

**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
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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.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 nine months ended June 30, 2016.

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

	Nine months ended June 30, 2016	Nine months ended June 30, 2015
	(Rupees in thousand)	
Operating profit	483,848	448,134
Other income	25,998	121,507
	<u>509,846</u>	<u>569,141</u>
Finance cost	(82,940)	(108,817)
Profit before taxation	426,906	460,824
Taxation	(68,017)	(55,079)
Profit after taxation	<u>358,889</u>	<u>405,745</u>
Basic earnings per share (Rupees)	<u>20.67</u>	<u>23.37</u>

During the period under review, your Company has earned a profit after tax of Rs. 358.889 million as compared to the profit of Rs. 405.745 million of the corresponding period of last year. The main reasons for variances are highlighted below in segment wise results.

### SUBSEQUENT EVENT AND DIVIDEND

The Board of Directors of the Company in their meeting held on July 29, 2016 has proposed 100% interim dividend for the period ended June 30, 2016. These condensed interim financial statements do not include the effect of interim dividend.

### OPERATING SEGMENT RESULTS

The division wise performance is presented below:

#### Sugar Division

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

#### Financial performance

	Nine months ended June 30, 2016	Nine months ended June 30, 2015
	(Rupees in thousand)	
Sales	2,755,048	2,010,435
Cost of sales	(2,458,908)	(1,787,485)
Gross profit	296,140	222,950
Distribution cost	(10,195)	(9,299)
Administrative expenses	(52,437)	(46,393)
Segment operating result	<u>233,508</u>	<u>167,258</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)	54,952	43,579
Recovery (%)	10.47	10.78

The plant operated for 93 days ending on February 23, 2016 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:

	Nine months ended June 30, 2016	Nine months ended June 30, 2015
	(Rupees in thousands)	
Sales	1,834,005	2,157,815
Cost of sales	(1,467,887)	(1,730,108)
Gross profit	366,118	427,707
Distribution cost	(75,918)	(74,019)
Administrative expenses	(34,604)	(30,908)
Segment operating result	<u>255,596</u>	<u>322,780</u>

The operational data is given below:

#### Operational data

Operational performance	2015-16	2014-15
Production (M.Tons) - Unit I and II	27,056	26,731
Sales (M.Tons)	26,007	29,794

During the period under review, this division produced 27,056 M.Tons ethanol as compared to corresponding period of 26,731 M.Tons. The operating result of this segment is reduced by Rs. 67.184 million due to decrease in selling price and lower shipment as compared to corresponding period.

#### 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. 39.519 million as compared to loss of Rs. 41.750 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. 70.211 million as against profit of Rs. 62.516 million of last year. The improved



performance of this division is mainly due to hike in rental and service income.

#### FUTURE PROSPECTS

The prices of sugar and ethanol are currently at stable level and it is hope that prices will be the same till the start of new season.

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: July 29, 2016



CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)  
AS AT JUNE 30, 2016

		June 30, 2016 Un-audited (Rupees in thousand)	September 30, 2015 Audited
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	7	1,712,082	1,793,347
Investment property		351	380
Long term investments	8	128,902	133,987
Long term loans		1,340	905
Long term deposits		11,406	11,403
Deferred taxation	9	-	-
		1,854,081	1,940,022
<b>Current Assets</b>			
Stores and spares parts		156,443	139,241
Stock-in-trade	10	1,663,049	848,785
Trade debts		316,282	189,018
Loans and advances	11	73,179	39,978
Trade deposits and short term prepayments		18,097	10,109
Interest accrued		507	1,380
Other receivables		50,067	57,904
Short term investments		223,246	227,911
Income tax refunds due from the Government		15,811	30,315
Cash and bank balances	12	30,966	41,740
		2,547,647	1,586,381
<b>Total Assets</b>		<u>4,401,728</u>	<u>3,526,403</u>
<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		2,147,794	2,054,425
Shareholders' equity		2,321,417	2,228,048
<b>Non - Current Liabilities</b>			
Deferred liability		74,116	68,507
<b>Current Liabilities</b>			
Trade and other payables		1,372,281	758,280
Accrued mark-up		14,821	2,121
Short term borrowings		606,247	456,601
Provision for taxation		12,846	12,846
		2,006,195	1,229,848
Contingencies and Commitments	13		
<b>Total Equity and Liabilities</b>		<u>4,401,728</u>	<u>3,526,403</u>

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 NINE MONTH ENDED JUNE 30, 2016

Note	Nine months Ended		Quarter Ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	(Rupees in thousand)			
	4,589,053	4,168,250	2,829,181	2,226,785
	(3,926,795)	(3,517,593)	(2,447,001)	(1,914,045)
	662,258	650,657	382,180	312,740
Profit from other reportable segments - net	30,692	20,766	10,297	5,804
	692,950	671,423	392,477	318,544
Distribution cost	(86,113)	(83,318)	(36,263)	(31,669)
Administrative expenses	(87,041)	(77,301)	(28,887)	(24,326)
Other operating expenses	(35,948)	(62,670)	(25,201)	(36,908)
	(209,102)	(223,289)	(90,351)	(92,903)
Operating profit	483,848	448,134	302,126	225,641
Finance cost	(82,940)	(108,817)	(31,156)	(44,304)
Other income/operating (loss) 15	25,998	121,507	(13,124)	16,583
Profit before taxation	426,906	460,824	257,846	197,920
Taxation	(68,017)	(55,079)	(49,009)	(23,682)
Profit after taxation	358,889	405,745	208,837	174,238
Earnings per share - Basic and diluted	20.67	23.37	12.03	10.04

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 NINE MONTHS ENDED JUNE 30, 2016

	Nine months Ended		Quarter Ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	(Rupees in thousand)			
Profit after taxation	358,889	405,745	208,837	174,238
Other comprehensive income for the period				
Items to be classified to profit and loss account in subsequent period				
Unrealized loss on remeasurement of available for sale investments	(5,085)	(24,281)	(20,153)	(66,521)
Reclassification adjustment				
Reclassification to profit and loss account for (gain) / loss on sale of available for sale investments	-	(32,166)	-	47,227
	(5,085)	(56,447)	(20,153)	(19,294)
Total comprehensive income for the period	<u>353,804</u>	<u>349,298</u>	<u>188,684</u>	<u>154,944</u>

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 NINE MONTHS ENDED JUNE 30, 2016

Note	Nine months Ended		
	June 30, 2016	June 30, 2016	
	(Rupees in thousand)		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated / (used) in operations	16	233,257	(372,823)
Finance cost paid		(70,240)	(101,014)
Income tax paid		(53,513)	(21,166)
Long term loans (disbursed) / recovered - net		(435)	342
Long term deposits paid		(3)	(10)
		(124,191)	(121,848)
Net cash generated / (used) in operating activities		109,066	(494,671)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(13,049)	(2,336)
Proceeds from disposal of property, plant and equipment		1,480	550
Purchase of long term investments		-	(168,117)
Proceeds from disposal of long term investments		-	275,645
Proceeds from disposal of short term investments		-	14,519
Interest/markup received		2,545	2,634
Dividend received		8,753	4,933
Net cash (used) / generated from investing activities		(271)	127,828
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing		-	(27,273)
Dividend paid		(269,215)	(215,115)
Proceeds from Short term borrowings - net		149,646	607,853
Net cash (used) / generated from financing activities		(119,569)	365,465
Net decrease in cash and cash equivalents		(10,774)	(1,378)
Cash and cash equivalents at beginning of the year		41,740	17,394
Cash and cash equivalents at the end of the period		30,966	16,016

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 NINE MONTHS ENDED JUNE 30, 2016

	Reserves						Total Reserves	Total Shareholder's Equity
	Revenue Reserves			Capital reserves				
	General reserve	Unappropriated profit	Sub total	Gain/(loss) on remeasurement of Retirement benefit obligation	Available for sale investment	Sub total		
Balance as at October 1, 2014	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	-	405,745	405,745	-	-	-	405,745	405,745
Profit for the period	-	405,745	405,745	-	-	-	405,745	405,745
Other comprehensive income for the period	-	-	-	-	(24,281)	(24,281)	(24,281)	(24,281)
Unrealized loss on remeasurement of available for sale investments	-	-	-	-	(32,166)	(32,166)	(32,166)	(32,166)
Reclassification to profit and loss account for gain realized on sale of available for sale investments	-	405,745	405,745	-	(56,447)	(56,447)	349,298	349,298
Transactions with owners	-	-	-	-	-	-	-	-
Final Dividend 2014: Rs. 10.00 per share	(173,623)	(43,406)	(217,029)	-	-	-	(173,623)	(173,623)
Interim Dividend 2015: Rs. 2.50 per share	(43,406)	(43,406)	(86,812)	-	-	-	(86,812)	(86,812)
Balance as at June 30, 2015	1,458,000	729,630	2,187,630	23,621	(26,367)	(2,746)	2,184,884	2,358,507
Balance as at October 1, 2015	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	-	358,889	358,889	-	-	-	358,889	358,889
Profit for the period	-	358,889	358,889	-	-	-	358,889	358,889
Other comprehensive income for the period	-	-	-	-	(5,085)	(5,085)	(5,085)	(5,085)
Unrealized loss on remeasurement of available for sale investments	-	-	-	-	(5,085)	(5,085)	(5,085)	(5,085)
Transactions with owners	-	-	-	-	-	-	-	-
Interim Dividend 2015: Rs. 6.50 per share	(112,855)	(60,768)	(173,623)	-	-	-	(173,623)	(173,623)
Final Dividend 2015: Rs. 3.50 per share	(60,768)	(86,812)	(147,580)	-	-	-	(147,580)	(147,580)
Interim Dividend 2016: Rs. 5.00 per share	(86,812)	(260,435)	(347,247)	-	-	-	(347,247)	(347,247)
Balance as at June 30, 2016	1,458,000	700,245	2,158,245	35,774	(46,225)	(10,451)	2,147,794	2,321,417

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

Shumail Qureshi  
Chief Executive Officer

Asim Ghani  
Director



NOTES TO THE CONDENSED INTERIM FINANCIAL  
INFORMATION (UN-AUDITED)  
FOR THE NINE MONTHS ENDED JUNE 30, 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 Unit II: January 23, 2004
3	*Chemical, **Power (note 1.2)	*Manufacturing and sales of calcium carbide and ferro alloys. **Generation and sales of electricity.	Dhabeji, Thatta.	*November 1, 2006 **April 06, 2010
4	Tank Terminal	Providing bulk storage facility	Oil industrial area, Kamari, Karachi.	October 15, 2012

1.1 The 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 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 nine months ended June 30, 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 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 out at their fair values.

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

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 nine months ended June 30, 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.

### 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) June 30, 2016 (Rupees in thousand)	(Audited) September 30, 2015
<b>7</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>	
	Additions	
	Vehicles	10,459
	Office equipment	1,923
	Computers	2,527
	Computers	63
	241	
	Transferred from CWIP to operating assets	
	Plant and machinery	-
		12,310
	Additions to CWIP	
	Plant and machinery	-
		12,310
	Disposal	
	Vehicle - at cost	3,498
	Free hold land - at cost	23
		523
		-
<b>8</b>	<b>LONG TERM INVESTMENTS</b>	
	Available for sale investments - in Quoted shares at fair value	
	- Related party	46
	- Others	73
	<u>128,856</u>	<u>133,914</u>
	<u>128,902</u>	<u>133,987</u>
<b>8.1</b>	During the period, the Company recorded unrealized (loss) / gain on investments in Hum Network Limited, Aisha Steel Mills Limited and Power Cement Limited amounting to Rs. (0.027) million, Rs. (5.608) million, and Rs. 0.550 million respectively.	
	(Un-audited) June 30, 2016 (Rupees in thousand)	(Audited) September 30, 2015
<b>9</b>	<b>DEFERRED TAXATION</b>	
	Deferred tax liability arising in respect of :	
	Accelerated tax depreciation for tax purposes	
	(262,266)	(270,294)
	Less: Deferred tax asset arising in respect of:	
	Available Tax losses	192,997
	Minimum tax	290,555
	Provisions	155,558
	38,194	125,612
	<u>386,749</u>	<u>455,593</u>
	124,483	185,299
	Less deferred tax asset not recognized	(124,483)
	-	(185,299)
	<u>-</u>	<u>-</u>
<b>9.1</b>	Deferred tax asset as at June 30, 2016 of Rs. 124.483 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) June 30, 2016 (Rupees in thousand)	(Audited) September 30, 2015
<b>10 STOCK-IN-TRADE</b>		
Raw materials	700,353	145,437
Work-in-process	2,898	3,312
Finished goods	<u>961,978</u>	<u>702,216</u>
	1,665,229	850,965
Provision for finished goods	<u>(2,180)</u>	<u>(2,180)</u>
	<u><u>1,663,049</u></u>	<u><u>848,785</u></u>
<b>11 LOANS AND ADVANCES</b>		
Current portion of long term loans	1,316	640
Loans to growers	<u>36,918</u>	<u>26,107</u>
Provision for loans to growers	<u>(301)</u>	<u>(301)</u>
	36,617	25,806
Advance to employees against salary	<u>72</u>	<u>319</u>
Advance to employees against expenses	1,560	991
Advance to suppliers and contractors	100,795	84,459
Advance against letter of credit for stores and spares parts	<u>8,174</u>	<u>3,118</u>
	110,601	88,887
Provision for advances	<u>(75,355)</u>	<u>(75,355)</u>
	<u><u>35,246</u></u>	<u><u>13,532</u></u>
	<u><u>73,179</u></u>	<u><u>39,978</u></u>
<b>12 CASH AND BANK BALANCES</b>		
Cash in hand	1,130	1,039
Cash at banks		
Current accounts	26,140	32,935
Saving accounts	12.1 3,696	7,766
	<u>29,836</u>	<u>40,701</u>
	<u><u>30,966</u></u>	<u><u>41,740</u></u>
12.1	It includes investment in arrangement permissible under Shariah amounting to Rs. 0.611 (September 30, 2015: 0.067) million.	
<b>13 CONTINGENCIES AND COMMITMENTS</b>		
13.1	Contingencies	
	There were no major changes in the status of other contingencies as reported in the annual financial statements for the year ended September 30, 2015.	
13.2	Commitments	
	Commitments in respect of letter of credit amounts to Rs. 36.979 million (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.	



	Note	Nine Months Ended		Quarter Ended		
		June 30,		June 30,		
		2016	2015	2016	2015	
Rupees in '000'						
14	SALES					
	Sales - gross	14.1	4,821,196	4,336,455	2,971,862	2,313,684
	Federal excise duty/Sales tax		(232,143)	(168,205)	(142,681)	(86,899)
			<u>4,589,053</u>	<u>4,168,250</u>	<u>2,829,181</u>	<u>2,226,785</u>
14.1	It includes exchange gain on proceeds against export of ethanol amounting to Rs. 4.542 (June 30, 2015: Rs. 3.498) million.					
				June 30,	June 30,	
				2016	2015	
				(Rupees in thousand)		
15	OTHER INCOME					
	Income from financial assets					
	Mark - up on loan to growers			929	1,284	
	Income from TDR's / PLS deposits	15.1		743	627	
	Dividend	15.2		8,753	4,933	
	Export subsidy			13,000	-	
	Unrealized gain on short term investments carried at fair value through profit or loss			-	12,963	
	Capital gain on sale of long term investments			-	100,465	
				<u>23,425</u>	<u>120,272</u>	
	Income from other than financial assets			<u>2,573</u>	<u>1,235</u>	
				<u>25,998</u>	<u>121,507</u>	
15.1	It includes profit earned from arrangements permissible under Shariah amounting to Rs. 0.448 (June 30, 2015: 0.826) million.					
15.2	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. 4.554 million, Rs. 0.00078 million and Rs. 3.250 million respectively.					





	June 30, 2016	June 30, 2015
	(Rupees in thousand)	
<b>16 CASH GENERATED / (USED) IN OPERATIONS</b>		
Profit before taxation	426,906	460,824
Adjustments for:		
Depreciation on property, plant and equipment	93,599	100,297
Depreciation on investment property	29	32
Provision for advances	-	28,517
Gain on disposal of property, plant and equipment - net	(765)	(319)
Unrealized loss/(gain) on short term investment carried at fair value through profit or loss	4,665	(12,963)
Capital gain on sale of long term investments	-	(100,465)
Mark-up on loan to growers	(929)	(1,284)
Dividend income	(8,753)	(4,933)
Income on term deposit receipts	(743)	(627)
Finance cost	82,940	108,817
Increase in deferred liability - market fee	5,609	5,646
	175,652	122,718
Cash generated from operating activities before working capital changes	602,558	583,542
(Increase) / decrease in current assets		
Stores and spares	(17,202)	(14,325)
Stock-in-trade	(814,264)	(804,184)
Trade debts	(127,264)	(289,576)
Loans and advances	(33,201)	155,572
Trade deposits and short term prepayments	(7,988)	(3,588)
Other receivables	7,837	14,904
Short term investments	-	6,811
	(992,082)	(934,386)
Increase / (decrease) in current liabilities		
Increase / (decrease) in trade and other payables	622,781	(21,979)
Net cash generated / (used) in operations	233,257	(372,823)



17 SEGMENT REPORTING

	(Rupees in thousand)					
	Nine months ended June 30			Total		
	2016	2015	2016	2015	2016	2015
	Sugar		Ethanol			
Segment profit and loss account						
Sales	2,755,048	2,010,435	1,834,005	2,157,815	4,589,053	4,108,250
Cost of sales	(2,458,908)	(1,787,485)	(1,467,887)	(1,730,108)	(3,926,795)	(3,517,593)
Gross profit	296,140	222,950	366,118	427,707	662,258	650,657
Profit from other reportable segments - net					30,692	20,766
Distribution cost	(10,195)	(9,299)	(75,918)	(74,019)	692,950	671,423
Administrative expenses	(52,437)	(46,393)	(34,604)	(30,908)	(86,113)	(83,318)
Operating segment results	233,508	167,258	255,596	322,780	(87,041)	(77,301)
Other operating expenses					519,796	510,804
Finance cost					(35,948)	(62,670)
Other income					(82,940)	(108,817)
Taxation					25,998	121,507
Net profit for the period					426,906	460,824
					(68,017)	(55,079)
					358,889	405,745



(Rupees in thousand)

	quarter ended June 30					
	2016		2015		2015	
	2016	2015	2016	2015	Ethanol	Total
Sales	1,810,110	1,082,517	1,019,071	1,144,268	2,829,181	2,226,785
Cost of sales	(1,590,470)	(936,421)	(856,531)	(977,624)	(2,447,001)	(1,914,045)
Gross profit	219,640	146,096	162,540	166,644	382,180	312,740
Profit from other reportable segments - net					10,297	5,804
					392,477	318,544
Distribution cost	(3,016)	(2,417)	(33,247)	(29,252)	(36,263)	(31,669)
Administrative expenses	(17,537)	(14,600)	(11,350)	(9,725)	(28,887)	(24,325)
Operating segment results	199,087	129,079	117,943	127,667	327,327	262,550
Other operating expenses					(25,201)	(36,908)
Finance cost					(31,156)	(44,304)
Other income / operating (loss)					(13,124)	16,583
Taxation					(49,009)	(23,682)
Net profit for the period					208,837	174,239



(Rupees in thousand)										
Sugar	September 30, 2015		June 30, 2016		September 30, 2015		June 30, 2016		Total	
	30, 2015	30, 2016	30, 2015	30, 2016	30, 2015	30, 2016	30, 2015	30, 2016		
			Etanol							
			Chemical, alloys and power							
			Storage tank terminal							

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)										
Sugar	September 30, 2015		June 30, 2016		September 30, 2015		June 30, 2016		Total	
	30, 2015	30, 2016	30, 2015	30, 2016	30, 2015	30, 2016	30, 2015	30, 2016		
			Etanol							
			Chemical, alloys and power							
			Storage tank terminal							

Depreciation											
Non cash items other than depreciation											
Allocated											
Unallocated											



18 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:

	June 30, 2016	June 30, 2015
	(Rupees in thousand)	
- associated companies		
Dividend Income	1	1,150
Sale of ethanol and others	34,872	-
Commission on sale and purchase of shares	-	1,266
- other related parties		
Installment recovered from employees on behalf of Employees Gratuity Fund	4,104	10,657
Paid to Employees Gratuity Fund on account of installment recovered from employees	-	8,000
Key management personnel		
Remuneration of chief executive, directors and executives.	58,042	51,310

During the period the company has paid dividends to director and associated company amounting to Rs. 150.469 million (June 30, 2015: Rs. 137.437 million).

19 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	62.516
Net loss from chemical, alloys and power segment and fixed expenses due to suspension	Profit From Other Reportable Segments - Net	Profit and loss account	(41.750)
			<u>20.766</u>

20 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorised for issue on 29th July, 2016 by Board of Directors' of the Company.

21 SUBSEQUENT EVENT

The Board of Directors of the Company in their meeting held on July 29, 2016 has proposed an interim cash dividend of Rs. 10 per share i-e 100% for the



period ended June 30, 2016. The effect will be accounted in the period of payment.

22 GENERAL

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

Shunaid Qureshi  
Chief Executive Officer

Asim Ghani  
Director

