منسلک لوگوں کے لئے کافی مشکلات کا حامل نظر آ رہا ہے خاص طور پر کسانوں اور ملز مالکان کے لئے کیونکہ صوبائی حکومت نے 18-2017 کے لئے گنے کی امدادی قیمت -/182 روپے فی 40 کلو مقرر کی ہے۔ گنے کی لاگت کل لاگت کا 80 فیصد سے زائد ہے۔ مزید برآں اس وقت چینی کی قیمت فروخت پہلے ہی کافی گراں ہو چکی ہے جو پیداواری لاگت سے بھی کم ہے جس نے پختہ شوگر انڈسٹری کو بہت زیادہ مشکلات سے دوچار کیا ہے اسکے علاوہ شکر کی قیمت فروخت مزید کم ہونے کا امکان ہے جس کی بنیادی وجہ اندرون اور بیرون ملک شکر کی اضافی پیداوار ہے

اراکین پاسا سندھ زون نے ایک پٹیشن C.P No.D7951/2017 سندھ ہائیکورٹ کراچی میں دائر کی ہے جس میں حکومت کی گنے کی اعلان کردہ قیمت -/182 روپے فی من کی ادائیگی سے عبوری استثناء کی درخواست کی گئی ہے۔ اس پٹیشن میں یہ کہا گیا ہے کہ گنے کی اس کم از کم قیمت پر خرید ممکن نہیں ہے اور اس قیمت پر گنا خریدنے سے شوگر ملز کو نقصان ہوگا۔ درحقیقت یہ نوٹیفیکیشن شوگر انڈسٹری کو درپیش مشکلات کا اندازہ کئے بغیر جاری کیا گیا تھا لہذا یہ استعداد کی گئی ہے تمام حقائق کی روشنی میں سندھ کی شوگر انڈسٹری مناسب ریلیف کی مستحق ہے۔
سندھ ہائی کورٹ نے پٹیشن CP No.D8666/2017 جو کہ میر



استھانول یونٹ

استھانول یونٹ کی مالیاتی و آپریشنل کارکردگی درج ذیل ہے:

سہ ماہی ختم 31 دسمبر 2016 روپے ہزار میں	سہ ماہی ختم 31 دسمبر 2017 روپے ہزار میں	مالیاتی کارکردگی
382,765	729,964	فروخت
(268,097)	(562,648)	لاگت فروخت
114,668	167,316	خام منافع
(23,545)	(30,972)	منقسم لاگت
(11,389)	(10,551)	انتظامی اخراجات
79,734	125,793	رواں حصہ منافع

آپریشنل کوائف درج ذیل ہیں:

2016-17	2017-18	آپریشنل کارکردگی
6,019	10,427	پیداوار M T یونٹ I اور II
4,967	9,733	فروخت میٹرک ٹن

زیر جائزہ دور میں استھانول ڈویژن نے 10,427 میٹرک ٹن جبکہ گذشتہ دور میں 6,019 میٹرک ٹن پیداوار حاصل کی۔ اس حصہ کے نتائج 46.059 ملین روپے کا مثبت اضافہ ظاہر کرتے ہیں۔

پاور، کیمیکل اور بھرت ڈویژن

زیر جائزہ دور میں پاور، کیمیکل اور بھرت ڈویژن بدستور معطل رہا اور اس حصہ کا خسارہ 10.062 ملین روپے جبکہ گذشتہ اسی سہ ماہی میں 11.518 ملین روپے کا نقصان برداشت کرنا پڑا۔ اس نقصان کی



2016-17	2017-18	آپریشنل کارکردگی
2016 نومبر 14	2017 نومبر 28	موسم کے آغاز کی تاریخ
48	34	موسم کی مدت (دن)
221,008	115,899	کرشنگ (MT)
20,703	11,300	گنے سے پیداوار MT
25,992	25,028	فروخت (MT)
9.61	10.07	بحالی (%)

حالیہ موسم کے دوران پلانٹ 34 دن جبکہ گزشتہ موسم میں 48 دن چلایا گیا تھا۔ حالیہ موسم کے دوران 115,899 میٹرک ٹن گنا کرش کیا گیا ہمراہ اوسط 10.70% مصفا شکر جبکہ گزشتہ سال اسی مدت میں 221,008 میٹرک ٹن گنا کرش کیا گیا ہمراہ اوسط 9.61% مصفا شکر اور شکر کی پیداوار موجود موسم میں 11,300 میٹرک ٹن جبکہ گزشتہ سال اسی مدت میں 20,703 میٹرک ٹن شکر پیداوار رہی تھی۔



ڈیویڈنڈ اور بعد کے واقعات

بورڈ آف ڈائریکٹرز نے اپنے منعقدہ اجلاس 26 جنوری 2018 اور 26 دسمبر 2017 میں 30% عبوری کیش ڈیویڈنڈ اور 50% فائنل کیش ڈیویڈنڈ بلز تیب 31 دسمبر 2017 کو ختم ہونے والی سہ ماہی اور 30 ستمبر 2017 کو ختم ہونے والے سال کے لئے تجویز کیا ہے۔ ان عبوری مالیاتی گوشواروں میں عبوری اور فائنل کیش ڈیویڈنڈ کا اثر شامل نہیں ہے۔

آپریشنل کارکردگی نتائج:

یونٹ کے اعتبار سے کارکردگی کے نتائج حسب ذیل ہیں:

شکریونٹ

شکریونٹ کی آپریشنل اور مالیاتی کارکردگی درج ذیل ہے:

سہ ماہی ختم 31 دسمبر 2016 روپے ہزار میں	سہ ماہی ختم 31 دسمبر 2017 روپے ہزار میں	مالیاتی کارکردگی
1,398,382	1,202,111	فروخت
(1,284,689)	(1,126,351)	لاگت فروخت
113,693	75,760	خام منافع
(3,562)	(31,173)	منقسم لاگت
(17,094)	(15,834)	انتظامی اخراجات
93,037	28,753	رواں حصہ منافع



ڈائریکٹرز جائزہ رپورٹ

آپ کی کمپنی کے ڈائریکٹرز مکلف عبوری مالیاتی گوشوارے برائے 31 دسمبر 2017 میں ختم شدہ سہ ماہی کے لئے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

زیر جائزہ دور کا تقابل گذشتہ اسی دور کے تحت کمپنی کے مالی نتائج کا خلاصہ درج ذیل ہے:

سہ ماہی ختم 31 دسمبر 2016	سہ ماہی ختم 31 دسمبر 2017	
روپے ہزار میں	روپے ہزار میں	
173,376	160,831	جاری منافع
(6,255)	(17,404)	مالیاتی لاگت
167,121	143,427	
4,451	3,094	دیگر آمدن
171,572	146,521	منافع قبل از ٹیکس
(21,871)	(23,325)	ٹیکس
149,701	123,196	منافع بعد از ٹیکس
8.62	7.10	فی حصص آمدن روپے

زیر جائزہ دور میں آپ کی کمپنی نے 123.196 ملین روپے بعد از ٹیکس منافع کمایا جبکہ گذشتہ سال کے اسی دور میں یہ منافع 149.701 ملین روپے تھا۔