



**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
Ali Jehangir Siddiqui	Director
Asma Aves Cochinwala	Director
Darakshan Ghani	Director
Duraid Qureshi	Director
Sayyed Rafay Akber Rashdi	Director
Suleman Lalani	Director

### COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Zuhair Abbas

### AUDIT COMMITTEE

Sayyed Rafay Akber Rashdi	Chairman
Darakshan Ghani	Member
Duraid Qureshi	Member
Tariq Iqbal - ACA	Secretary

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

Duraid Qureshi	Chairman
Asim Ghani	Member
Darakshan Ghani	Member
Sayyed Rafay Akber Rashdi	Member

### STATUTORY AUDITORS

Haroon Zakaria & Co.	Chartered Accountants
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### COST AUDITORS

Siddiqi & Company	Chartered Accountants
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### 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.aasm.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 Quarter ended December 31, 2015.

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

	Quarter ended December 31, 2015 (Rupees in thousands)	Quarter ended December 31, 2014
Operating profit	130,940	59,597
Finance cost	<u>(7,264)</u>	<u>(18,446)</u>
	123,676	41,151
Other income	<u>23,036</u>	<u>153,420</u>
Profit before taxation	146,712	194,571
Taxation	<u>(19,158)</u>	<u>(14,823)</u>
Profit after taxation	<u>127,554</u>	<u>179,748</u>
Basic earnings per share (Rupees)	<u>7.35</u>	<u>10.35</u>

### SUBSEQUENT EVENT AND DIVIDEND

The Board of Directors in their meetings held on December 28, 2015 and January 26, 2016 has proposed 35% final and 50% interim cash dividend for the year ended September 30, 2015 and quarter ended December 31, 2015 respectively. These condensed interim financial statements do not include the effect of final and interim dividend.

### Sugar Division

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

#### Financial performance

	Quarter ended December 31, 2015 (Rupees in thousands)	Quarter ended December 31, 2014
Sales	829,956	864,693
Cost of sales	<u>(736,674)</u>	<u>(856,798)</u>
Gross profit	93,282	7,895
Distribution cost	<u>(3,134)</u>	<u>(2,090)</u>
Administrative expenses	<u>(16,314)</u>	<u>(15,642)</u>
Segment operating result	<u>73,834</u>	<u>(9,837)</u>

#### Operational performance

	2015-16	2014-15
Date of start of season	November 23, 2015	December 08, 2014
No. of days worked	39	24
Crushing (M.Tons)	272,265	150,382
Production from sugarcane (M.Tons)	26,020	14,747
Sales (M.Tons)	17,456	18,692
Recovery (%)	9.95	9.81



The plant operated for 39 days as against 24 days of preceding season. The sugarcane crushed during the current season was 272,265 M.Tons with average sucrose recovery of 9.95% and sugar production of 26,020 M.Tons as compared with crushing of 150,382 M.Tons with average sucrose recovery of 9.81% and sugar production of 14,747M.Tons of same period last year.

#### Ethanol Division

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

##### Financial Performance

	Quarter ended December 31, 2015 (Rupees in thousands)	Quarter ended December 31, 2014
Sales	308,328	576,466
Cost of sales	(226,882)	(470,223)
Gross profit	81,446	106,243
Distribution cost	(17,855)	(19,037)
Administrative expenses	(10,871)	(10,404)
Segment operating result	52,720	76,802

The operational data is given below:

Operational performance	2015-16	2014-15
Production (M.Tons) - Unit I and II	4,509	3,730
Sales (M.Tons)	3,920	6,811

During the period under review, this division produced 4,509 M.Tons ethanol as compared to corresponding period of 3,730 M.Tons. The sales has been decreased by 2,891 M.Tons thus decreased the turnover by Rs. 268.138 million and segment profit Rs. 24.082 million.

#### Power, Chemical and Alloys Division

The operations for the chemical and power division were remained suspended during the period under review and the division has incurred operating segment loss of Rs. 12.850 million as compared to loss of Rs. 14.028 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. 26.512 million as compared to profit of Rs. 21.079 million of last year. The improved performance of this division is mainly due to full utilization of capacity.

#### FUTURE PROSPECTS

The Government of Pakistan has announced 500,000 M.Tons of sugar export till March 2016 and Rs. 13 per Kg as export subsidy. The cane commissioner Sindh has fixed the minimum sugarcane price of Rs. 172 per maunds for the Sindh region. However, the growers through Sindh Abadgar's Board file the petition before High Court of Sindh, Hyderabad and challenge the said notification. The growers demanded to increase the notified price.



The international data on sugar production and its selling prices reveals that global sugar production is forecast to down by 2.5 to 3 million metric tons as compare to the last year and the consumption is expected to increase due to growing food-processing sectors in China, India and Thailand that require more sugar ingredients thus the selling prices would likely to increase.

The prices of ethanol are plummeted because of decrease in international oil prices, 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 and achieving the all-time high per day crushing record during the start of the current season. 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

**Shunaid Qureshi**  
Chief Executive Officer

Karachi: **January 26, 2016**

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)  
AS AT DECEMBER 31, 2015**

		December 31, 2015 Un-audited Note	September 30, 2015 Audited
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	1,765,945	1,793,347
Investment property		370	380
Long term investments		149,055	133,987
Long term loans		932	905
Long term deposits		11,403	11,403
Deferred taxation	8	-	-
		<b>1,927,705</b>	<b>1,940,022</b>
<b>Current Assets</b>			
Stores and spares parts		166,831	139,241
Stock-in-trade	9	1,423,516	848,785
Trade debts		18,989	189,018
Loans and advances	10	673,559	39,978
Trade deposits and short term prepayments		18,736	10,109
Interest accrued		489	1,380
Other receivables		57,423	57,904
Short term investments		245,340	227,911
Income tax refunds due from the Government		23,307	30,315
Cash and bank balances		20,793	41,740
		<b>2,648,983</b>	<b>1,586,381</b>
<b>Total Assets</b>		<b>4,576,688</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		2,084,192	2,054,425
<b>Shareholders' equity</b>		<b>2,257,815</b>	<b>2,228,048</b>
<b>Non - Current Liabilities</b>			
Deferred liability		71,231	68,507
<b>Current Liabilities</b>			
Trade and other payables		929,430	758,280
Accrued mark-up		5,414	2,121
Short term borrowings	11	1,299,952	456,601
Provision for taxation		12,846	12,846
		<b>2,247,642</b>	<b>1,229,848</b>
Contingencies and Commitments	12		
<b>Total Equity and Liabilities</b>		<b>4,576,688</b>	<b>3,526,403</b>

The annexed notes 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 QUARTER ENDED DECEMBER 31, 2015

	Quarter Ended	
	December 31, 2015	December 31, 2014
(Rupees in thousand)		
Sales	1,138,284	1,441,159
Cost of sales	(963,556)	(1,327,021)
<b>Gross profit</b>	<b>174,728</b>	<b>114,138</b>
Profit from other reportable segments - net	13,662	7,051
	<b>188,390</b>	<b>121,189</b>
Distribution cost	(20,989)	(21,127)
Administrative expenses	(27,185)	(26,046)
Other operating expenses	(9,276)	(14,419)
	(57,450)	(61,592)
<b>Operating profit</b>	<b>130,940</b>	<b>59,597</b>
Finance cost	(7,264)	(18,446)
Other income	23,036	153,420
Profit before taxation	146,712	194,571
Taxation	(19,158)	(14,823)
<b>Profit after taxation</b>	<b>127,554</b>	<b>179,748</b>
<b>Earnings per share - Basic and diluted</b>	<b>7.35</b>	<b>10.35</b>

The annexed notes 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 QUARTER ENDED DECEMBER 31, 2015

	Quarter Ended	
	December 31, 2015	December 31, 2014
	(Rupees in thousand)	
<b>Profit after taxation</b>	<b>127,554</b>	179,748
<b>Other comprehensive income for the period</b>		
Items to be classified to profit and loss account in subsequent period		
Unrealized gain on remeasurement of available for sale investments	15,068	42,240
Reclassification adjustment Reclassification to profit and loss account for gain on sale of available for sale investments	- 15,068	(79,393) (37,153)
<b>Total comprehensive income for the period</b>	<b>142,622</b>	142,595

The annexed notes 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 QUARTER ENDED DECEMBER 31, 2015

Note	Quarter Ended	
	December 31, 2015	December 31, 2014
	(Rupees in thousand)	
<b>Cash flows from operating activities</b>		
Cash (used in) / generated from operations	13 (727,700)	181,361
Finance cost paid	(3,971)	(23,927)
Income tax paid/refund	(12,150)	1,839
Long term loans (paid) / recovered - net	(27)	186
Long term deposits paid	-	(10)
	<u>(16,148)</u>	<u>(21,912)</u>
Net cash (used in) / generated from operating activities	<u>(743,848)</u>	<u>159,449</u>
<b>Cash flows from investing activities</b>		
Capital expenditure on property, plant and equipment	(3,944)	(211)
Proceeds from disposal of property, plant and equipment	530	550
Proceeds from disposal of long term investments	-	130,875
Interest/markup received	1,934	1,613
Dividend received	3,272	1,149
Net cash generated from investing activities	<u>1,792</u>	<u>133,976</u>
<b>Cash flows from financing activities</b>		
Repayment of long term financing	-	(9,091)
Dividend paid	(122,242)	-
Proceeds from Short term borrowings - net	843,351	(296,037)
Net cash generated from / (used in) financing activities	<u>721,109</u>	<u>(305,128)</u>
Net decrease in cash and cash equivalents	<u>(20,947)</u>	<u>(11,703)</u>
Cash and cash equivalents at beginning of the year	41,740	17,394
<b>Cash and cash equivalents at the end of the period</b>	<u><u>20,793</u></u>	<u><u>5,691</u></u>

The annexed notes 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 QUARTER ENDED DECEMBER 31, 2015**

	RESERVES							Total Shareholder's Equity	
	Revenue reserves			Capital reserves			Total Reserves		
	Issued, subscribe and paid-up capital	General reserve	Unappropriated profit	Sub total	Gain/(loss) on re-measurement of retirement benefit obligation	Unrealized gain/(loss) on re-measurement of AFS investment			Sub total
<b>Balance as at October 1, 2014</b>	173,623	1,458,000	540,914	1,998,914	23,621	30,080	53,701	2,052,615	2,226,238
<b>Total comprehensive income for the period</b>	-	-	179,748	179,748	-	-	-	179,748	179,748
Profit for the period	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Unrealized gain on re-measurement of available for sale investments	-	-	-	-	-	42,240	42,240	42,240	42,240
Reclassification to profit and loss account for gain realized on sale of available for sale investments	-	-	-	-	-	(79,393)	(79,393)	(79,393)	(79,393)
	-	-	-	-	-	(37,153)	(37,153)	(37,153)	(37,153)
	-	-	179,748	179,748	-	(37,153)	(37,153)	142,595	142,595
<b>Balance as at December 31, 2014</b>	<b>173,623</b>	<b>1,458,000</b>	<b>720,662</b>	<b>2,178,662</b>	<b>23,621</b>	<b>(7,073)</b>	<b>16,548</b>	<b>2,195,210</b>	<b>2,368,833</b>
<b>Balance as at October 1, 2015</b>	173,623	1,458,000	601,791	2,059,791	35,774	(41,140)	(5,366)	2,054,425	2,228,048
<b>Total comprehensive income for the period</b>	-	-	127,554	127,554	-	-	-	127,554	127,554
Profit for the period	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Unrealized gain on re-measurement of available for sale investments	-	-	-	-	-	15,068	15,068	15,068	15,068
Transactions with owners	-	-	127,554	127,554	-	-	-	127,554	127,554
Interim Dividend 2015: Rs. 6.50 per share	-	-	(112,855)	(112,855)	-	-	-	(112,855)	(112,855)
<b>Balance as at December 31, 2015</b>	<b>173,623</b>	<b>1,458,000</b>	<b>616,490</b>	<b>2,074,490</b>	<b>35,774</b>	<b>(26,072)</b>	<b>9,702</b>	<b>2,084,192</b>	<b>2,257,815</b>

The annexed notes form an integral part of these condensed interim financial statements.

**Shunaid Qureshi**  
Chief Executive Officer

**Asim Ghani**  
Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED DECEMBER 31, 2015**

**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 Unit II: January 23, 2004
3	*Chemical, alloys and **Power (note 1.3)	*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 Company has also entered into agreement for supply of CO<sub>2</sub> 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 had sought tariff revision which the NEPRA declined. Now the management is in process of evaluating the tariff approved by NEPRA, once this process has been completed 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 quarter ended December 31, 2015 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** 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 out at their fair values.

**2.3** These 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, 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 quarter ended December 31, 2014.



**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.

**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 as at and for the year ended September 30, 2015.

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

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

**6 SEASONAL PRODUCTION**

Due to the seasonal availability of sugarcane, the manufacturing of sugar is carried out during the period of availability of sugarcane and cost incurred / accrued up to the reporting date have been accounted for. Accordingly, the cost incurred / accrued after the reporting date will be reported in the subsequent interim and annual financial statements.

(Un-audited) (Audited)  
December September  
31, 2015 30, 2015  
(Rupees in thousand)

**7 PROPERTY, PLANT AND EQUIPMENT**

	(Un-audited) December 31, 2015	(Audited) September 30, 2015
<b>Additions</b>		
Vehicles	3,852	1,923
Office equipment	92	326
Computers	-	241
<b>Transferred from CWIP to operating assets</b>		
Plant and machinery	-	12,310
<b>Additions to CWIP</b>		
Plant and machinery	-	12,310
<b>Disposal</b>		
Vehicle - at cost	1,769	523



	(Un-audited) December 31, 2015	(Audited) September 30, 2015
	(Rupees in thousand)	
<b>8 DEFERRED TAXATION</b>		
<b>Deferred tax liability arising in respect of :</b>		
Accelerated tax depreciation for tax purposes	(266,104)	(270,294)
<b>Less: Deferred tax asset arising in respect of:</b>		
Available Tax losses	257,844	290,555
Minimum tax	125,612	125,612
Provisions	39,426	39,426
	<u>422,882</u>	<u>455,593</u>
	156,778	185,299
Less deferred tax asset not recognized	<u>(156,778)</u>	<u>(185,299)</u>
	-	-
<b>8.1</b>	Deferred tax asset as at December 31, 2015 of Rs. 156.778 million (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) December 31, 2015	(Audited) September 30, 2015
	(Rupees in thousand)	
<b>9 STOCK-IN-TRADE</b>		
Raw materials	247,363	145,437
Work-in-process	42,859	3,312
Finished goods	1,135,474	702,216
	<u>1,425,696</u>	<u>850,965</u>
Provision for finished goods	<u>(2,180)</u>	<u>(2,180)</u>
	<u>1,423,516</u>	<u>848,785</u>
<b>9.1</b>	Value of stock of sugar pledged as at December 31, 2015 amounting to Rs. 957.390 million (September 30, 2015 Rs. nil).	
<b>9.2</b>	Finished goods include stock items valued at net realisable value (NRV) amounting to Rs. 8.144 million (September 30, 2015 Rs. 18.653 million) as against their cost amounting to Rs. 9.308 million (September 30, 2015 Rs. 22.007 million) respectively.	
	(Un-audited) December 31, 2015	(Audited) September 30, 2015
	(Rupees in thousand)	
<b>10 LOANS AND ADVANCES</b>		
<b>Current portion of long term loans</b>	903	640
Loans to growers	7,657	26,107
Provision for loans to growers	(301)	(301)
<b>Net loans to growers</b>	<u>7,356</u>	<u>25,806</u>
Advance to employees against salary	217	319
Advance to employees against expenses	2,651	991
Advance to suppliers and contractors 10.1	737,787	84,459
Advance against letter of credit for stores and spares parts	-	3,118
Total advances	<u>740,655</u>	<u>88,887</u>
Provision for advances	<u>(75,355)</u>	<u>(75,355)</u>
<b>Net advances</b>	<u>665,300</u>	<u>13,532</u>
	<u>673,559</u>	<u>39,978</u>
<b>11 SHORT TERM BORROWINGS</b>		
Cash / running finances	484,452	101,601
Export refinance	815,500	355,000
	<u>1,299,952</u>	<u>456,601</u>



**12 CONTINGENCIES AND COMMITMENTS**

**12.1 Contingencies**

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

**12.2 Commitments**

Commitments in respect of letter of credit amounts to Rs. nil (September 30, 2015: Rs. 9.984 million).

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

**December    December**  
**31, 2015    31, 2014**  
**(Rupees in thousand)**

**13 CASH (USED IN) / GENERATED FROM OPERATIONS**

Profit before taxation	<b>146,712</b>	194,571
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment	<b>31,028</b>	32,275
Depreciation on investment property	<b>10</b>	11
Gain on disposal of property, plant and equipment - net	<b>(212)</b>	(319)
Unrealized gain on short term investment carried at fair value through profit or loss	<b>(17,429)</b>	(40,356)
Capital gain on sale of long term investments	<b>-</b>	(110,895)
Mark-up on loan to growers	<b>(817)</b>	(642)
Dividend income	<b>(3,272)</b>	(1,149)
Income on term deposit receipts	<b>(226)</b>	(7)
Finance cost	<b>7,264</b>	18,446
Increase in deferred liability - market fee	<b>2,724</b>	1,504
	<b>19,070</b>	(101,132)
Cash generated from operating activities before working capital changes	<b>165,782</b>	93,439
<b>(Increase) / decrease in current assets</b>		
Stores and spares	<b>(27,590)</b>	(31,101)
Stock-in-trade	<b>(574,731)</b>	353,239
Trade debts	<b>170,029</b>	(20,492)
Loans and advances	<b>(633,581)</b>	(48,135)
Trade deposits and short term prepayments	<b>(8,627)</b>	(7,327)
Other receivables	<b>481</b>	831
	<b>(1,074,019)</b>	247,015
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	<b>180,537</b>	(159,093)
<b>Net cash (used in) / generated from operations</b>	<b>(727,700)</b>	181,361



14 SEGMENT REPORTING

	(Rupees in thousand)					
	Quarter ended December 31					
	2015		2014		2014	
	Sugar		Ethanol		Total	
<b>Segment profit and loss account</b>						
Sales	829,956	864,693	308,328	576,466	1,138,284	1,441,159
Cost of sales	(736,674)	(856,798)	(226,882)	(470,223)	(963,556)	(1,327,021)
Gross profit	93,282	7,895	81,446	106,243	174,728	114,138
Profit from other reportable segments - net					13,662	7,051
					188,390	21,189
Distribution cost	(3,134)	(2,090)	(17,855)	(19,037)	(20,989)	(21,127)
Administrative expenses	(16,314)	(15,642)	(10,871)	(10,404)	(27,185)	(26,046)
Operating segment results	73,834	(9,837)	52,720	76,802	140,216	74,016
Other operating expenses					(9,276)	(14,419)
Finance cost					(7,264)	(18,446)
Other income					23,036	153,420
Profit before taxation					146,712	194,571
Taxation					(19,158)	(14,823)
<b>Net profit for the period</b>					<b>127,554</b>	<b>179,748</b>





(Rupees in thousand)						
	December 31, 2015	September 30, 2015	December 31, 2015	September 30, 2015	December 31, 2015	September 30, 2015
	Sugar	Ethanol	Chemical, alloys and power	Storage tank terminal	Total	Total
<b>Segment assets and liabilities</b>						
Segment assets - Allocated	1,880,374	1,456,142	1,431,537	829,480	502,676	509,219
Segment assets - Unallocated					195,748	197,160
					4,010,335	2,992,001
					566,353	534,402
					<u>4,576,688</u>	<u>3,526,403</u>
<b>Segment liabilities - Allocated</b>						
Segment liabilities - Unallocated	1,882,920	716,027	169,196	360,722	67	67
					30,204	32,517
					2,082,387	1,109,333
					236,486	189,022
					<u>2,318,873</u>	<u>1,298,355</u>
Capital expenditure - Allocated	-	-	-	12,310	-	-
Capital expenditure - Unallocated					3,944	2,490
					<u>3,944</u>	<u>14,800</u>
(Rupees in thousand)						
	December 31, 2015	September 30, 2015	December 31, 2015	September 30, 2015	December 31, 2015	September 30, 2015
	Sugar	Ethanol	Chemical, alloys and power	Storage tank terminal	Total	Total
<b>Depreciation</b>	10,962	46,885	9,171	39,507	6,530	28,041
<b>Non cash expenses other than depreciation</b>						
Allocated	-	-	-	2,180	-	-
Unallocated						
					17,429	47,639



## 15 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:

	December 31, 2015	December 31, 2014
	(Rupees in thousand)	
<b>- associated companies</b>		
Dividend Income	1	1,149
Sale of ethanol and others	15,504	-
<b>- other related parties</b>		
Installment recovered from employees on behalf of Employees Gratuity Fund	1,290	3,357
Paid to Employees Gratuity Fund on account of installment recovered from employees	-	8,000
Commission on sale of shares	-	61
<b>Key management personnel</b>		
Remuneration of chief executive, directors and executives.	19,240	17,332

During the period the company has paid dividends to director and associated company amounting to Rs. 93.195 million (December 31, 2014: Rs. nil).

## 16 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 year are as follows:

Reclassification from the caption component	Reclassification to the caption component	Note	Amount in million
Net Profit From Storage Tank Terminal	Profit From Other Reportable Segments - Net	Profit and loss account	21.079
Net loss from chemical, alloys and power segment and fixed expenses due to suspension	Profit From Other Reportable Segments - Net	Profit and loss account	(14.028)
			<u>7.051</u>

## 17 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorised for issue on January 26, 2015 by Board of Directors' of the Company.



**18 SUBSEQUENT EVENT**

- 18.1** The Board of Directors of the Company in their meeting held on December 28, 2015 has proposed a final cash dividend of Rs. 3.50 per share i.e. 35% for the year ended September 30, 2015 amounting to Rs. 60.768 million. The effect will be accounted in the next financial statement, once approved by the shareholders in the Annual General Meeting.
- 18.2** The Board of Directors of the Company in their meeting held on January 26, 2016 has proposed an interim cash dividend of Rs. 5 per share i.e. 50% for the quarter ended December 31, 2015 amounting to Rs. 86.812 million. The effect will be accounted in the period of payment.

**19 GENERAL**

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

**Shunaid Qureshi**  
Chief Executive Officer

**Asim Ghani**  
Director