

**AL-ABBAS SUGAR** Mills  
Limited



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## COMPANY INFORMATION

### BOARD OF DIRECTORS

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

### COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Zuhair Abbas

### AUDIT COMMITTEE

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

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

### STATUTORY AUDITORS

|                      |                       |
|----------------------|-----------------------|
| Haroon Zakaria & Co. | Chartered Accountants |
|----------------------|-----------------------|

### COST AUDITORS

|                   |                       |
|-------------------|-----------------------|
| Siddiqi & Company | Chartered Accountants |
|-------------------|-----------------------|

### BANKERS

Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Burj Bank Limited  
Dubai Islamic Bank Pakistan Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Bank of Punjab  
Pak Oman Investment Company Limited  
SilkBank Limited  
Soneri Bank Limited  
Summit 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 Shakra-e-faisal, Karachi-74400

### FACTORIES LOCATIONS

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



## DIRECTORS' REVIEW REPORT

The Directors are pleased to present the condensed interim financial statements for the six months ended March 31, 2016.

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

|                                   | Six months ended<br>March 31, 2016 | Six months ended<br>March 31, 2015 |
|-----------------------------------|------------------------------------|------------------------------------|
|                                   | (Rupees in thousand)               |                                    |
| Operating profit                  | 181,722                            | 222,493                            |
| Other income                      | <u>39,122</u>                      | <u>104,924</u>                     |
|                                   | 220,844                            | 327,417                            |
| Finance costs                     | <u>(51,784)</u>                    | <u>(64,513)</u>                    |
| Profit before taxation            | <u>169,060</u>                     | <u>262,904</u>                     |
| Taxation                          | <u>(19,008)</u>                    | <u>(31,397)</u>                    |
| Profit after taxation             | <u>150,052</u>                     | <u>231,507</u>                     |
| Basic earnings per share (Rupees) | <u>8.64</u>                        | <u>13.33</u>                       |

During the period under review, your Company has earned a profit after tax of Rs. 150.052 million as compared to the profit of Rs. 231.507 million of the corresponding period of last year. The main reasons for variances are highlighted below in segment wise results.

### 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

|                          | Six months ended<br>March 31, 2016 | Six months ended<br>March 31, 2015 |
|--------------------------|------------------------------------|------------------------------------|
|                          | (Rupees in thousand)               |                                    |
| Sales                    | 944,938                            | 927,918                            |
| Cost of sales            | <u>(868,438)</u>                   | <u>(851,064)</u>                   |
| Gross profit             | 76,500                             | 76,854                             |
| Distribution cost        | <u>(7,179)</u>                     | <u>(6,882)</u>                     |
| Administrative expenses  | <u>(34,900)</u>                    | <u>(31,793)</u>                    |
| Segment operating result | <u>34,421</u>                      | <u>38,179</u>                      |

#### Operational performance

|                                    | 2015-16           | 2014-15           |
|------------------------------------|-------------------|-------------------|
| Date of start of season            | November 23, 2015 | December 08, 2014 |
| No. of days worked                 | 93                | 106               |
| Crushing (M. Tons)                 | 560,786           | 564,555           |
| Production from sugarcane (M.Tons) | 58,730            | 60,534            |
| Sales (M. Tons)                    | 19,797            | 20,110            |
| Recovery (%)                       | 10.47             | 10.72             |



The plant operated for 93 days as against 106 days of preceding season. The sugarcane crushed during the current season was 560,786 M.Tons with average sucrose recovery of 10.47% and sugar production of 58,730 M.Tons as compared with crushing of 564,555 M.Tons with average sucrose recovery of 10.72% and sugar production of 60,534 M.Tons of same period last year.

#### Ethanol Division

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

|                          | Six months ended<br>March 31, 2016 | Six months ended<br>March 31, 2015 |
|--------------------------|------------------------------------|------------------------------------|
|                          | (Rupees in thousands)              |                                    |
| Sales                    | 814,934                            | 1,013,547                          |
| Cost of sales            | (611,356)                          | (752,484)                          |
| Gross profit             | <u>203,578</u>                     | <u>261,063</u>                     |
| Distribution cost        | (42,641)                           | (44,767)                           |
| Administrative expenses  | (23,254)                           | (21,182)                           |
| Segment operating result | <u>137,683</u>                     | <u>195,114</u>                     |

The operational data is given below:

#### Operational data

| Operational performance              | 2015-16 | 2014-15 |
|--------------------------------------|---------|---------|
| Production (M. Tons) - Unit I and II | 15,801  | 15,540  |
| Sales (M. Tons)                      | 11,144  | 12,578  |

During the period under review, this division produced 15,801 M.Tons ethanol as compared to corresponding period of 15,540 M.Tons. The operating result of this segment is reduced by Rs 57.431 million due to lower shipment and reduction in sales price from \$795 to \$701 per ton as compared to corresponding year. Exchange rate has also decreased slightly from comparative period. Furthermore, prices of ethanol are on decreasing trend and Management is fully aware of global ethanol market situation and taking necessary measures to tackle the situation.

#### 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. 26.668 million as compared to loss of Rs. 27.776 million for the same period last year. The loss mainly represents the fixed expenses. The Management of the Company is trying to restore the power generation operations in order to utilize the closed plant.

#### Bulk Storage Terminal

During the period under review this division earned a profit of Rs. 47.063 million as against profit of Rs. 42.738 million of last year. The improved performance of this division is mainly due to increase in service and rental income.

#### FUTURE PROSPECTS

The future outlook of the sugar segment depends a lot on the selling price of the sugar which is stable at a moment in the domestic as well as in



international market. The sugar industry was in contact with the Government officials for the three-months extension in sugar export period with increased subsidy but the Government is unlikely to accept the request due to the arrival of Holy month of Ramadan in upcoming period which usually surges sugar demand and may result in fetching higher prices in local market.

The prices of ethanol are expected to be on the same level, however, the expected shipment of ethanol in upcoming quarters will add some advantages to current situation.

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. A'meen!

On behalf of Board of Directors

Shunaid Qureshi  
Chief Executive Officer

Karachi: May 24, 2016



AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Al-Abbass Sugar Mills Limited ("the Company") as at March 31, 2016 and the related 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 together with the notes forming part thereof [here-in-after referred to as "condensed interim financial information"], for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended March 31, 2016 and March 31, 2015 have not been reviewed as we are required to review only the cumulative figures for the half year ended March 31, 2016.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended March 31, 2016, is not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to note 15.1.2 of the condensed interim financial information which describes the uncertainty related to the outcome of the lawsuit filed against the Company and others by a non-executive Director of the Company. Our conclusion is not qualified in respect of this matter.

*Haroon Zakaria*

Haroon Zakaria & Company  
Chartered Accountants

Place: Karachi  
Dated: May 24, 2015


Engagement Partner:  
Mohammad Iqbal



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

|   | Note | March<br>3, 2016<br>Un-audited<br>(Rupees in thousand) | September<br>30, 2015<br>Audited |
|---|------|--|----------------------------------|
| <b>ASSETS</b>                             |      |  |                                  |
| <b>Non-Current Assets</b>                 |      |  |                                  |
| Property, plant and equipment             | 7    | 1,737,184  | 1,793,347                        |
| Investment property                       |      | 361  | 380                              |
| Long term investments                     | 8    | 110,671  | 133,987                          |
| Long term loans                           |      | 684  | 905                              |
| Long term deposits                        |      | 11,406   | 11,403                           |
| Deferred taxation                         | 9    | -  | -                                |
|   |      | 1,860,306  | 1,940,022                        |
| <b>Current Assets</b>                     |      |  |                                  |
| Stores and spares parts                   |      | 146,637  | 139,241                          |
| Stock-in-trade                            | 10   | 3,525,647  | 848,785                          |
| Trade debts                               |      | 19,068   | 189,018                          |
| Loans and advances                        | 11   | 307,858  | 39,978                           |
| Trade deposits and short term prepayments |      | 17,684   | 10,109                           |
| Interest accrued                          |      | 507  | 1,380                            |
| Other receivables                         |      | 50,587   | 57,904                           |
| Short term investments                    |      | 247,174  | 227,911                          |
| Income tax refunds due from Government    |      | 33,159   | 30,315                           |
| Cash and bank balances                    | 12   | 33,874   | 41,740                           |
|   |      | 4,382,195  | 1,586,380                        |
| <b>Total Assets</b>                       |      | <b>6,242,501</b>                                       | <b>3,526,403</b>                 |
| <b>EQUITY AND LIABILITIES</b>             |      |  |                                  |
| <b>Share Capital and Reserves</b>         |      |  |                                  |
| Authorized capital                        |      | 400,000  | 400,000                          |
| Issued, subscribed and paid-up capital    |      | 173,623  | 173,623                          |
| Reserves                                  |      | 1,920,726  | 2,054,425                        |
| Shareholders' equity                      |      | 2,094,349  | 2,228,048                        |
| <b>Non - Current Liabilities</b>          |      |  |                                  |
| Deferred liability                        |      | 74,116   | 68,507                           |
| <b>Current Liabilities</b>                |      |  |                                  |
| Trade and other payables                  | 13   | 1,105,152  | 758,280                          |
| Accrued mark-up                           |      | 36,802   | 2,121                            |
| Short term borrowings                     | 14   | 2,919,236  | 456,601                          |
| Provision for taxation                    |      | 12,846   | 12,846                           |
|   |      | 4,074,036  | 1,229,848                        |
| Contingencies and Commitments             |      | -  | -                                |
| <b>Total Equity and Liabilities</b>       |      | <b>6,242,501</b>                                       | <b>3,526,403</b>                 |

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

  
Shunaid Qureshi  
Chief Executive Officer


  
Asim Ghani  
Director



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE HALF YEAR ENDED MARCH 31, 2016**

|   | Note | Half Year Ended   |                   | Quarter Ended     |                   |
|---|------|-------------------|-------------------|-------------------|-------------------|
|   |      | March 31,<br>2016 | March 31,<br>2015 | March 31,<br>2016 | March 31,<br>2015 |
| (Rupees in thousand)                        |      |                   |                   |                   |                   |
| Sales                                       | 16   | 1,759,872         | 1,941,465         | 621,588           | 500,306           |
| Cost of sales                               |      | (1,479,794)       | (1,603,548)       | (516,238)         | (276,527)         |
| Gross profit                                |      | 280,078           | 337,917           | 105,350           | 223,779           |
| Profit from other reportable segments - net | 21   | 20,395            | 14,962            | 6,733             | 7,911             |
|   |      | 300,473           | 352,879           | 112,083           | 231,690           |
| Distribution cost                           |      | (49,850)          | (51,649)          | (28,861)          | (30,522)          |
| Administrative expenses                     |      | (58,154)          | (52,975)          | (30,969)          | (26,929)          |
| Other operating expenses                    |      | (10,747)          | (25,762)          | (1,471)           | (11,343)          |
|   |      | (118,751)         | (130,386)         | (61,301)          | (68,794)          |
| Operating profit                            |      | 181,722           | 222,493           | 50,782            | 162,896           |
| Finance cost                                |      | (51,784)          | (64,513)          | (44,520)          | (46,067)          |
| Other income / (other operating loss)       | 17   | 39,122            | 104,924           | 16,086            | (48,496)          |
| Profit before taxation                      |      | 169,060           | 262,904           | 22,348            | 68,333            |
| Taxation                                    |      | (19,008)          | (31,397)          | 150               | (16,574)          |
| Profit after taxation                       |      | 150,052           | 231,507           | 22,498            | 51,759            |
| Earning per share - basic and diluted       |      | 8.64              | 13.33             | 1.30              | 2.98              |

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

  
Shunaid Qureshi  
Chief Executive Officer

  
Asim Ghani  
Director




**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR ENDED MARCH 31, 2016**

| Half Year Ended   |                   | Quarter Ended     |                   |
|-------------------|-------------------|-------------------|-------------------|
| March 31,<br>2016 | March 31,<br>2015 | March 31,<br>2016 | March 31,<br>2015 |

(Rupees in thousand)

|   |                |                |                 |               |
|---|----------------|----------------|-----------------|---------------|
| Profit after taxation   | 150,052        | 231,507        | 22,498          | 51,759        |
| Other comprehensive income<br>for the period  |                |                |                 |               |
| Items to be classified to profit and loss<br>account in subsequent period                                     |                |                |                 |               |
| Unrealized loss on remeasurement<br>of available for sale investments   | (23,316)       | (16,233)       | (38,384)        | (58,473)      |
| Reclassification adjustment   |                |                |                 |               |
| Reclassification to profit and loss<br>account for gain / (loss) on sale of<br>available for sale investments | -              | (32,165)       | -               | 47,228        |
|   | (23,316)       | (48,398)       | (38,384)        | (11,245)      |
| Total comprehensive income<br>/ (loss) for the period   | <u>126,736</u> | <u>183,109</u> | <u>(15,886)</u> | <u>40,514</u> |

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

  
Shunaid Qureshi  
Chief Executive Officer

  
Asim Ghani  
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR ENDED MARCH 31, 2016

|   | Note | Half Year Ended    |                    |
|---|------|--------------------|--------------------|
|   |      | March 31,<br>2016  | March 31,<br>2015  |
| (Rupees in thousand)  |      |                    |                    |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |      |                    |                    |
| Cash used in operations                                     | 18   | (2,163,338)        | (1,616,499)        |
| Finance cost paid   |      | (17,103)           | (53,365)           |
| Income tax paid   |      | (21,852)           | (7,061)            |
| Long term loans recovered - net                             |      | 221                | 208                |
| Long term deposits paid                                     |      | (3)                | (10)               |
|   |      | <u>(38,737)</u>    | <u>(60,228)</u>    |
| Net cash used in operating activities                       |      | <u>(2,202,075)</u> | <u>(1,676,727)</u> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |      |                    |                    |
| Capital expenditure on property,<br>plant and equipment     |      | (6,358)            | (2,110)            |
| Proceeds from disposal of<br>property, plant and equipment  |      | 530                | 550                |
| Purchase of long term investments                           |      | -                  | (168,117)          |
| Proceeds from disposal of long<br>term investments          |      | -                  | 275,644            |
| Proceeds from disposal of short<br>term investments         |      | -                  | 14,519             |
| Interest / markup received                                  |      | 2,446              | 2,525              |
| Dividend received   |      | 3,968              | 1,655              |
| Net cash generated from investing activities                |      | <u>586</u>         | <u>124,666</u>     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |      |                    |                    |
| Repayment of long term financing                            |      | -                  | (18,182)           |
| Dividend paid   |      | (269,012)          | (204,646)          |
| Proceeds from short term<br>borrowings - net                |      | 2,462,635          | 1,783,583          |
| Net cash generated from<br>financing activities             |      | <u>2,193,623</u>   | <u>1,560,755</u>   |
| Net (decrease) / increase in cash<br>and cash equivalents   |      | <u>(7,866)</u>     | <u>8,694</u>       |
| Cash and cash equivalents at the<br>beginning of the period |      | 41,740             | 17,394             |
| Cash and cash equivalents at the<br>end of the period       |      | <u>33,874</u>      | <u>26,088</u>      |

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Shunaid Qureshi  
Chief Executive Officer

Asim Ghani  
Director



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE HALF YEAR ENDED MARCH 31, 2016

|   | Reserves                               |                 |                       |                  |   |                               |           |                |  |           | Total Shareholder's Equity |
|---|--|-----------------|-----------------------|------------------|---|-------------------------------|-----------|----------------|--|-----------|----------------------------|
|   | Revenue Reserves                       |                 |                       | Capital reserves |   |                               |           | Reserves       |  |           |                            |
|   | Issued, subscribed and paid up capital | General reserve | Unappropriated profit | Sub total        | Gain/(loss) on remeasurement of retirement benefit obligation | Available for sale investment | Sub total | Total Reserves |  |           |                            |
| Balance as at October 1, 2014   | 173,623                                | 1,458,000       | 540,914               | 1,998,914        | 23,621  | 30,080                        | 53,701    | 2,052,615      |  | 2,226,238 |                            |
| Total comprehensive income for the period   | -                                      | -               | 231,507               | 231,507          | -   | -                             | -         | 231,507        |  | 231,507   |                            |
| Profit for the period   | -                                      | -               | 231,507               | 231,507          | -   | -                             | -         | 231,507        |  | 231,507   |                            |
| Other comprehensive income for the period   | -                                      | -               | -                     | -                | -   | (16,233)                      | (16,233)  | (16,233)       |  | (16,233)  |                            |
| Unrealized gain on remeasurement of available for sale investments                                      | -                                      | -               | -                     | -                | -   | (32,165)                      | (32,165)  | (32,165)       |  | (32,165)  |                            |
| Reclassification to profit and loss account for gain realized on sale of available for sale investments | -                                      | -               | -                     | -                | -   | (48,398)                      | (48,398)  | (48,398)       |  | (48,398)  |                            |
| Transactions with owners  | -                                      | -               | 231,507               | 231,507          | -   | -                             | -         | 231,507        |  | 231,507   |                            |
| Final Dividend 2014: Rs. 10.00 per share  | -                                      | -               | (173,623)             | (173,623)        | -   | -                             | -         | (173,623)      |  | (173,623) |                            |
| Interim Dividend 2015: Rs. 2.50 per share   | -                                      | -               | (43,406)              | (43,406)         | -   | -                             | -         | (43,406)       |  | (43,406)  |                            |
| Balance as at March 31, 2015  | 173,623                                | 1,458,000       | 555,392               | 2,013,392        | 23,621  | (18,318)                      | 5,303     | 2,018,695      |  | 2,192,318 |                            |
| Balance as at October 1, 2015   | 173,623                                | 1,458,000       | 601,791               | 2,059,791        | 35,774  | (41,140)                      | (5,366)   | 2,054,425      |  | 2,228,048 |                            |
| Total comprehensive income for the period   | -                                      | -               | 150,052               | 150,052          | -   | -                             | -         | 150,052        |  | 150,052   |                            |
| Profit for the period   | -                                      | -               | 150,052               | 150,052          | -   | -                             | -         | 150,052        |  | 150,052   |                            |
| Other comprehensive income for the period   | -                                      | -               | -                     | -                | -   | (23,316)                      | (23,316)  | (23,316)       |  | (23,316)  |                            |
| Unrealized gain on remeasurement of available for sale investments                                      | -                                      | -               | -                     | -                | -   | (23,316)                      | (23,316)  | (23,316)       |  | (23,316)  |                            |
| Transactions with owners  | -                                      | -               | 150,052               | 150,052          | -   | -                             | -         | 150,052        |  | 150,052   |                            |
| Interim Dividend 2015: Rs.6.50 per share  | -                                      | -               | (112,855)             | (112,855)        | -   | -                             | -         | (112,855)      |  | (112,855) |                            |
| Final Dividend 2015: Rs. 3.50 per share   | -                                      | -               | (60,768)              | (60,768)         | -   | -                             | -         | (60,768)       |  | (60,768)  |                            |
| Interim Dividend 2016: Rs.5.00 per share  | -                                      | -               | (86,812)              | (86,812)         | -   | -                             | -         | (86,812)       |  | (86,812)  |                            |
| Balance as at March 31, 2016  | 173,623                                | 1,458,000       | 491,408               | 1,949,408        | 35,774  | (64,456)                      | (28,682)  | 1,920,726      |  | 2,094,349 |                            |

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

  
Shumaid Qureshi  
Chief Executive Officer

  
Asim Ghani  
Director



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2016

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 (note 1.1)                          | Processing and sale of industrial ethanol   | Mirwah Gorchani, Mirpurkhas           | Unit I: August 20, 2000<br>Unit II: January 23, 2004 |
| 3    | *Chemical, alloys and<br>**Power (note 1.2) | *Manufacturing and sales of calcium carbide and ferro alloys.<br>**Generation and sales of electricity. | Dhabeji, Thatta.                      | *November 1, 2006<br>**April 06, 2010                |
| 4    | Tank Terminal                               | Providing bulk storage facility   | Oil industrial area, Kamari, Karachi. | October 15, 2012                                     |

1.1 The Company has also entered into agreement for supply of CO2 gas at its ethanol division. The same is not a reportable segment as per criteria defined in IFRS-8.

1.2 The production facilities of chemical, alloys and power segment have been suspended in view of present business conditions. However, the Management of the Company is in process of negotiation with K-Electric for resumption of power supply to them for which budgets have been approved by the Board of Directors. Tariff has been approved by the NEPRA, however, the Management sought tariff revision. Once the tariff is amended, the Management of the Company will place the Power Acquisition Contract and Tariff before the Board of Directors for their approval.

2 BASIS OF PREPARATION

2.1 This condensed interim financial information of the Company for the half year ended March 31, 2016 is unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed.

2.2 The figures of condensed interim profit and loss account for the quarter ended March 31, 2016 have not been reviewed by the auditors of the Company as they have reviewed the cumulative figures for the half year ended March 31, 2016. This condensed interim financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2015.

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

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



2.5 The comparative balance sheet presented has been extracted from annual financial statements for the year ended September 30, 2015, 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 half year ended March 31, 2015.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, applied in the preparation of these condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended September 30, 2015.

Further, the Company has adopted the following amended standards and interpretations of IFRSs which became effective during the current period:

IAS 27 (Revised 2011) – Separate Financial Statements  
IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures  
IFRS 10 – Consolidated Financial Statements  
IFRS 11 – Joint Arrangements  
IFRS 12 – Disclosure of Interests in Other Entities  
IFRS 13 – Fair Value Measurement

The adoption of the above amendments and interpretation of the standards did not have any effect on these condensed interim financial information.

### 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, 2015.

4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended September 30, 2015.

### 5 INCOME TAX, WORKERS' PROFIT PARTICIPATION FUND AND WORKERS' WELFARE FUND

Provision in respect of income taxes, Workers' Profit Participation Fund and Workers Welfare Fund 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)<br>March 31,<br>2016<br>(Rupees in thousand)  | (Audited)<br>September 30,<br>2015 |
|-----|--|------------------------------------|
| 7   | <b>PROPERTY, PLANT AND EQUIPMENT</b>   |                                    |
|     | Additions  |                                    |
|     | Vehicles 6,062   | 1,923                              |
|     | Office equipment 296   | 326                                |
|     | Computers -  | 241                                |
|     | Transferred from CWIP to operating assets  |                                    |
|     | Plant and machinery -  | 12,310                             |
|     | Additions to CWIP  |                                    |
|     | Plant and machinery -  | 12,310                             |
|     | Disposal   |                                    |
|     | Vehicle - at cost 1,769  | 523                                |
| 8   | <b>LONG TERM INVESTMENTS</b>   |                                    |
|     | Available for sale investments - in Quoted shares at fair value  |                                    |
|     | - Related party 42   | 73                                 |
|     | 8.1 - Others 110,628   | 133,914                            |
|     | 8.2 <u>110,671</u>   | <u>133,987</u>                     |
| 8.1 | These include investment in 16,994,000 cumulative preference shares of Aisha Steel Mills Limited (ASLPS) having carrying value of Rs. 101.964 million. As at March 31, 2016, the dividend accrued on these preference shares amounts to Rs. 72.091 (September 30, 2015: Rs. 63.939) million which has not been recorded in these condensed financial information as the investee company is facing operational losses. |                                    |
| 8.2 | During the period, the Company recorded unrealized loss on investments in Hum Network Limited, Aisha Steel Mills Limited and Power Cement Limited amounting to Rs. 0.031 million, Rs. 22.602 million, and Rs. 0.683 million respectively.  |                                    |
|     | (Un-audited)<br>March 31,<br>2016<br>(Rupees in thousand)  | (Audited)<br>September 30,<br>2015 |
| 9   | <b>DEFERRED TAXATION</b>   |                                    |
|     | Deferred tax liability arising in respect of :<br>Accelerated tax depreciation for tax purposes  |                                    |
|     | (263,449)  | (270,294)                          |
|     | Less: Deferred tax asset arising in respect of:  |                                    |
|     | Available tax losses 283,067   | 290,555                            |
|     | Minimum tax 136,807  | 125,612                            |
|     | Provisions 39,426  | 39,426                             |
|     | <u>459,300</u>   | <u>455,593</u>                     |
|     | 195,851  | 185,299                            |
|     | Less: Deferred tax asset not recognized <u>(195,851)</u>   | <u>(185,299)</u>                   |
|     | -  | -                                  |
| 9.1 | Deferred tax asset as at March 31, 2016 amounting to Rs. 195.851 (September 30, 2015: Rs. 185.299) million has not been recognized as the Company is uncertain about the timing and extent of future taxable profits against which such benefits can be utilized.  |                                    |



|   | (Un-audited)<br>March 31,<br>2016<br>(Rupees in thousand)   | (Audited)<br>September 30,<br>2015                         |
|---|---|--|
| 10 STOCK-IN-TRADE                         |   |  |
| Raw materials                             | 821,027   | 145,437  |
| Work-in-process                           | 2,841   | 3,312  |
| Finished goods                            | 2,703,959   | 702,216  |
|   | <u>3,527,827</u>  | <u>850,965</u>   |
| Provision for finished goods              | <u>(2,180)</u>  | <u>(2,180)</u>   |
|   | <u>3,525,647</u>  | <u>848,785</u>   |
| 10.1                                      | Value of stock of sugar pledged as at March 31, 2016 amounting to Rs. 2,053.482 million (September 30, 2015 Rs. nil).   |  |
| 10.2                                      | Finished goods include stock items valued at net realizable value (NRV) amounting to Rs. 18.416 (September 30, 2015 Rs. 18.653) million as against their cost amounting to Rs. 20.022 (September 30, 2015 Rs. 22.007) million respectively. |  |
|   | (Un-audited)<br>March 31,<br>2016<br>Note   | (Audited)<br>September 30,<br>2015<br>(Rupees in thousand) |
| 11 LOANS AND ADVANCES                     |   |  |
| Loans to growers                          |   |  |
| Considered good                           |   |  |
| - Interest based                          | 7,612   | 24,734   |
| - Non - interest based                    | 1,072   | 1,072  |
| Considered doubtful                       | 301   | 301  |
| - Provision for loans considered doubtful | <u>(301)</u>  | <u>(301)</u>   |
|   | 8,684   | 25,806   |
| Current portion of long term loans        | <u>887</u>  | <u>640</u>   |
|   | 9,571   | 26,446   |
| Advances                                  |   |  |
| To suppliers, contractors and others      |   |  |
| Considered good                           | 298,287   | 13,532   |
| Considered doubtful                       |   |  |
| - suppliers and contractors               | 75,355  | 75,355   |
|   | 373,642   | 88,887   |
| Provision for doubtful advances           | <u>(75,355)</u>   | <u>(75,355)</u>  |
|   | <u>298,287</u>  | <u>13,532</u>  |
|   | <u>307,858</u>  | <u>39,978</u>  |
| 12 CASH AND BANK BALANCES                 |   |  |
| Cash in hand                              | 1,130   | 1,039  |
| Cash at banks                             |   |  |
| Current accounts                          | 15,388  | 32,935   |
| Saving accounts                           | 12.1 <u>17,356</u>  | <u>7,766</u>   |
|   | <u>32,744</u>   | <u>40,701</u>  |
|   | <u>33,874</u>   | <u>41,740</u>  |
| 12.1                                      | It includes investment in arrangement permissible under Shariah amounting to Rs. 6.451 (September 30, 2015: 0.067) million.   |  |
|   | (Un-audited)<br>March 31,<br>2016<br>Note   | (Audited)<br>September 30,<br>2015<br>(Rupees in thousand) |
| 13 TRADE AND OTHER PAYABLES               | 13.1 <u>1,105,152</u>   | <u>758,280</u>   |
| 13.1                                      | There are no major changes in the disclosure as reported in the annual financial statements for the year ended September 30, 2015.  |  |





|      | (Un-audited)         | (Audited)     |
|------|----------------------|---------------|
|      | March 31,            | September 30, |
|      | 2016                 | 2015          |
| Note | (Rupees in thousand) |               |

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

|                         |      |                  |                |
|-------------------------|------|------------------|----------------|
| Cash / running finances | 14.2 | 1,749,236        | 101,601        |
| Export refinance        |      | <u>1,170,000</u> | <u>355,000</u> |
|                         |      | <u>2,919,236</u> | <u>456,601</u> |

14.1 The available aggregate finance facilities (short term funded) amounting to Rs. 3.860 (September 30, 2015: Rs. 3.910) billion which have been arranged from various commercial banks out of which Rs. 3.160 (September 30, 2015: Rs. 3.110) billion is interchangeable with export refinance and FE 25 out of total export refinance limit of Rs. 2.460 (September 30, 2015: Rs. 2.460) billion. The terms and conditions relating to these finance facilities are same as disclosed in annual financial statements for the year ended September 30, 2015.

14.2 It includes borrowing under Shariah mode of financing amounting to Rs. 300 (September 30, 2015: Rs. nil) million.

**15 CONTINGENCIES AND COMMITMENTS****15.1 Contingencies**

15.1.1 As per notification No. 4(142) S.O (Ext) 95-XXIII dated December 11, 2013, Government of Sindh has directed sugar factories in the province to pay quality premium to the cane growers in respect of crushing season 2013-14 @0.50 paise per 40 Kg for each 0.1% (including fraction thereof to be calculated prorata) of excess sucrose recovery of above 8.7% determined on overall sucrose recovery basis on each mill. However, as the matter is pending in Supreme Court of Pakistan and as per decisions of Federal Government, Steering Committee meeting held on 16-07-2007, the quality premium shall remain suspended till decision of Supreme Court / Consensus on uniform formula is developed in Federal Government. In view of the given circumstances and as per the decision of the Punjab High Court in a similar case in which it was declared that the demand of quality premium is unlawful, the management of the company is confident that case will be decided in favor of sugar mills, therefore no provision has been made in this interim financial information for liability of quality premium in respect of crushing season 2013-2014, 2014-2015 and 2015-2016 amounting to Rs. 82.225 million, Rs. 142.719 million, and Rs.124.080 million respectively.

15.1.2 A suit bearing no. 281 has been filed in the Honorable High Court of Sindh at Karachi by Mr. Suleman Lalani, (non-executive and minority Director) against the Company, its Chief Executive and eight others, alleging mismanagement in the company's affairs including siphoning off and divergence of Company's funds by the Chief Executive and others. The prayer sought in the suit mainly comprises of Rs. 236.716 million retrieval of the Company's funds along-with costs of the suit filed by the plaintiff and seeking appointment of receiver and carrying out of the forensic audit of the Company and removal of its Chief Executive. In response to the aforementioned, the Company and its management denied all allegations of the plaintiff. The hearings are in progress.

The Company's legal counsel have stated that considering the vagaries of litigation, no definite prediction can be made regarding the outcome of the case at this stage. However, in view of the Company's management, no adverse inference is likely to materialize in the suit.

However, Mr. Lalani also filed another Civil Miscellaneous Application No. 9973 of 2013, seeking to refrain the Board of Directors of the Company from specifically approving any investment in Javedan Corporation Limited ("JCL"), a separate and unrelated public limited company. The said CMA was argued before the Sindh High Court by both parties which the High Court restrained the defendant no to take any decision for investment in JCL until the final outcome of the suit and directed the Securities Exchange Commission



of Pakistan ("SECP") to treat the plaint filed in this matter as a complaint under Section 263 of the Companies Ordinance, 1984 and accordingly investigate the affairs of the Company and submit a report on the same.

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

15.1.3 The Federal Government notified reduced rate of FED @ 0.5% on local supply of sugar to the extent of sugar exported by sugar mills against export quota allocated by Economic Coordination Committee in meeting dated January 10, 2013, subject to terms and conditions prescribed in S.R.O 77(1)/2013 dated February 07, 2013. The Company availed the facility effective from 10th January 2013, however as per contention of the department the relief was applicable from the date of SRO, accordingly the demand amounting to Rs. 85.450 millions relating to period prior to date of SRO was created. The same was contested before the Honorable High Court of Sindh vide Constitution Petition No. 1927/2014. During the period, the case has been decided in the favor of the Company by the Appellate Tribunal Inland Revenue, Karachi. However, the respondent has the right to file reference application to the Honorable High Court of Sindh.

15.1.4 There were no major changes in the status of other contingencies as reported in the annual financial statements for the year ended September 30, 2015.

15.2 Commitments

a) Commitments in respect of letter of credit amount to Rs. 5.403 (September 30, 2015: Rs. 9.984) million.

b) Bank guarantees of Rs. 54.6 (September 30, 2015: Rs. 54.6) million have been issued by the banking companies on behalf of the Company in favor of customers and suppliers.

16 SALES

|                               | Note | Half Year Ended  |                  | Quarter Ended  |                |
|-------------------------------|------|------------------|------------------|----------------|----------------|
|                               |      | March 31         |                  | March 31       |                |
|                               |      | 2016             | 2015             | 2016           | 2015           |
| Rupees in '000'               |      |                  |                  |                |                |
| Sales - gross                 | 16.1 | 1,849,334        | 2,022,771        | 638,001        | 511,751        |
| Federal excise duty/Sales tax |      | (89,462)         | (81,306)         | (16,413)       | (11,445)       |
|                               |      | <u>1,759,872</u> | <u>1,941,465</u> | <u>621,588</u> | <u>500,306</u> |

16.1 It includes exchange gain on proceeds against export of ethanol amounting to Rs. 3.646 (March 31, 2015: Rs. 3.498) million.

|                      | Note | March 31,<br>2016 | March 31,<br>2015 |
|----------------------|------|-------------------|-------------------|
| (Rupees in thousand) |      |                   |                   |

17 OTHER INCOME

|  |      |               |                |
|--|------|---------------|----------------|
| Income from financial assets   |      |               |                |
| Mark - up on loan to growers   |      | 929           | -              |
| Income from TDR's / PLS deposits   | 17.1 | 644           | -              |
| Dividend   | 17.2 | 3,967         | 1,655          |
| Export subsidy   |      | 13,000        | -              |
| Capital gain on sale of long term investments  |      | -             | 100,466        |
| Unrealized gain on short term investments carried at fair value through profit or loss account | 17.3 | 19,263        | -              |
|  |      | <u>37,803</u> | <u>102,121</u> |
| Income from other than financial assets  |      | <u>1,319</u>  | <u>2,803</u>   |
|  |      | <u>39,122</u> | <u>104,924</u> |



- 17.1 It includes profit earned from arrangements permissible under Shariah amounting to Rs. 0.285 (March 31, 2015: 0.818) million.
- 17.2 This includes dividend received against investments in Mehran Sugar Mills Limited, IGI Insurance Limited, Hum Network Limited and Fauji Cement Company Limited amounting to Rs. 0.948 million, Rs. 1.518 million, Rs. 0.00078 million and Rs. 1.5 million respectively.
- 17.3 It includes unrealized gain on investment in Mehran Sugar Mills Limited, IGI Insurance Limited, and Fauji Cement Company Limited amounting to Rs. 9.065 million, Rs. 1.768 million, and Rs.8.430 million respectively.

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

18 CASH USED IN OPERATIONS

|  |             |             |
|--|-------------|-------------|
| Profit before taxation   | 169,060     | 262,904     |
| Adjustments for:   |             |             |
| Depreciation on property, plant and equipment  | 62,203      | 66,816      |
| Depreciation on investment property  | 19          | 21          |
| Gain on disposal of property, plant and equipment - net  | (212)       | (319)       |
| Unrealized (gain) / loss on short term investment carried at fair value through profit or loss account | (19,263)    | 5,844       |
| Capital gain on sale of long term investments  | -           | (100,466)   |
| Mark-up on loan to growers   | (929)       | (945)       |
| Dividend   | (3,968)     | (1,655)     |
| Income on term deposit receipts  | (644)       | (553)       |
| Finance cost   | 51,784      | 64,513      |
| Increase in deferred liability - market fee  | 5,609       | 5,646       |
|  | 94,599      | 38,902      |
| Cash generated from operating activities before working capital changes                                | 263,659     | 301,806     |
| (Increase) / decrease in current assets  |             |             |
| Stores and spares  | (7,396)     | (8,369)     |
| Stock-in-trade   | (2,676,862) | (2,411,175) |
| Trade debts  | 169,950     | 12,035      |
| Loans and advances   | (267,880)   | 29,958      |
| Trade deposits and short term prepayments  | (7,575)     | (5,829)     |
| Other receivables  | 7,317       | 6,659       |
| Short term investments   | -           | 6,811       |
|  | (2,782,446) | (2,369,910) |
| Increase / (decrease) in current liabilities   |             |             |
| Increase in trade and other payables   | 355,449     | 451,605     |
| Net cash used in operations  | (2,163,338) | (1,616,499) |



19 SEGMENT REPORTING

|   | (Rupees in thousand)     |           |           |           |             |             |
|---|--------------------------|-----------|-----------|-----------|-------------|-------------|
|   | Half year ended March 31 |           |           | Total     |             |             |
|   | 2016                     | 2015      | 2016      | 2015      | 2016        | 2015        |
|   | Sugar                    |           | Ethanol   |           |             |             |
| Segment profit and loss account             |                          |           |           |           |             |             |
| Sales                                       | 944,938                  | 927,918   | 814,934   | 1,013,547 | 1,759,872   | 1,941,465   |
| Cost of sales                               | (868,438)                | (851,064) | (611,356) | (752,484) | (1,479,794) | (1,603,548) |
| Gross profit                                | 76,500                   | 76,854    | 203,578   | 261,063   | 280,078     | 337,917     |
| Profit from other reportable segments - net |                          |           |           |           | 20,395      | 14,962      |
| Distribution cost                           | (7,179)                  | (6,882)   | (42,671)  | (44,767)  | 300,473     | 352,879     |
| Administrative expenses                     | (34,900)                 | (31,793)  | (23,254)  | (21,182)  | (49,850)    | (51,649)    |
| Operating segment results                   | 34,421                   | 38,179    | 137,653   | 195,114   | (58,154)    | (52,975)    |
| Other operating expenses                    |                          |           |           |           | 192,469     | 248,255     |
| Finance cost                                |                          |           |           |           | (10,747)    | (25,762)    |
| Other income                                |                          |           |           |           | (51,784)    | (64,513)    |
| Taxation                                    |                          |           |           |           | 39,122      | 104,924     |
| Net profit for the period                   |                          |           |           |           | 169,060     | 262,904     |
|   |                          |           |           |           | (19,008)    | (31,397)    |
|   |                          |           |           |           | 150,052     | 231,507     |



(Rupees in thousand)

|   | quarter ended March 31 |          |           |           |           |           |
|---|------------------------|----------|-----------|-----------|-----------|-----------|
|   | 2016                   |          | 2015      |           | 2015      |           |
|   | Sugar                  | Ethanol  | Sugar     | Ethanol   | 2016      | Total     |
| Sales                                       | 114,982                | 63,225   | 506,606   | 437,081   | 621,588   | 500,306   |
| Cost of sales                               | (131,764)              | 5,734    | (384,474) | (282,261) | (516,238) | (276,527) |
| Gross profit                                | (16,782)               | 68,959   | 122,132   | 154,820   | 105,350   | 223,779   |
| Profit from other reportable segments - net |                        |          |           |           | 6,733     | 7,911     |
|   |                        |          |           |           | 112,083   | 231,690   |
| Distribution cost                           | (4,045)                | (4,792)  | (24,816)  | (25,730)  | (28,861)  | (30,522)  |
| Administrative expenses                     | (18,586)               | (16,151) | (12,383)  | (10,778)  | (30,969)  | (26,929)  |
| Operating segment results                   | (39,413)               | 48,016   | 84,933    | 118,312   | 52,253    | 174,239   |
| Other operating expenses                    |                        |          |           |           | (1,471)   | (11,343)  |
| Finance cost                                |                        |          |           |           | (44,520)  | (46,067)  |
| Other income / (other operating loss)       |                        |          |           |           | 16,086    | (48,496)  |
| Taxation                                    |                        |          |           |           | 22,348    | 68,333    |
| Net profit for the period                   |                        |          |           |           | 150       | (16,574)  |
|   |                        |          |           |           | 22,498    | 51,759    |



(Rupees in thousand)

| March 31, 2016 | September 30, 2015 | March 31, 2016 | September 30, 2015 | March 31, 2016             | September 30, 2015 | March 31, 2016 | September 30, 2015 | Storage tank terminal |                    |
|----------------|--------------------|----------------|--------------------|----------------------------|--------------------|----------------|--------------------|-----------------------|--------------------|
|                |                    |                |                    |                            |                    |                |                    | March 31, 2016        | September 30, 2015 |
| Sugar          |                    |                |                    |                            |                    |                |                    |                       |                    |
| 3,172,736      | 1,456,142          | 1,846,886      | 829,480            | 496,139                    | 509,219            | 191,316        | 197,160            |                       |                    |
|                |                    | Ethanol        |                    | Chemical, alloys and power |                    | Total          |                    |                       |                    |
|                |                    | 829,480        |                    | 496,139                    |                    | 191,316        |                    | 197,160               |                    |
|                |                    | 535,424        |                    | 534,402                    |                    | 3,526,403      |                    |                       |                    |
|                |                    | 6,242,501      |                    |                            |                    |                |                    |                       |                    |

Segment assets and liabilities  
 Segment assets - Allocated  
 Segment assets - Unallocated

Segment liabilities - Allocated  
 Segment liabilities - Unallocated

Capital expenditure - Allocated  
 Capital expenditure - Unallocated

(Rupees in thousand)

| March 31, 2016 | September 30, 2015 | March 31, 2016 | September 30, 2015 | March 31, 2016             | September 30, 2015 | March 31, 2016 | September 30, 2015 | Storage tank terminal |                    |
|----------------|--------------------|----------------|--------------------|----------------------------|--------------------|----------------|--------------------|-----------------------|--------------------|
|                |                    |                |                    |                            |                    |                |                    | March 31, 2016        | September 30, 2015 |
| Sugar          |                    |                |                    |                            |                    |                |                    |                       |                    |
| 22,013         | 46,885             | 18,399         | 39,507             | 13,060                     | 28,041             | 8,731          | 19,458             |                       |                    |
|                |                    | Ethanol        |                    | Chemical, alloys and power |                    | Total          |                    |                       |                    |
|                |                    | 39,507         |                    | 13,060                     |                    | 8,731          |                    | 19,458                |                    |
|                |                    | 62,203         |                    | 62,203                     |                    | 133,891        |                    |                       |                    |

Depreciation  
 Non cash expenses other than depreciation  
 Provision for trade debts  
 Provision of write down in finished goods  
 Provision for doubtful advances  
 Provision for slow moving items and obsolescence  
 Unrealized gain on short term investments



20 RELATED PARTY TRANSACTIONS

The related parties comprise associated undertakings, other related group companies, directors of the company, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Amounts due to / from related parties are shown in under respective note to the financial statement. Transactions with related parties are as follows:

|   | March 31,<br>2016    | March 31,<br>2015 |
|---|----------------------|-------------------|
|   | (Rupees in thousand) |                   |
| - associated companies  |                      |                   |
| Dividend income   | 1                    | 1,149             |
| Sale of ethanol and others  | 10,917               | -                 |
| - Employee Gratuity Fund  |                      |                   |
| Installment recovered from employees on behalf<br>of Employees Gratuity Fund          | 2,631                | 6,920             |
| Paid to Employees Gratuity Fund on account of<br>installment recovered from employees | -                    | 8,000             |
| Key management personnel  |                      |                   |
| Remuneration of chief executive, directors and<br>executives.                         | 39,531               | 34,207            |

During the period the company has paid dividends to director and associated company amounting to Rs. 150.469 million (March 31, 2015: Rs. 137.437 million).

21 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<br>caption component   | Reclassification to the caption<br>component   | Note                       | Amount in<br>million |
|--|--|----------------------------|----------------------|
| Net Profit From Storage<br>Tank Terminal   | Profit From Other Reportable<br>Segments - Net | Profit and loss<br>account | 42.738               |
| Net loss from chemical,<br>alloys and power segment<br>and fixed expenses due to<br>suspension | Profit From Other Reportable<br>Segments - Net | Profit and loss<br>account | (27.776)             |
|  |  |                            | <u>14.962</u>        |

22 GENERAL

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

23 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorized for issue on 24th May, 2016 by Board of Directors' of the Company.

Shunaid Qureshi  
Chief Executive Officer

Asim Ghani  
Director