



27th ANNUAL REPORT 2017

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Corporate Information

BOARD OF DIRECTORS

Muhammad Iqbal Usman	Chairman
Asim Ghani	Chief Executive Officer
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
Suhaib Afzal	Secretary

HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

BANKERS

Al Baraka Bank Pakistan Limited (Burj Bank Limited)
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
MCH Islamic Bank
National Bank of Pakistan
The Bank of Punjab
Meezan Bank Limited
Pak Oman Investment Company Limited
Soneri Bank Limited
United Bank Limited

STATUTORY AUDITORS

Reanda Haroon Zakaria & Co. Chartered Accountants

REGISTERED OFFICE

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

SHARE REGISTRAR OFFICE

CDC House-99B, Block 'B', S.M.C.H.S
Main Shahra-e-faisal, Karachi-74400

FACTORIES/STORAGE LOCATIONS

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



VISION AND MISSION STATEMENT

VISION

AL-ABBAS SUGAR MILLS LIMITED is committed to earn the reputation of a reliable manufacturer and supplier of good quality white refined sugar, industrial alcohol, Calcium carbide and alloys in local and international markets.

MISSION

- To be a profitable organization and to meet the expectations of our stockholders.
- To become competitive in local and international markets by concentrating on quality of core products.
- To promote best use and development of human resources in a safe environment, as an equal opportunity employer.
- To use advance technology for efficient and cost effective operations.



NOTICE OF 27TH ANNUAL GENERAL MEETING

Notice is hereby given that the 27th Annual General Meeting of Al-Abbas Sugar Mills Limited will be held at Beach Luxury Hotel, Karachi on Friday, January 26, 2018 at 10:00 A.M to transact the following business:

Ordinary Business

1. To confirm the minutes of the 26th Annual General Meeting of the shareholders of the Company held on January 30, 2017.
2. To receive, consider and adopt Annual Audited Financial Statements for the year ended September 30, 2017, together with the reports of the Auditors' and Directors' thereon.
3. To declare and approve the cash dividend for the year ended September 30, 2017 on the ordinary shares of the Company. The Directors have recommended a final cash dividend at 50% i.e. Rs. 5 per share. This is in addition to the interim dividend 50% i.e. Rs. 5 per share already paid. The total dividend for 2016-17 will thus amount to 173.623 million i.e. Rs. 10 per share.
4. To appoint auditors for the ensuing year, and to fix their remuneration. The present auditors M/s Reanda Haroon Zakaria & Company Chartered Accountants, being retired and eligible, have offered themselves for re-appointment.
5. To transact any other business with the permission of the chair.

In order to vote through e-voting or to avail video conference facility please fill the requisite forms and submit to Company within time frame mentioned in forms.

By Order of the Board

Zuhair Abbas
Company Secretary
Karachi: December 26, 2017

Notes:

1. Share Transfer Books will be closed from January 19, 2018 to January 26, 2018 (both days inclusive) for the purpose of Annual General Meeting and payment of the final dividend.
2. All Members are entitled to attend and vote at the meeting. A Member may appoint a proxy.
3. The instrument appointing the proxy and the other authority under which it is signed, or a notarial certified copy thereof, must be lodged at the Company's Registered Office or Share Registrar Office at least 48 hours before the time of the meeting.
4. Any change of address of Members should be notified immediately to the Company's Share Registrar office.
5. CDC Account Holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan:
 - A. For Attending the Meeting:
 - i. In case of individuals, the account holder or sub-account holder whose securities and their registration details are uploaded as per the regulations shall authenticate his identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
 - ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.
 - B. For Appointing Proxies:
 - i. In case of individuals, the account holder or sub-account holder whose securities and their registration details are uploaded as per the regulations shall submit the proxy form as per the requirement by the Company.
 - ii. The proxy form shall be witnessed by two persons whose names, address and CNIC numbers shall be mentioned on the form.



- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv. The proxy shall produce his original CNIC or original passport at the time of the meeting.
 - v. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted along with proxy form to the Company.
- C. For exercising electronic voting right through Intermediary by providing consent in writing regarding appointment of execution officer as proxy as per the Companies (E-Voting) Regulations, 2016:
- i. CDC House, 99-B, Block -B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74000, Pakistan is appointed as execution officer for the meeting.
 - ii. The instruction to appoint execution officer and opting to e-vote through Intermediary as per the Companies (E-Voting Regulations, 2016 shall be deposited to the Company at least ten days before holding of general meeting at 2nd Floor, Pardesi House, Survey No. 2/1, R.Y. 16 Old Queens Road, Karachi -74000 or through email company.secretary@aasml.com
 - iii. The proxy/e-voting form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - iv. The Company will arrange for e-voting if the Company receives demand for poll from atleast five members or by any member or members having not less than one tenth of the voting power.
6. Transmission of the Annual Audited Financial Statements through CD/DVD or USB

Pursuant to the Securities and Exchange Commission of Pakistan's notification S.R.O 470(I)/2016 dated 31 May, 2016, the shareholders of Al-Abbas Sugar Mills Limited in 26th AGM of the Company held on January 30, 2017 had accorded their consent for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company through CD or DVD or USB instead of transmitting the same in hard copies. The shareholders who wish to receive hard copy of the aforesaid documents may send to the Company Secretary / Share Registrar, the Standard Request Form provided in the annual report and also available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. The shareholders who intends to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form provided in the annual report and also available on the Company's website: www.aasml.com

7. Submission of Copies of CNIC and NTN Certificates (Mandatory)

CNIC of the shareholders is mandatory in terms of the directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(I)/2012 dated July 05, 2012 for the issuance of future dividend warrants etc., and in the absence of such information, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore, the shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs directly to our Independent Share Registrar without any further delay.

8. Deduction of income tax from dividend at revised rates

Pursuant to the provisions of Finance Act, 2017 effective 1 July 2017, deduction of income tax from dividend payments shall be made on the basis of filers and non-filers as follows:

S.No.	Nature of Shareholder	Rate of Deduction
1	Filers of income tax return	15%
2	Non - filer of income tax return	20%

To enable the Company to make tax deductions on the amount of cash dividend at 15% instead of 20%, shareholders are requested to please check and ensure Filer status from Active Taxpayers List (ATL) available at FBR website <http://www.fbr.gov.pk/> as well as ensure that their CNIC/Passport number has been recorded by the participant/Investor Account Services or by Share Registrar (in case of physical shareholding). Corporate entities



(non-individual shareholders) should ensure that their names and National Tax Numbers (NTN) are available in ATL at FBR website and recorded by respective Participant/Investor Account Services or in case of physical shareholding by Company's Share Registrar.

Members who have joint shareholdings held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his/her shareholding.

If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the Annual General Meeting date.

Folio / CDC A/c No.	Name of Shareholder	CNIC	Shareholding	Total Shares	Principal / Joint Shareholder
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9. Payment of Cash Dividend through electronic mode (Mandatory)

Under the provision of Section 242 of the Companies Act, 2017 it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders.

In order to receive dividend directly into their bank account, shareholders are requested to fill in Electronic Credit Mandate Form available on the Company's website and send it duly signed along with a copy of CNIC to the share Registrar of the Company, CDC House-99-B, Block 'B', S.M.C.H.S, main shahra-e-faisal, Karachi-74000, in case of physical shares.

In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/participant/CDC account services.

10. Form for Video conference facility

Members can also avail video conference facility. In this regard please fill the form and submit to registered address of the Company 10 days before holding of general meeting.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of general meeting along with complete information necessary to enable them to access facility.

11. Unclaimed dividend

Shareholders, who by any reason, could not claim their dividend, if any, are advised to contact our Share Registrar CDC House-99B, Block 'B', S.M.C.H.S, main shahra-e-faisal, Karachi-74000 to collect/enquire about their unclaimed dividend, if any.

In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend outstanding for a period of 3 years or more from the date due and payable shall be deposited to the credit of Federal Government in case of unclaimed dividend.



CHAIRMAN'S REVIEW

Dear Shareholders

On the end of financial year 2016-17, I welcome you. As stakeholders in Al-Abbas Sugar Mills Limited, you invest your capital in this company and facilitating us to create even greater value and we express our sincerest thanks for your trust in us.

During the year under review, sugar prices in the domestic and international market remained depressed due to record national production of more than 7 Million Metric Tons and carry over stock of previous year. The Government did not take timely decision of allowing sugar export, while timely and consistent exports of sugar were required. The Government was hesitant in allowing sugar export and when they allowed it, it was much lower than the Industry's demand. The International price of Sugar has also fallen from USD 550/- per Ton in April 2017 to USD 360/- per Ton presently. The Sugar Industry has requested the Government to review the price of sugarcane and link the same with the selling price of sugar to ensure adequate return to all stakeholders including sugar mills. The Government has also been requested to immediately release subsidy on export of sugar to help sugar mills to improve their financial position.

Subsequent to the year end the Government has allowed 0.500 million Metric Tons of sugar for export with freight subsidy of Rs. 10.70 on a sliding scale vide SBP EPD Circular Letter No. 20 of 2017 dated October 11, 2017. Your Company managed to get approved export quantity under the scheme and export of the sugar is in progress.

The Government has further allowed 1.5 million Metric Tons of sugar export under the same mechanism as stipulated in SBP EPD circular Letter No. 20 of 2017 dated October 11, 2017 and SBP issued EPD circular letter No. 23 of 2017 dated December 13, 2017 for export of 1.5 million Metric Tons of sugar.

As per news in the province of Sindh, the provincial Government has approved additional subsidy for the province of Rs. 9.3 per Kg. This subsidy will be given only to those mills located in Sindh province. This subsidy will be available for 500,000 Metric Tons of surplus sugar available with the millers. This subsidy if approved will only be available for millers who export sugar under quota of 1.5 million Metric Tons which was allowed by SBP vide EPD circular Letter No. 23 of 2017 dated December 13, 2017.

Pakistan is heading towards another bumper crop for the Year 2017-18. It is requested that the Government should devise a strategy in consultation with the Sugar Industry for timely exports, and allow financial relief to the Sugar Industry inform of export rebates/subsidies to help domestic industry in the prevailing circumstances.

The board and the management of your company are well aware of the challenges ahead. The company follow best practices and guidelines with respect to maintaining healthy relationship with customers, suppliers, investors and other stakeholders.

Your Board is responsible for setting the right tone from the top and ensuring that a strong governance structure is in place to enable the business to succeed and deliver long term sustainable growth. Your board follow specific measures to ensure the evaluation of the directors.

To enforce the importance of good governance and setting the right standards throughout the company, we have emphasized on code of conduct setting out the values and standards we expect in the conduct of business, this covers issues such as health and safety, conducts of employees, diversity, financial controls and business integrity.

I firmly believe that our business is well placed for the competitive future. I take this opportunity to thank our shareholders, employees, financial institutions and all other stakeholders for their continued support and contribution in making Al-Abbas Sugar Mills Limited a success story.

Muhammad Iqbal Usman
Chairman

Karachi: December 26, 2017



DIRECTORS' REPORT

The Board of Directors of your Company take pleasure in presenting their report together with the Company's Annual Audited Financial Statements and Auditors' report thereon for the year ended September 30, 2017.

FINANCIAL RESULTS:

	2017	2016
	(Rupees in thousand)	
Profit before taxation	206,948	524,570
Taxation	(63,972)	(66,687)
Net profit for the year	<u>142,976</u>	<u>457,883</u>
Earnings per share in rupees	<u>8.23</u>	<u>26.37</u>

SUBSEQUENT EVENT AND DIVIDEND

The Board of Directors in their meeting held on December 26, 2017 has proposed 50% final cash dividend for the year ended September 30, 2017. This is in addition to the interim dividend of 50% i.e. Rs. 5 per share already paid. The total dividend for the year ended September 30, 2017 will thus amount to Rs. 173.623 million i.e. Rs. 10 per share. The approval for the final dividend shall be obtained at the Annual General Meeting to be held on January 26, 2018. These financial statements do not include the effect of final cash dividend. The appropriation approved by the Board is as follows:

	(Rupees in thousands)
Profit after taxation	142,976
Un-appropriated profit brought forward	678,192
Final dividend 2016 @ Rs. 4/- share	(69,449)
Interim dividend 2017 @ Rs. 5/- share	(86,812)
Available for appropriation and Un-appropriated profit carried forward	651,314

OPERATING RESULTS

Details of operations in respect of Sugar, Ethanol, Power, Chemical & Alloys Storage Tank Terminal, division are given as under:

SUGAR UNIT

Operating Data	2017	2016
Operational performance		
Date of start of season	November 14, 2016	November 23, 2015
No. of days worked	125	93
Crushing (M.T)	659,154	560,786
Production from sugarcane (M.T)	70,484	58,730
Sales	48,353	67,529
Recovery (%)	10.70	10.47

Financial Data

	2017	2016
	(Rupees in thousand)	
Sales	2,465,934	3,385,000
Cost of sales	<u>(2,615,077)</u>	<u>(3,099,376)</u>
Gross (loss) / profit	(149,143)	285,624
Distribution cost	(19,468)	(12,976)
Administrative expenses	<u>(67,829)</u>	<u>(67,119)</u>
Operating segment (loss) / profit	<u>(236,440)</u>	<u>205,529</u>

Due to bumper production of sugar, price of sugar remained depressed throughout the year and experienced continuous decline since the start of the season 2016-17. The Government finally allowed export of sugar quota but that also to a very limited extent and after considerable delay. By the time exports of sugar could be made, however, international prices had already plummeted from USD 550-560 per M.T to USD 350-360 per M.T making it impossible for sugar producers to dispose off sugar without breaking-even. The surplus sugar stocks also continuously depressed the sugar price in local market. The combined effect of the above mentioned factors resulted in a gross operating loss in the sugar segment.

Crushing operations for 2016-17 season started on November 14, 2016 and the plant operated for 125 days ending on March 18, 2017 as against 93 days of preceding season. The sugarcane crushed during the current season was 659,154 metric tons as compared to 560,786 metric tons in 2016 with sucrose recovery averaging at 10.7% which was 10.47% in 2016 ultimately yielding sugar production of 70,484 metric tons as compared to 58,730 metric tons in 2016.

ETHANOL UNIT:

Operating Data

	2017	2016
Production (metric tons) - Unit - I and II	38,793	36,402
Sales (metric tons)	39,117	33,894

Financial Data

	2017	2016
	(Rupees in thousand)	
Sales	2,861,481	2,408,851
Cost of sales	<u>(2,201,073)</u>	<u>(1,930,814)</u>
Gross profit	660,408	478,037
Distribution cost	(115,315)	(106,939)
Administrative expenses	<u>(44,864)</u>	<u>(43,194)</u>
Operating segment profit	<u>500,229</u>	<u>327,904</u>

The management of your Company has tried their level best to procure high-quality molasses at lower cost. The efforts can be evidenced by looking into the improved operating segment profit figures which comes to Rs. 500.229 million as against corresponding period profit of Rs. 327.904 million.

Moreover, the management also tried to change the sales mix of ethanol in order to leverage on the more profitable sales mix. More specifically, the reliance on bulk sale was reduced while the reliance placed on ISO and Drums sales was increased.

The production of ethanol during the year ended September 30, 2017 was 38,793 metric tons as compared to 36,402 metric tons during the previous year registering a slight increase of 2,391 metric tons. The operating segment profit of this segment is Rs. 500.229 million during the year under review as against segment results of Rs. 327.904 million in the corresponding period of last year evidencing an increase of Rs. 172.325 million. The main reason for increase in profit is due to purchase of molasses at low cost.

POWER, CHEMICAL AND ALLOYS DIVISION

During the year under review, the chemical and power division has incurred segment loss of Rs. 45.314 million as compared to the segment loss of Rs. 49.626 million for the last year. The loss is mainly due to fixed costs that have to be incurred

irrespective of whether the production facilities are functioning or not.

STORAGE TANK TERMINAL

By the Grace of Almighty Allah, our Storage Tank Terminal successfully contributed profit of Rs.93.840 million during the year as compared to Rs. 87.686 million in last year. The prime reason behind this result is untiring effort of our staff and management for better operational planning and management that have in turn resulted in our customers being very satisfied with our services. The ethanol produced by your company has also been stored in the tank terminal to facilitate the timely arrival of export orders. The terminal is licensed to act as customs public bonded warehouse and has a total capacity of 22,850 M.T to handle bulk liquid cargo. The terminal has permission to store dangerous goods which includes Ethanol as well as other petroleum products. As of today the Storage Tank Terminal capacity is fully occupied.

COMMENTS ON AUDITOR'S REPORT

As fully explained in note 26.1.c to the financial statements, a suit bearing no. 281 has been filed in the Honorable High Court of Sindh at Karachi against the Company and 9 others alleging mismanagement in the Company's affairs. The Company and its management have denied all allegations of the plaintiff and are of the view that no inference is likely to materialize in the suit and there is no financial exposure of the Company in the matter.

FUTURE OUTLOOK

The future outlook of the Company entirely depends on a number of factors that include the prices of sugarcane and molasses, average sucrose recovery rates, selling prices of sugar and ethanol, market interest rates, level of inflation and the stability of the Pakistani Rupee.

SUGAR SEGMENT

Pakistan Sugar Mills Association (PSMA) has been continuously putting up the matter before the Government that starting the upcoming sugar crushing season i.e. 2017-18 is not possible without enforcing a uniform price of sugarcane in all the provinces, disposing surplus sugar stocks through exports, and the timely payment of inland subsidy.

Although the Government does fix the price of the sugarcane but it neither buys sugar nor fixes its ex-factory price and forces the millers to pay back the dues. Millers produce sugar for four months and have to sell the commodity in 12 months and the selling price of sugar is left to be determined by market forces.

For a timely start of the ensuing season the government should come up with corrective measures by either buying the surplus stock as strategic reserves or subsidize the export quantities in order to support the sugar industry along with thousands of farmers that are associated with it. As per current estimates the next year sugarcane supply will also be a surplus by 15%.

Global sugar production for 2017-18 is estimated to increase to 190 million tons based on predicted increases in production from the European Union, India and Thailand. This compares with 176.9 million tons produced in 2016-17. The result will be a global sugar surplus for 2017-18 but, with global consumption increasing by 2% to 184 million tons. Prices are unlikely to drop due to low stock levels, but they are also unlikely to increase significantly.

Ethanol Segment

Your company is striving hard to acquire Molasses at very competitive rates. In the past few years, due to worldwide doldrums the prices of ethanol depicted a declining trend but they have recovered and continue to indicate stability in the future as well. However, your Company is targeting growth industries to capture high prices. Food grade Ethanol is also used as a processing aid in the production of chocolate and confectionery and as a solvent for colourings, fragrances, and flavours and carries great potential for the food grade alcohol manufacturers to develop innovative products, due to the availability of raw materials. The global food grade Ethanol market size is estimated to grow by 3.7% during the next couple of years.

Tank Terminal

The Company expects stable earnings from this segment.

Power, Chemical and Alloys Division

The production facilities of power, chemical & alloys division, segment have been suspended since 2011 in view of present business conditions and the matter of its recommencement will be reviewed when these conditions improve.

Overall

The Company is putting more efforts to increase cost efficiencies, improve processes and seeking alternate course of actions to contest the foreseen risks in order to boost overall profitability.

BOARD OF DIRECTORS

The Board of Directors is comprised of two executive, five non-executive directors and one independent director. During the year ended September 30, 2017, six meetings of the Board of Directors were held. The numbers of meeting attended by directors are as follows:

Name of Directors	Status	Number of meetings attended
Mr. Mohammad Iqbal Usman	Chairman	5/6
Mr. Shunaid Qureshi	Chief Executive	4/6
Mr. Asim Ghani	Executive Director	6/6
Mrs. Asma Aves Cochinwala	Non-Executive Director	6/6
Miss. Darakshan Ghani	Non-Executive Director	6/6
Mr. Duraid Qureshi	Non-Executive Director	3/6
Mr. Suleman Lalani	Non-Executive Director	6/6
Mr. Sayyed Rafay Akber Rashdi	Independent Director	3/6
Mr. Irfan Nasir Cheema	Non-Executive Director	4/6

RESIGNATION / APPOINTMENT

On December 12, 2017 Mr. Shunaid Qureshi has tendered his resignation due to his personal reasons from the post of CEO with immediate effect. Accordingly a casual vacancy has arisen which is filled by appointing Mr. Asim Ghani as new CEO in Board of Directors' meeting held on December 26, 2017.

AUDIT COMMITTEE

The Board of Directors has established an Audit Committee in compliance with the Code of Corporate Governance. The meetings attended by members are as follows:

Name of Members	Status	Category	Number of meetings attended
Mr. Sayyed Rafay Akber Rashdi	Chairman	Independent Director	4/4
Miss. Darakshan Ghani	Member	Non-Executive Director	4/4
Mr. Duraid Qureshi	Member	Non-Executive Director	4/4
Mrs. Asma Aves Cochinwala	Member	Non-Executive Director	4/4

The Audit Committee reviewed the quarterly, half yearly, annual financial statements along with the related party transaction register before submission to the Board. The Audit Committee also reviewed internal auditor's findings and held separate meetings with internal and external auditors as required under the Code of Corporate Governance.

HUMAN RESOURCE COMMITTEE

Human resource planning and management is one of the most important focus points at the highest management level. The Company has a Human Resource and Remuneration Committee which is involved in the selection, evaluation, compensation and succession planning of the key management personnel. It is also involved in endorsing improvements in Company's human resource policies and procedures and their periodic appraisal. The meetings attended by members are as follows:

Name of Members	Status	Catagory	Number of meetings attended
Mr. Mohammad Iqbal Usman	Chairman	Non-Executive Director	2/2
Mr. Asim Ghani	Member	Executive Director	2/2
Miss. Darakshan Ghani	Member	Non-Executive Director	2/2
Mrs. Asma Aves Cochinwala	Member	Non-Executive Director	2/2

INVESTMENT COMMITTEE

The Board of Directors has established an Investment Committee consisting of high experienced personnel for evaluating the position of investments on half yearly basis or as and when required by the committee and determining the future strategies regarding the investments held or further investment. The investment committee held four(4) meetings during the year. Attendance by each member was as follows:

Name of Members	Status	Catagory	Number of meetings attended
Mr. Muhammad Iqbal Usman	Chairman	Non-Executive Director	4/4
Mr. Asim Ghani	Member	Executive Director	4/4
Miss. Darakshan Ghani	Member	Non-Executive Director	4/4

BOARD'S EVALUATION COMMITTEE

The Board of Directors has established an Evaluation Committee consisting highly experienced personnel for evaluating the Board's performance. The evaluation committee held (2) meetings during the year. Attendance by each member was as follows:

Name of Members	Status	Catagory	Number of meetings attended
Mr. Mohammad Iqbal Usman	Chairman	Non-Executive Director	2/2
Mr. Duraid Qureshi	Member	Non-Executive Director	2/2
Miss. Darakshan Ghani	Member	Non-Executive Director	2/2

AUDITORS

The retiring auditors, M/s. Reanda Haroon Zakaria & Company, Chartered Accountants being eligible, offer themselves for re-appointment. On recommendation of Audit Committee, the Board of Directors has endorsed their appointment for the year 2017-2018 to the shareholders at the forthcoming Annual General Meeting.

CORPORATE SOCIAL RESPONSIBILITY

The Company is committed towards accomplishing its Corporate Social Responsibility (CSR) and actively takes part in social work programs that are conducted throughout the year. During the year under review as part of CSR program, the Company has made contribution in the sector of health.

IMPACT OF COMPANY'S BUSINESS ON ENVIRONMENT

We recognize our environmental responsibilities and our contribution to sustainable development. Our environment policy and its management processes deal with the environment issues connected to our manufacturing processes and facilities. The Company conducts its business with the highest concern for the health and safety of its employees, customers, suppliers, neighbours and the general public, and for the environment in which it operates. Policies are regularly reviewed to ensure that the standards set are linked to industry's best practices. Health and safety training is provided to employees to ensure that they perform their work in accordance to the laid down policies. In this respect, in-house training sessions for fire safety, first aid, defensive driving and occupational health and safety are carried out routinely.

CONTRIBUTION TO THE NATIONAL EXCHEQUER

The Company contributed a total amount of Rs. 395.393 (2016: Rs. 454.456) million to the Government Treasury in the shape of income tax, levies, excise duty and sales tax.

PATTERN OF SHAREHOLDING AND SHARES TRADED

The Pattern of Shareholding as on September 30, 2017, in accordance with the requirements of the Code of Corporate Governance and a statement reflecting distribution of shareholding, is separately annexed to this report. No trading in the shares of the Company was carried out by the Chief Executive, Director's, Chief Financial Officer and Company Secretary nor by their spouses and minor children.

CORPORATE GOVERNANCE

The Directors are pleased to state that your Company has complied with the provisions of the Code of Corporate Governance as required by SECP which formed part of stock exchange listing regulations.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

- a) The financial statements prepared by the Management, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- b) The Company has maintained proper books of accounts.
- c) Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of financial statements.
- e) A sound system of internal control has been designed and effectively implemented and monitored.
- f) There are no significant doubts upon the Company's ability to continue as a going concern.
- g) The Key financial data for the last six years is annexed with this report.
- h) There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
- i) The Company has not made payment against market committee fee since inception as it has been challenged in Honorable High Court of Sindh. However, full provision has been made for the same in the accounts of Rs. 80.707 million. The Karachi Water and Sewerage Board has demanded Rs. 19.588 million for sewerage, fire and conservancy charges which the Company has challenged in the Honorable High Court of Sindh, Karachi as no such facilities are being provided by the Board.
- j) The Company arranges orientation course for its Directors as and when needed to apprise them of their duties and responsibilities. Four (4) Directors have already done Directors' Training Program. In addition, two (2) of the

Directors are exempted from the requirement of Director's Training Program under clause 5.19.7 of PSX Rule Book and rest of the Directors are to be trained within specified time. All the Directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies.

- k) The Company maintains a Gratuity Fund for its employees. The value of fund is Rs. 106.277 million in the shape of investments as on September 30, 2017.

ACKNOWLEDGEMENT

The Company strongly believes that its success is driven by the commitment and dedication of its employees. We acknowledge the efforts of each and every staff member of the Company for significant contribution, continued dedication and hard work in delivering such a strong performance. We would also like to express our thanks to the customers for placing their trust in our products and look forward to their continued patronage. We also thank our shareholders, banks and financial institutions 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 years. May Allah Bless us in our efforts. A'meen!

For and on behalf of the Board of Directors



Asim Ghani
Chief Executive Officer



Darakshan Ghani
Director

Karachi: December 26, 2017

PATTERN OF SHAREHOLDINGS

AS ON SEPTEMBER 30, 2017

Number of Shares	Shareholdings' slab		Total Number of Shares Held
	From	To	
226	1	100	10,317
495	101	500	230,713
55	501	1,000	51,624
46	1,001	5,000	114,670
8	5,001	10,000	65,100
2	10,001	15,000	25,500
1	15,001	20,000	20,000
2	20,001	30,000	56,400
1	30,001	60,000	56,182
1	60,001	105,000	100,027
2	105,001	135,000	263,979
1	135,001	195,000	194,600
1	195,001	380,000	376,498
1	380,001	420,000	417,500
1	420,001	425,000	421,802
1	425,001	730,000	728,087
1	730,001	750,000	750,000
1	750,001	830,000	829,583
1	830,001	1,350,000	1,346,232
1	1,350,001	1,400,000	1,399,668
1	1,400,001	1,415,000	1,414,500
1	1,415,001	2,000,000	1,873,250
1	2,000,001	2,295,000	2,294,468
1	2,295,001	4,325,000	4,321,600
<u>852</u>			<u>17,362,300</u>

CATAGORIES OF SHAREHOLDERS

AS ON SEPTEMBER 30, 2017

Shareholders Catagories	Number of Shares Held	Percentage
Associated Companies, undertaking and related parties	11,444,650	65.9167
Mutual Fund	510,598	2.9408
Directors, Chief Executive Officer, and their spouse and minor children.	2,354,497	13.5610
Executives	NIL	NIL
Public Sector Companies and Corporations	NIL	NIL
NIT and ICP	830,083	4.7810
Banks, development Finance institutions, non-Banking Finance Companies, insurance Companies, takaful, modarabas and pension funds	863,344	4.9725
Share holders holding 5%	12,649,718	72.8574
General Public		
a. Local	1,286,968	7.1424
b. Foreign	NIL	NIL
Others	72,100	0.4156

DETAIL OF SHAREHOLDERS CATAGORIES

AS ON SEPTEMBER 30, 2017

	2017		2016	
	No. of Shares	Percentage	No. of Shares	Percentage
1 Associated Companies , Undertakings and Related Parties				
Al-Abbas Sugar Mills Limited-Employees Gratuity Fund	194,600	1.1208	194,600	1.1208
Mahvash and Jahangir Siddiqui Foundation	1,414,500	8.1470	1,414,500	8.1470
Haji Abdul Ghani	4,321,600	24.8907	4,321,600	24.8907
Muhammad Ayub Younus Adhi	1,873,250	10.7892	1,873,250	10.7892
Noor Jahan Hajiani	1,346,232	7.7538	1,346,232	7.7538
	<u>9,150,182</u>	<u>52.7014</u>	<u>9,150,182</u>	<u>52.7014</u>
2 Mutual funds				
Prodenial Stocks Fund Limited	600	0.0035	600	0.0035
MCBFSL-Trustee JS Value Fund	376,498	2.1835	379,098	2.1835
MCFSL - Trustee Js Growth Fund	133,500	0.7689	133,500	0.7689
	<u>510,598</u>	<u>2.9558</u>	<u>513,198</u>	<u>2.9558</u>
3 Directors, CEO and their spouses and minor children				
Muhammad Iqbal Usman	500	0.0029	500	0.0029
Shunaid Qureshi	1,399,668	8.0615	1,399,668	8.0615
Asim Ghani	417,500	2.4046	417,500	2.4046
Asma Aves Cochinwala	100,027	0.5761	100,027	0.5761
Aves Cochinwala	1,000	0.0058	1,000	0.0058
Darakshan Ghani	421,802	2.4294	421,802	2.4294
Duraid Qureshi	1,000	0.0058	1,000	0.0058
Sayyed Rafey Akbar Rashdi	500	0.0029	500	0.0029
Suleman Lalani	500	0.0029	500	0.0029
Irfan Nasir Cheema	500	0.0029	500	0.0029
Hira Asim	11,500	0.0662	11,500	0.0662
	<u>2,354,497</u>	<u>13.5610</u>	<u>2,354,497</u>	<u>13.5610</u>
4 Executives				
	NIL	NIL	NIL	NIL
5 Public Sector Companies and corporations				
	NIL	NIL	NIL	NIL
6 NIT and ICP				
Investment Corporation of Pakistan	500	0.0029	500	0.0029
CDC - Trustee National Investment (Uuit) Trust	829,583	4.7781	829,583	4.7781
	<u>830,083</u>	<u>4.7810</u>	<u>830,083</u>	<u>4.7810</u>

DETAIL OF SHAREHOLDERS CATAGORIES

AS ON SEPTEMBER 30, 2017

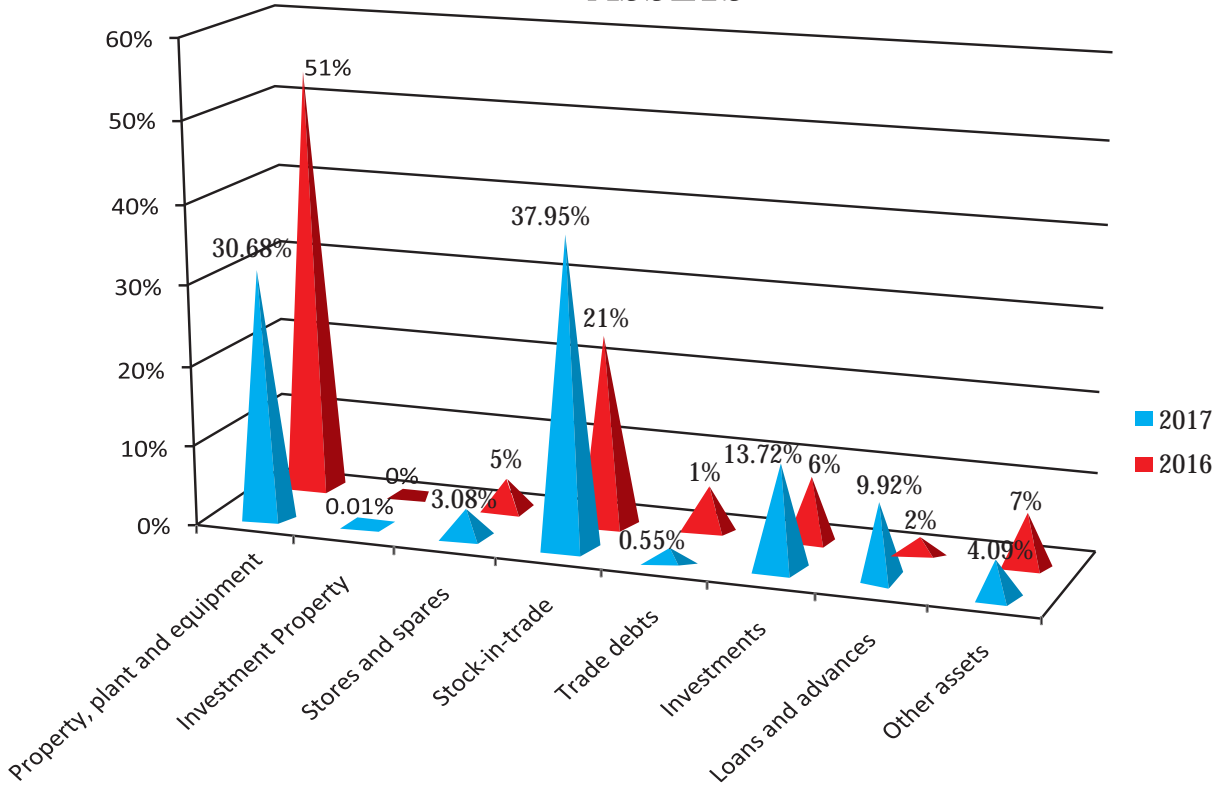
	2017		2016	
	No. of Shares	Percentage	No. of Shares	Percentage
7 Banks, development finance institutions, Non- banking finance Companies, Insurance Companies, takaful, modarabas and pension funds				
National Bank of Pakistan	728,087	4.1935	728,087	4.1935
Trustee National Bank of Pakistan Employees Pension Fund	130,479	0.7515	130,479	0.7515
Trustee National Bank of Pakistan Emp Bevevolent Fund Trust	4,578	0.0264	4,578	0.0264
The Bank of Khyber	200	0.0012	200	0.0012
	<u>863,344</u>	<u>4.9725</u>	<u>863,344</u>	<u>4.9725</u>
8 Shareholder holding five percent or more voting interest in the Company				
Haji Abdul Ghani	4,321,600	24.8907	4,321,600	24.8907
Muhammad Ayub Younus Adhi	1,873,250	10.7892	1,873,250	10.7892
Jahangir Siddiqui & Sons Limited	2,294,468	13.2152	1,725,968	9.9409
Mahvash and Jahangir Siddiqui Foundation	1,414,500	8.1470	1,414,500	8.1470
Shunaid Qureshi	1,399,668	8.0615	1,399,668	8.0615
Jahangir Siddiqui	-	-	1,006,182	5.7952
Noor Jahan Hajiani	1,346,232	7.7538	1,346,232	7.7538
	<u>12,649,718</u>	<u>72.8574</u>	<u>13,087,400</u>	<u>75.3783</u>

KEY FINANCIAL DATA

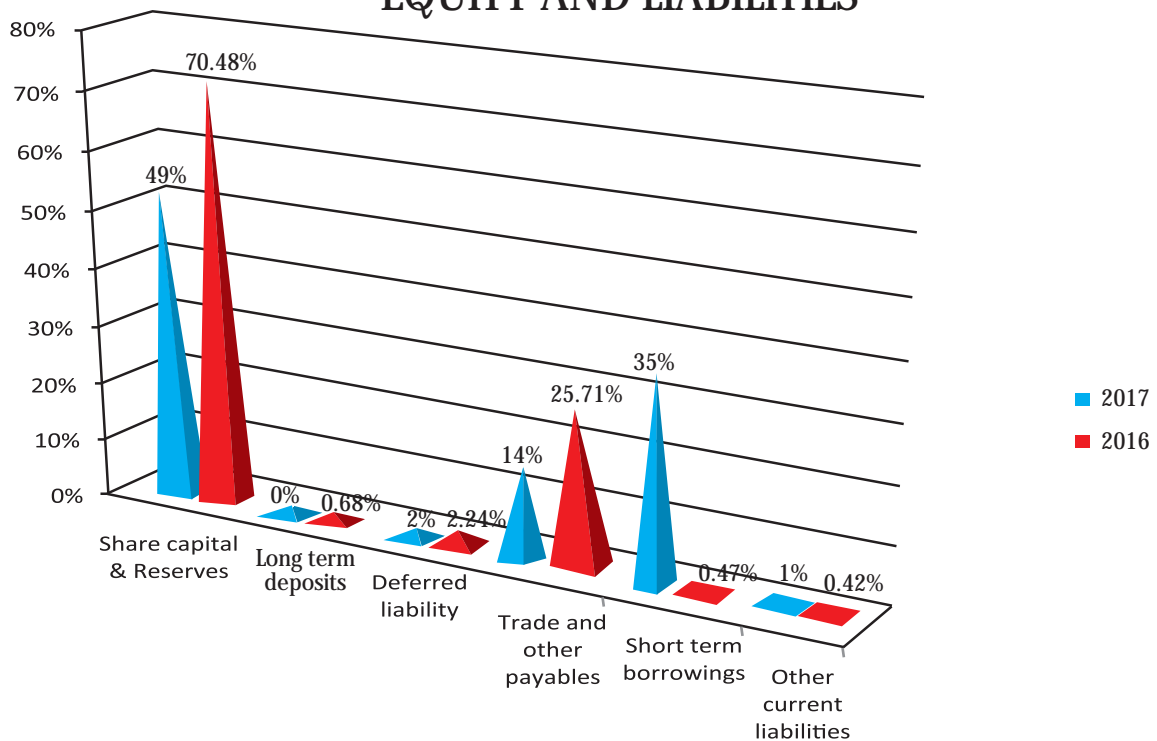
		2017	2016	2015	2014	2013	2012
Investment Measure							
Ordinary Share Capital	Rs. in ' 000 '	173,623	173,623	173,623	173,623	173,623	173,623
Reserves	Rs. in ' 000 '	2,334,735	2,161,485	2,054,425	2,052,615	1,808,825	1,553,757
Ordinary Shareholder's Equity	Rs. in ' 000 '	2,508,358	2,335,108	2,228,048	2,226,238	1,982,448	1,727,380
Dividend on Ordinary Shares	Rs. in ' 000 '	173.623	329,884	434,058	173,623	86,812	138,898
Dividend per Ordinary Share	Rs.	10.00	19.00	25.00	10.00	5.00	8.00
Profit Before Taxation	Rs. in ' 000 '	206,948	524,570	553,599	388,119	330,998	539,337
Profit After Taxation	Rs. in ' 000 '	142,976	457,883	494,935	298,153	287,545	490,546
Earnings per share of Rs. 10	Rs.	8.23	26.37	28.51	17.17	16.56	28.25
Measure of Financial Status							
Current Ratio		1.12	1.61	1.29	1.07	0.93	0.96
Debt Equity Ratio		-	-	-	-	0.08	0.25
Total Debt Ratio		0.35	0.00	0.13	0.27	0.38	0.41
Number of Days Stock	In days	101.17	56.45	82.69	93.42	89.47	150.55
Measure of Performance							
Sales	Rs. in ' 000 '	5,327,415	5,793,851	5,867,298	5,520,740	5,849,700	5,950,464
Cost of Goods Sold as % of Sales	%	90.40	86.82	85.94	85.85	85.85	79.50
Profit Before Taxation as % of Sales	%	3.88	9.05	9.44	7.03	5.66	9.06
Profit After Taxation as % of Sales	%	2.68	7.90	8.44	5.40	4.92	8.24
Quantity of sugar cane crushed	M.Tons	659,154	560,786	564,555	621,679	503,178	402,317
Quantity of sugar production	M.Tons	70,484	58,730	60,534	63,650	52,727	39,479
Recovery of sugar production	%	10.70	10.47	10.72	10.24	10.48	9.83
Quantity of Ethanol produced	M.Tons	38,794	36,402	36,946	36,875	34,735	39,282
Recovery of ethanol produced	%	5.40	5.54	5.65	5.73	5.96	5.59

COMPOSITION OF BALANCE SHEET

ASSETS

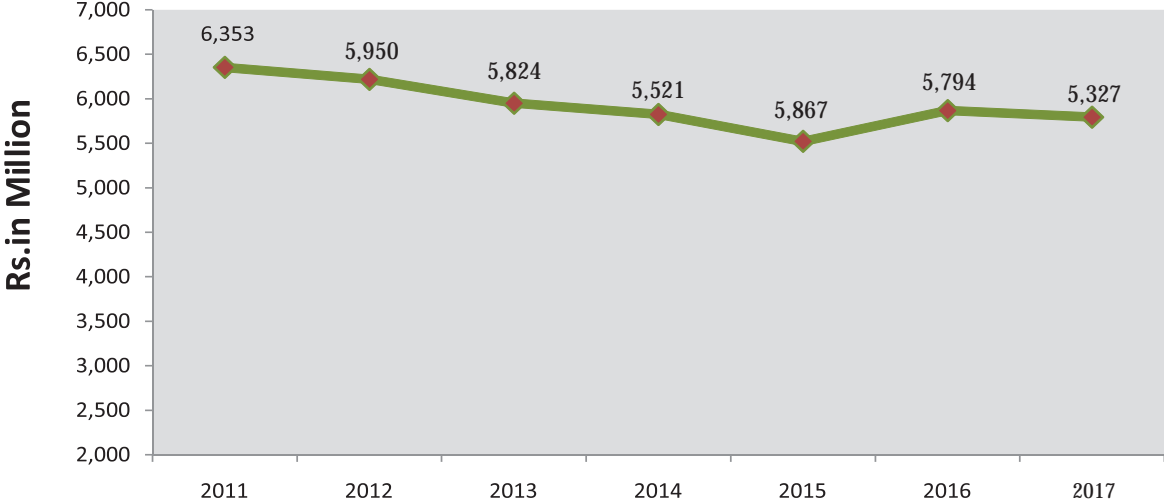


EQUITY AND LIABILITIES

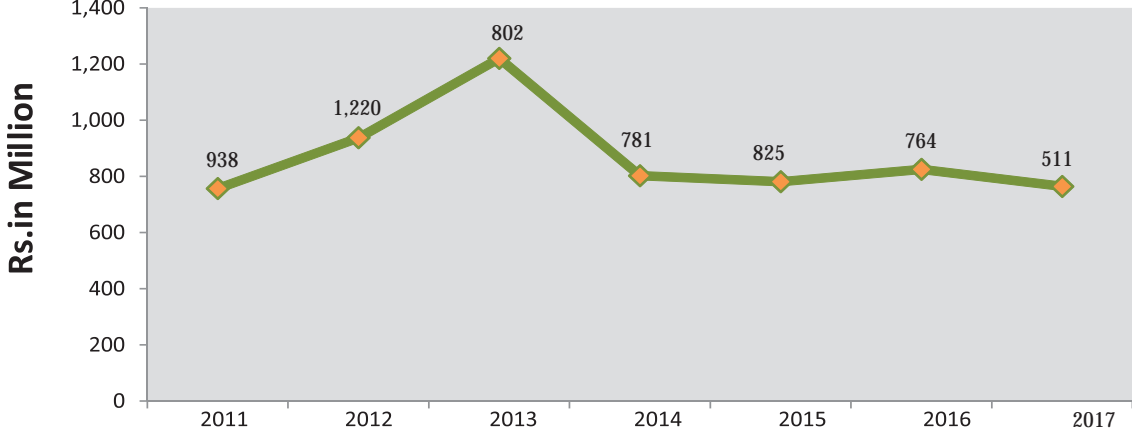


FINANCIAL INDICATORS

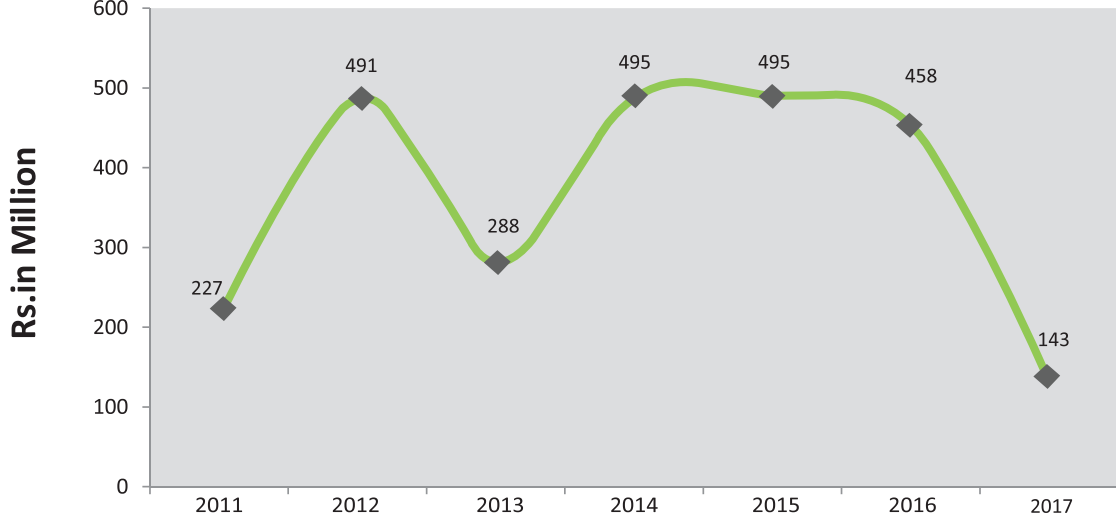
Sales Revenue



Gross Profit



Net Profit



REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Al-Abbas Sugar Mills Limited (the Company), for the year ended September 30, 2017 to comply with the requirements of the Listing Regulations of the Pakistan Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company (the Board). Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirement of the Code. A review is limited primarily to inquiries of the management personnel and review of various documents prepared by the management to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the management's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended September 30, 2017.

Further, we highlight below an instance of non-compliance with the requirements of the Code as reflected in the paragraph reference where this is stated in the Statement of Compliance:

Reference	Description
Paragraph 10	Head of internal audit has resigned during the year while the appointment for the replacement was made subsequent to year end.



Reanda Haroon Zakaria & Co.
Chartered Accountants

Engagement Partner
Farhan Ahmed Memon

Karachi
Dated: December 26, 2017

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in regulation no 5.19 of the listing Regulations of Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the Board includes:

Category	Names
Independent Director	Mr. Sayyed Raffay Akber Rashdi
Non-Executive Directors	Mr. Mohammad Iqbal Usman Mr. Duraid Qureshi Miss. Darakshan Ghani Mrs. Asma Aves Cochinwala Mr. Irfan Nasir Cheema Mr. Suleman Lalani
Chief Executive / Executive Director	Mr. Asim Ghani appointed as CEO on December 26, 2017, before that he was acting as Executive Director

Subsequent to the year end, the SECP has issued a direction dated November 30, 2017 to Mr. Shunaid Qureshi - Chief Executive Officer of the Company which was received on December 04, 2017, that Mr. Shunaid Qureshi is barred from acting as CEO owing to the pendency of the trial. On December 12, 2017, Mr. Shunaid Qureshi has tendered his resignation due to his personal reasons from the post of CEO with immediate effect. Accordingly a casual vacancy has arisen which is filled by appointing Mr. Asim Ghani as new CEO.

The independent director meets the criteria of independence under clause 5.19.1. (b) of the Code.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking Company, a DFI or an NBFI or, being a Broker of a stock exchange, has been declared as a defaulter by that Stock Exchange.
4. No casual vacancy occurred on the Board during the current year.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The board has developed a vision and mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive and non executive, have been taken by the Board.
8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Company arranges orientation course for its Directors as and when needed to apprise them of their duties and responsibilities. Four (4) Directors have already done Directors' Training Program. In addition, two (2) of the Directors are exempted from the requirement of Director's training program under clause 5.19.7 of PSX Rule Book and rest of the Directors to be trained within specified time. All the Directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies.
10. The Board has approved appointment of Company Secretary, Chief Financial Officer and Head of Internal Audit including their remuneration and terms and conditions of employment. The head of internal audit has resigned during the year while the appointment of replacement was made subsequent to the year end.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO (and in his absence by Executive Director) and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of four (4) members, of whom three are non-executive directors and chairman of the committee is an independent director.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an Human Resource and Remuneration Committee. It comprises four (4) members, of whom three are non-executive directors, one executive director and chairman of the committee is a non-executive director.
18. The board has set up an effective internal audit function managed by qualified and experienced professionals who are conversant with the policies and procedures of the Company.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountant of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountant of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through Pakistan Stock Exchange.
23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the Code have been complied with.



Asim Ghani
Chief Executive Officer

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Al-Abbas Sugar Mills Limited (the Company) as at September 30, 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the repealed Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Company as required by the repealed Companies Ordinance, 1984;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the repealed Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the repealed Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2017 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Emphasis of Matter

We draw attention to note 26.1 (c) to the financial statements which describe the uncertainty related to the outcome of the lawsuit filed against the Company and others by a Non-Executive Director of the Company. Our opinion is not qualified in respect of this matter.



Reanda Haroon Zakaria & Co.
Chartered Accountants

Engagement Partner
Farhan Ahmed Memon

Karachi
Dated: December 26, 2017

BALANCE SHEET

AS AT SEPTEMBER 30, 2017

	Note	2017 (Rupees in thousand)	2016
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	1,586,688	1,683,380
Investment property	5	308	342
Long term investments	6	709,068	200,420
Long term loans	7	487	1,249
Long term deposits		11,406	11,406
Deferred taxation	8	-	-
		<u>2,307,957</u>	<u>1,896,797</u>
Current Assets			
Stores and spares	9	159,183	151,437
Stock-in-trade	10	1,962,675	707,135
Trade debts	11	28,312	40,769
Loans and advances	12	512,820	77,910
Trade deposits and short term prepayments	13	15,327	7,931
Interest accrued	14	2,868	2,542
Other receivables	15	66,607	97,022
Short term investments	16	600	235,500
Income tax refunds due from the Government	17	91,212	37,523
Cash and bank balances	18	23,583	58,365
		<u>2,863,187</u>	<u>1,416,134</u>
Total Assets		<u>5,171,144</u>	<u>3,312,931</u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital		<u>400,000</u>	<u>400,000</u>
Issued, subscribed and paid-up capital	19	173,623	173,623
Reserves	20	2,334,735	2,161,485
Shareholders' equity		<u>2,508,358</u>	<u>2,335,108</u>
Non - Current Liabilities			
Long term deposits		22,381	22,381
Deferred liability	21	80,707	74,116
		103,088	96,497
Current Liabilities			
Trade and other payables	22	736,100	851,813
Accrued mark-up	23	22,226	1,030
Short term borrowings	24	1,788,526	15,637
Provision for taxation	25	12,846	12,846
		2,559,698	881,326
Contingencies and Commitments	26	-	-
Total Equity and Liabilities		<u>5,171,144</u>	<u>3,312,931</u>

The annexed notes from 1 to 48 form an integral part of these financial statements.



Asim Ghani
Chief Executive Officer



Darakshan Ghani
Director



Zuhair Abbas
Chief Financial Officer

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Note	2017 (Rupees in thousand)	2016
Sales	27	5,327,415	5,793,851
Cost of sales	28	(4,816,150)	(5,030,190)
Gross profit		511,265	763,661
Profit from other reportable segments - net	29	48,526	38,060
		559,791	801,721
Distribution cost	30	(134,783)	(119,915)
Administrative expenses	31	(112,693)	(110,313)
Other operating expenses	32	(10,689)	(26,885)
		(258,165)	(257,113)
Operating profit		301,626	544,608
Finance cost	33	(112,389)	(85,390)
Other income	34	17,711	65,352
Profit before taxation		206,948	524,570
Taxation	35	(63,972)	(66,687)
Profit after taxation		142,976	457,883
Earnings per share - Basic and diluted	36	8.23	26.37

The annexed notes from 1 to 48 form an integral part of these financial statements.



Asim Ghani
Chief Executive Officer



Darakshan Ghani
Director



Zuhair Abbas
Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	2017	2016
	(Rupees in thousand)	
Profit after taxation	142,976	457,883
Other comprehensive income for the year		
(a) Items to be classified to profit and loss account in subsequent period		
Unrealized gain on remeasurement of available for sale investments	200,128	66,433
(b) Items that will not be reclassified to profit and loss account in subsequent period		
(Loss) / gain on remeasurement of defined benefit obligation	(13,593)	16,802
	186,535	83,235
Total comprehensive income for the year	<u>329,511</u>	<u>541,118</u>

The annexed notes from 1 to 48 form an integral part of these financial statements.



Asim Ghani
Chief Executive Officer



Darakshan Ghani
Director



Zuhair Abbas
Chief Financial Officer

CASH FLOW STATEMENT

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Note	2017 (Rupees in thousand)	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	37	(1,357,789)	1,059,737
Finance cost paid		(91,193)	(86,481)
Income tax paid		(117,661)	(73,895)
Long term loans recovered / (given) - net		762	(344)
Long term deposits paid		-	(3)
		<u>(208,092)</u>	<u>(160,723)</u>
Net cash (used in) / generated from operating activities		(1,565,881)	899,014
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred on fixed assets		(20,392)	(16,750)
Proceeds from disposal of fixed assets		1,169	3,906
Long term investments made		(73,620)	-
Interest / markup received		3,030	3,471
Dividend received		2,956	9,512
Net cash (used in) / generated from investing activities		<u>(86,857)</u>	<u>139</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(154,933)	(441,564)
Short term borrowings obtained / (repaid) - net		1,772,889	(440,964)
Net cash generated from / (used in) financing activities		<u>1,617,956</u>	<u>(882,528)</u>
Net (decrease) / increase in cash and cash equivalents		(34,782)	16,625
Cash and cash equivalents at beginning of the year		58,365	41,740
Cash and cash equivalents at the end of the year		<u><u>23,583</u></u>	<u><u>58,365</u></u>

The annexed notes from 1 to 48 form an integral part of these financial statements.



Asim Ghani
Chief Executive Officer



Darakshan Ghani
Director



Zuhair Abbas
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	RESERVES						Total Share holder's Equity
	Issued, subscribed and paid-up capital	Revenue reserves			Capital reserves Gain / (loss) on remeasurement of Available for Sale investments	Total Reserves	
		General reserve	Unappropriated profit	Sub total			
(Rupees in thousand)							
Balance as at October 1, 2015	173,623	1,458,000	637,565	2,095,565	(41,140)	2,054,425	2,228,048
Total comprehensive income for the year							
Profit after taxation	-	-	457,883	457,883	-	457,883	457,883
Other comprehensive income for the year							
Unrealized gain on remeasurement of available for sale investments	-	-	-	-	66,433	66,433	66,433
Gain on remeasurement of defined benefit obligation	-	-	16,802	16,802	-	16,802	16,802
	-	-	16,802	16,802	66,433	83,235	83,235
	-	-	474,685	474,685	66,433	541,118	541,118
Transactions with owners							
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)
Interim Dividend 2016:Rs.10.00 per share	-	-	(173,623)	(173,623)	-	(173,623)	(173,623)
	-	-	(434,058)	(434,058)	-	(434,058)	(434,058)
Balance as at September 30, 2016	<u>173,623</u>	<u>1,458,000</u>	<u>678,192</u>	<u>2,136,192</u>	<u>25,293</u>	<u>2,161,485</u>	<u>2,335,108</u>
Balance as at October 1, 2016	173,623	1,458,000	678,192	2,136,192	25,293	2,161,485	2,335,108
Total comprehensive income for the year							
Profit after taxation	-	-	142,976	142,976	-	142,976	142,976
Other comprehensive income for the year							
Unrealized gain on remeasurement of available for sale investments	-	-	-	-	200,128	200,128	200,128
Loss on remeasurement of defined benefit obligation	-	-	(13,593)	(13,593)	-	(13,593)	(13,593)
	-	-	(13,593)	(13,593)	200,128	186,535	186,535
	-	-	129,383	129,383	200,128	329,511	329,511
Transactions with owners							
Final Dividend 2016: Rs. 4 per share	-	-	(69,449)	(69,449)	-	(69,449)	(69,449)
Interim Dividend 2017: Rs. 5 per share	-	-	(86,812)	(86,812)	-	(86,812)	(86,812)
	-	-	(156,261)	(156,261)	-	(156,261)	(156,261)
Balance as at September 30, 2017	<u>173,623</u>	<u>1,458,000</u>	<u>651,314</u>	<u>2,109,314</u>	<u>225,421</u>	<u>2,334,735</u>	<u>2,508,358</u>

The annexed notes from 1 to 48 form an integral part of these financial statements.



Asim Ghani
Chief Executive Officer



Darakshan Ghani
Director



Zuhair Abbas
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

1 THE COMPANY AND ITS OPERATIONS

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

S. No	Division	Principal Activities	Location of undertaking	Commencement of commercial production
1	Sugar	Manufacturing and sale of sugar	Mirwah Gorchani, Mirpurkhas	December 15, 1993
2	Ethanol (note 1.1)	Processing and sale of industrial ethanol	Mirwah Gorchani, Mirpurkhas	Unit I: August 20, 2000 Unit II: January 23, 2004
3	*Chemical and alloys and **Power (note 1.2)	*Manufacturing and sales of calcium carbide and ferro alloys. **Generation and sales of electricity.	Dhabeji, Thatta.	*November 01, 2006 **April 06, 2010
4	Tank Terminal	Providing bulk storage facility	Oil industrial area, Kemari, Karachi.	October 15, 2012

1.1 During the year, agreement for the supply of CO₂ gas was suspended. The same was not a reportable segment as per criteria defined in IFRS-8.

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

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions of or directives of the repealed Companies Ordinance, 1984 shall prevail.

Considering the practical difficulties faced by the companies to comply with the requirements of the recently promulgated Companies Act, 2017, Securities and Exchange Commission of Pakistan (SECP), vide its circular no. 23 of 2017 dated October 4, 2017, has decided that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention, except as otherwise disclosed in these notes.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment

in which the Company operates. The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2.4 Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates, assumptions and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Assumptions and estimates used in determining the recoverable amount, residual values and useful lives of property, plant and equipment - 3.1 and 4
- Assumptions and estimates used in determining the recoverable amount, residual values and useful lives of investment property - 3.2 and 5
- Assumptions and estimates used in determining the provision for slow moving stores and spares - 3.3 and 9
- Assumptions and estimates used in writing down items of stock in trade to their net realisable value - 3.4 and 10
- Assumptions and estimates used in calculating the provision for doubtful trade debts - 3.5 and 11
- Assumptions and estimates used in calculating the provision for doubtful loans, advances and other receivables - 3.6, 12 and 15
- Assumptions and estimates used in the recognition of current and deferred taxation - 3.9, 8 and 35
- Assumptions and estimates used in accounting for staff retirement benefits 3.1 - 22.4
- Assumptions and estimates used in disclosure and assessment of provision for contingencies - 26

2.5 Standards, interpretations and amendments applicable to financial statements

2.5.1 New Standards, Interpretations and Amendments

The following new / revised standards are effective for the year ended September 30, 2017. These standards are, either not relevant to the company's operations or are not expected to have significant impact on the company's financial statements other than certain additional disclosures:

- | | |
|---------|--|
| IFRS 10 | - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements: Investment Entities: Applying the Consolidation Exception (Amendment) |
| IFRS 11 | - Joint Arrangements: Accounting for Acquisition of Interest in Joint Operation (Amendment) |
| IAS 1 | - Presentation of Financial Statements: Disclosure Initiative (Amendment) |
| IAS 16 | - Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Method of Depreciation and Amortization (Amendment) |
| IAS 16 | - Property, Plant and Equipment and IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment) |

IAS 27 - Separate Financial Statements: Equity Method in Separate 'Financial Statements (Amendment)'

The adoption of the above accounting standards did not have any effect on the financial statements.

2.5.2 Annual Improvements

IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal.

IFRS 7 - Financial Instruments: Disclosures - Servicing contracts

IFRS 7 - Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements

IAS 19 - Employee Benefits - Discount rate: regional market issue

IAS 34 - Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

The adoption of the above amendments, improvements to accounting standards and interpretations does not have any material effect on the financial statements

2.5.3 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation

Standard or Interpretation	Effective Date (annual periods beginning on or after)
IFRS 2 - Classification and Measurement of Share Based Payment Transactions (Amendments)	January 1, 2018
IFRS 7 - Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	January 1, 2017
IFRS 9 - Financial Instruments: Classification and Measurement	January 1, 2018
IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 15 - Revenue from Contracts with Customers	January 1, 2018
IAS 12 - Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 1, 2017
IFRS 4 - Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - (Amendments)	January 1, 2018
IAS 40 - Investment Property: Transfers of Investment Property - (Amendments)	January 1, 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	January 1, 2018
IFRIC 23 - Uncertainty over Income Tax Treatments	January 1, 2019

The Company expects that the adoption of the above amendments and interpretation of the standards will not affect the Company's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	Effective Date (annual periods beginning on or after)
IFRS 1 - First Time Adoption of IFRS	July 1, 2009
IFRS 14 - Regulatory Deferral Accounts	January 1, 2016
IFRS 16 - Leases	January 1, 2019
IFRS 17 - Insurance Contracts	January 1, 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended September 30, 2016.

3.1 Property, plant and equipment

Operating fixed assets - owned

These are stated at cost less accumulated depreciation and impairment, if any, except for land, which is stated at cost.

Depreciation is charged, on a systematic basis over the useful life of the asset, on reducing balance method, which reflects the patterns in which the asset's economic benefits are consumed by the Company, at the rates specified in the relevant note. Assets residual value and useful lives are reviewed and adjusted appropriately at each financial year end. Depreciation on additions is charged from the month in which the assets are put to use while no depreciation is charged in the month in which the assets are disposed off. No amortization is provided on leasehold land since the leases are renewable at the option of the lessee at nominal cost and their realizable values are expected to be higher than respective carrying values.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss account during the financial year in which they are incurred.

Assets are derecognized when disposed or when no future economic benefits are expected from its use or disposal. Gains or losses on disposals, if any, are included in profit and loss account.

3.2 Investment property

Investment Property is property held either to earn rental income or for capital appreciation or for both, but not for sale in ordinary course of business, use in production or supply of goods or services as for administrative purpose.

Former office premises which is held to earn rental income is classified under investment property. It is carried at its respective cost, under the cost model, less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged, on a systematic basis over the useful life of the asset, on reducing balance method, at the rate specified in the note 5.

3.3 Stores and spares

Stores and spares are valued at lower of moving average cost and net realizable value except for items in transit, which are valued at cost comprising invoice value plus other directly attributable charges incurred thereon up to balance sheet date. Value of items is reviewed at each balance sheet date to record any provision for slow moving items and obsolescence.

3.4 Stock-in-trade

Raw material is stated at the lower of weighted average cost and net realizable value.

Cost in relation to work in process and finished goods represents cost of raw material and an appropriate portion of manufacturing overheads. Cost in respect of work in process is adjusted to an appropriate stage of completion of process whereas value of bagasse is taken equivalent to net realizable value.

Cost in relation to stock of molasses held in ethanol division is valued at weighted average cost.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

3.5 Trade debts

Trade debts originated by the Company are recognized and carried at original invoice amount less an allowance for doubtful debts. Provision for doubtful debts is based on the management's assessment of customer's outstanding balances and creditworthiness. Trade debts are written-off when identified and considered irrecoverable.

3.6 Loans, advances and other receivables

Loans, advances, deposits, prepayment and other receivables are carried at original amount less provision made for doubtful receivables based on a review of all outstanding amounts at the year end. Balance considered irrecoverable are written off.

3.7 Deposits and prepayments

Trade deposits and prepayments are recorded at cost which is the fair value of consideration to be received / adjusted in future.

3.8 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand and with banks.

3.9 Taxation

a) Current

Provision for current taxation is computed in accordance with the provisions of the Income Tax Ordinance, 2001.

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemptions available, if any, or minimum tax on turnover or Alternate Corporate Tax (ACT), whichever is higher.

b) Deferred

Deferred income tax is provided using the balance sheet liability method for all temporary differences at the balance sheet date between tax base of assets and liabilities and their carrying amounts for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realization or the settlement of the carrying amounts of assets and liabilities, using the tax rates enacted or substantively enacted at the balance sheet date.

Deferred income tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit for the foreseeable future will be available against which such temporary differences and tax losses can be utilized.

3.10 Staff retirement benefits

a) Defined benefit plan - gratuity scheme

The company operates an approved funded gratuity scheme (defined benefit plan) for all its employees who have completed the qualifying period under the scheme. Contributions are made to the fund in accordance with the actuarial recommendations. The most recent valuation in this regard was carried out as at September 30, 2017, using the Projected Unit Credit Method for valuation of the scheme. Actuarial gains and losses for the defined benefit plan are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are recognized in equity as capital reserves as these will not be reclassified to profit and loss in subsequent periods. Current and past service costs, gain or loss on settlement and net interest income or expense are accounted for in profit and loss account.

This scheme is governed by Trust Deed and Rules. All matters pertaining to this scheme including contributions to the scheme and payments to outgoing members are dealt with in accordance with the Trust Deed and Rules.

b) Employees compensated absences

The Company accounts for liability in respect of unavailed compensated absences for all its permanent employees, in the period of absence. Provision for liabilities towards compensated absences is made on the basis of last drawn basic salary. Amount equal to compensation of unavailed leaves of employees at every year end is transferred to this account and paid at the retirement of employees.

3.11 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

3.12 Foreign currency transaction

Transactions in foreign currencies are translated into reporting currency at the rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling on the balance sheet date. Non-monetary assets and liabilities are recorded using exchange rates that existed when the values were determined. Exchange differences on foreign currency translations are included in profit and loss account.

3.13 Financial instruments

3.13.1 Financial assets

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized at trade date i.e. the date on which the Company commits to purchase or sell the asset.

Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit and loss account.

Available for sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. 'Loans and receivables' and 'held to maturity' investments are carried at amortized cost using effective interest rate method.

The fair values of quoted investments are based on current prices. If the market for a financial asset is not active (for unlisted securities), the Company measures the investments at cost less impairment in value, if any.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available for sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the balance sheet date. Available for sale financial assets are classified as long term investments in the balance sheet.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in "other comprehensive income" are included in the profit and loss account as gains and losses on disposal of long term investments. Dividends on available for sale equity instruments are recognized in the profit and loss account when the Company's right to receive payments is established.

d) Held to maturity

Held to maturity are financial assets with fixed or determinable payments and fixed maturity for which management has the intention and ability to hold till maturity, are carried at amortized cost. Since the investment is for short term, its cost is treated as amortized cost because of insignificant difference.

3.13.2 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit and loss account.

3.13.3 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.13.4 Impairment

Financial assets

A financial asset is assessed at each balance sheet date to determine whether there is any objective evidence that

it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Any impairment loss arising on financial assets is recognized in profit and loss account.

Non-financial assets

The Company assesses at each balance sheet date whether there is any indication that assets, other than deferred tax asset, may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account. The recoverable amount is the higher of an asset's 'fair value less costs to sell' and 'value in use'.

When impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized. Reversal of impairment loss is recognized as income.

3.14 Borrowing costs

Borrowing costs incurred on finances obtained for the construction of qualifying assets are capitalized up to date the respective assets are available for the intended use. All other mark-up, interest and other related charges are charged to profit and loss account in the period in which they are incurred.

3.15 Provisions

Provisions are recognized when the Company has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.16 Inter-segment pricing

Transfer between business segments are recorded at net realizable value prevailing at the time of transfer.

3.17 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, and is reduced for the allowances such as taxes, duties, commissions, sales returns and trade discounts. The following recognition criteria must be met before revenue is recognized:

- Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods to customers.
- Return on bank deposits is recognized on a time proportion basis on the principal amount outstanding and the rate applicable while income from held to maturity investment is recorded using effective yield method.
- Mark-up on growers loan is accounted for in line with the recovery of the respective loan due to exigencies involved in such matters. Recognition of mark-up on loans considered doubtful is deferred.
- Unrealized gains / (losses) arising on re-measurement of investments classified as 'at fair value through profit & loss' are included in profit and loss account in the year in which they arise.
- Unrealized gains / (losses) arising on revaluation of securities classified as 'available for sale' are included in other comprehensive income in the period in which they arise.

- Gains / (losses) arising on disposal of investments are included in income currently and are recognized on the date when the transaction takes place.
- Miscellaneous income is recognized on occurrence of transactions.
- Dividend income from investments is recognized when the Company's right to receive the dividend is established.
- Rental income from investment property, rental income of storage tank terminal and income on sale of CO₂ is recorded on accrual basis.

3.18 Dividend and appropriation to reserves

Dividend and appropriations to reserves are recognized in the statement of changes in equity in the period in which these are approved.

3.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting structure. Management monitors the operating results of its business units separately for the purpose of making decisions regarding resource allocation and performance assessment.

Segment results, assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis. Segment assets, consist primarily of property, plant and equipment, intangibles, stores and spares, stock in trade and trade and other debts and other receivables. Segment liabilities comprise of operating liabilities and exclude items such as taxation and other corporate liabilities.

Segment capital expenditure is the total cost included during the year to acquire property, plant and equipment.

3.20 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit and loss attributable to ordinary share holders of the Company by the weighted average number of ordinary shares. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary share holders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

	Note	2017 (Rupees in thousand)	2016
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	1,586,688	1,683,380
Capital work in progress (CWIP)	4.2	-	-
		<u>1,586,688</u>	<u>1,683,380</u>

4.1 OPERATING FIXED ASSETS

As at September 30, 2017									
	Cost			Accumulated depreciation			Written down value as at September 30, 2017	Rate of depreciation %	
	As at October 01, 2016	Additions / (Deletions)	Transferred from CWIP	As at September 30, 2017	As at October 01, 2016	Charge for the year / (on disposal)			As at September 30, 2017
----- Rupees in '000 -----									
Owned									
Free-hold land	26,534	-	-	26,534	-	-	26,534	-	
Lease-hold land	73,694	-	-	73,694	-	-	73,694	-	
Main factory building									
- on free-hold land	214,661	-	-	214,661	161,645	5,302	166,947	47,714	10
- on lease-hold land	168,317	-	-	168,317	103,026	6,529	109,555	58,762	10
Non-factory building									
- on free-hold land	147,109	-	-	147,109	98,108	4,900	103,008	44,101	10
- on lease-hold land	73,666	-	-	73,666	38,562	3,510	42,072	31,594	10
Plant and machinery	2,611,679	-	18,528	2,630,207	1,277,825	88,300	1,366,125	1,264,082	5 to 10
Furniture and fittings	10,654	-	-	10,654	6,885	377	7,262	3,392	10
Vehicles	74,356	1,187	-	73,056	45,594	5,890	49,460	23,596	20
	-	(2,487)	-	-	-	(2,024)	-	-	
Office equipment	34,679	677	-	35,356	22,154	1,289	23,443	11,913	10
Computers	8,744	-	-	8,744	7,163	474	7,637	1,107	30
Tools and tackles	4,268	-	-	4,268	4,019	50	4,069	199	20
	<u>3,448,361</u>	<u>1,864</u>	<u>18,528</u>	<u>3,466,266</u>	<u>1,764,981</u>	<u>116,621</u>	<u>1,879,578</u>	<u>1,586,688</u>	
	-	(2,487)	-	-	-	(2,024)	-	-	
----- Rupees in '000 -----									
As at September 30, 2016									
	Cost			Accumulated depreciation			Written down value as at September 30, 2016	Rate of depreciation %	
	As at October 01, 2015	Additions / (Deletions)	Transferred from CWIP	As at September 30, 2016	As at October 01, 2015	Charge for the year / (on disposal)			As at September 30, 2016
----- Rupees in '000 -----									
Owned									
Free-hold land	26,557	(23)	-	26,534	-	-	26,534	-	
Lease-hold land	73,694	-	-	73,694	-	-	73,694	-	
Main factory building									
- on free-hold land	214,661	-	-	214,661	155,754	5,891	161,645	53,016	10
- on lease-hold land	168,317	-	-	168,317	95,771	7,255	103,026	65,291	10
Non-factory building									
- on free-hold land	147,109	-	-	147,109	92,664	5,444	98,108	49,001	10
- on lease-hold land	73,666	-	-	73,666	34,662	3,900	38,562	35,104	10
Plant and machinery	2,611,679	-	-	2,611,679	1,183,256	94,569	1,277,825	1,333,854	5 to 10
Furniture and fittings	10,654	-	-	10,654	6,466	419	6,885	3,769	10
Vehicles	70,315	13,703	-	74,356	47,944	5,753	45,594	28,762	20
	-	(9,662)	-	-	-	(8,103)	-	-	
Office equipment	31,962	2,717	-	34,679	20,916	1,238	22,154	12,525	10
	-	-	-	-	-	-	-	-	
Computers	8,414	330	-	8,744	6,559	604	7,163	1,581	30
Tools and tackles	4,268	-	-	4,268	3,957	62	4,019	249	20
	<u>3,441,296</u>	<u>16,750</u>	-	<u>3,448,361</u>	<u>1,647,949</u>	<u>125,135</u>	<u>1,764,981</u>	<u>1,683,380</u>	
	-	(9,685)	-	-	-	(8,103)	-	-	

4.1.1 The depreciation charged for the year has been allocated as follows:

	Note	2017 (Rupees in thousand)	2016
Cost of sales	28	68,560	73,568
Storage tank terminal	29.1	15,717	17,461
Chemical and alloys	29.2.1	13,868	15,036
Power	29.2.2	10,479	11,084
Administrative expenses	31	7,997	7,986
		<u>116,621</u>	<u>125,135</u>

4.1.2 The following assets were disposed off during the year:

Description	Cost	Accumulated depreciation	Written down value	Sales Proceeds	Gain (Loss)	Mode of Disposal	Particular of Buyers
----- Rupees in '000 -----							
Motor Bike Reg # KBP-6363	42	37	5	4	(1)	Negotiation	Meer Hassan
Suzuki Cultus Reg # AHE-497	306	234	72	275	203	Negotiation	Muhammad Rafique
Suzuki Bolan REG # CS-7324	535	434	101	290	189	Negotiation	Taseenullah
Suzuki Cultus REG#ARJ-634	754	611	143	300	157	Negotiation	Yasir Farhan
Suzuki Liana AWQ-160	850	708	142	300	158	Negotiation	Najmus Sehar / Samina Azeem
2017	<u>2,487</u>	<u>2,024</u>	<u>463</u>	<u>1,169</u>	<u>706</u>		
2016	<u>9,662</u>	<u>8,103</u>	<u>1,559</u>	<u>3,556</u>	<u>1,997</u>		

4.2 Capital work in progress (CWTP)

Description	September 30, 2017				September 30, 2016			
	As on October 01, 2016	Additions/ (adjustments)	Transfer to operating fixed assets	As at September 30, 2017	As at October 01, 2015	Additions/ (adjustments)	Transfer to operating fixed assets	As at September 30, 2016
----- (Rupees in thousand) -----								
Plant and machinery								
Refine Centrifugal Machine	-	18,528	(18,528)	-	-	-	-	-

5 INVESTMENT PROPERTY

- Former office premises

Description	Cost		As on September 30 2017	As on October 01 2016	Depreciation Charge for the year	As on September 30 2017	Written down value as on September 30 2017	Rate of Depreciation
	As on October 01 2016	Additions						
----- (Rupees in thousand) -----								
2017	<u>1,600</u>	-	<u>1,600</u>	<u>1,258</u>	<u>34</u>	<u>1,292</u>	<u>308</u>	10%
2016	<u>1,600</u>	-	<u>1,600</u>	<u>1,220</u>	<u>38</u>	<u>1,258</u>	<u>342</u>	10%

5.1 The estimated market value as per valuation carried out by M/s. Sipra and Company (Pvt.) Limited as on November 21, 2014 is Rs. 31.18 million.

	Note	2017 (Rupees in thousand)	2016
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6 LONG TERM INVESTMENTS

Available for sale investments - in Quoted shares at fair value

- Related Party	6.1	45	54
- Others	6.2	709,023	200,366
		<u>709,068</u>	<u>200,420</u>

			Note	2017 (Rupees in thousand)	2016
6.1	Related party - associated company				
	2017	2016			
	Number of shares at par value of Rs. 1 each				
	<u>4,500</u>	<u>4,500</u>	HUM Network Limited	<u>45</u>	<u>54</u>
6.2	Others				
	2017	2016			
	Number of shares at par value of Rs. 10 each				
	2,488,061	949,000	Power Cement Limited 6.2.1	26,871	10,543
	16,994,000	16,994,000	Aisha Steel Mills Limited-Preference shares 6.2.2	331,383	189,823
	3,398,800	-	Aisha Steel Mills Limited-Ordinary Shares 6.2.3	<u>64,067</u>	<u>-</u>
				<u>422,321</u>	<u>200,366</u>
	Reclassified from short term investments				
	1,000,000	1,000,000	Fauji Cement Limited	32,520	-
	253,000	253,000	Mehran Sugar Mills Limited	35,529	-
	759,000	759,000	IGI Insurance Limited	<u>218,653</u>	<u>-</u>
			6.2.4	<u>286,702</u>	<u>-</u>
				<u>709,023</u>	<u>200,366</u>

6.2.1 During the year, the Company has exercised right issue of 1,539,061 ordinary shares of Power Cement Limited at the rate of Rs. 12.5 per share.

6.2.2 These are non-redeemable but convertible into ordinary shares of Rs. 10 per ordinary share in the ratio of 1:1, plus unpaid preferential dividends, if any. The rate of dividend on these shares is 3% above six months KIBOR.

As at September 30, 2017, the dividend accrued on these preference shares amounted to Rs. 217.147 (2016: 120.783) million which has not been recorded in these financial statements as the investee company has accumulated losses and also has not recorded the same in its books of accounts.

6.2.3 During the year, the Company has exercised right issue of 3,398,800 ordinary shares Aisha Steel Mills Limited at the rate of Rs. 16 per share.

6.2.4 On October 01, 2016, short term investments amounting to Rs. 234.900 million have been reclassified from fair value through profit or loss account to available for sale investments classified under long term investments due to the fact that the management intends to hold these investments for a long term period which is also evident from the fact that there has been no disposal from these investment since last two years. The reclassification has

been accounted for prospectively in accordance with the requirements of IFRS.

Out of total unrealized gain amounting to Rs. 200.128 million on remeasurement of available for sale investments recognized during the year in other comprehensive income, Rs. 51.802 million would have been recognized in profit or loss account had there been no reclassification as discussed above.

SECP has issued show cause notice to the Company with the view that the change in classification of investments, as discussed above, is contrary to the requirements of IFRS. The Company, in reply through its advisor, has given reasonable justification for the reclassification in the light of provisions of IFRS for which the Company expects the favourable outcome.

	2017	2016
	(Rupees)	
The market value of each quoted security is as follows:		
HUM Network Limited (HUMNL)	9.95	12.11
Power Cement Limited (POWER)	10.80	11.11
Aisha Steel Mills Limited (ASLPS)	19.50	11.17
Aisha Steel Mills Limited (ASL)	18.85	-
Fauji Cement Limited (FFC)	32.52	35.27
Mehran Sugar Mills Limited (MRNS)	140.43	180.05
IGI Insurance Limited (IGIII)	288.08	203.00

	Note	2017	2016
		(Rupees in thousand)	
7 LONG TERM LOANS			
- Considered good and secured			
Due from executives	7.1	517	2,142
Due from other employees		632	467
	7.2 & 7.3	<u>1,149</u>	<u>2,609</u>
Less: current portion of long term loans	12	<u>(662)</u>	<u>(1,360)</u>
		<u>487</u>	<u>1,249</u>
7.1 Reconciliation of carrying amount of loans to executives			
Balance at beginning of the year		2,142	856
Add: disbursements		125	1,600
		<u>2,267</u>	<u>2,456</u>
Less: recoveries during the year		<u>(1,750)</u>	<u>(314)</u>
Balance at end of the year		<u>517</u>	<u>2,142</u>
7.2	The above loans are interest free and are given to executives and other employees of the Company for purchase of vehicles and personal use in accordance with their terms of employment. These loans are to be repaid over a period of two to five years in equal monthly installments. These are secured against the retirement benefits and vehicles (in case of vehicle loan) of the respective employees and are within the limits of such securities.		
7.3	Maximum aggregate amount of loans outstanding at any month end was Rs. 2.672 million (2016: Rs. 2.732 million).		

	Note	2017 (Rupees in thousand)	2016
8 DEFERRED TAXATION			
Deferred Tax Assets arising in respect of Deductible temporary differences			
Available tax losses		224,820	163,849
Minimum tax		147,308	133,471
Provisions		<u>36,308</u>	<u>37,698</u>
		408,436	335,018
Taxable temporary differences			
Accelerated tax depreciation		(242,707)	(252,739)
Unrealized gain on investments		(24,075)	(9,304)
		<u>(266,782)</u>	<u>(262,043)</u>
		141,654	72,975
Unrecognized deferred tax asset	8.1	<u>(141,654)</u>	<u>(72,975)</u>
		-	-

8.1 The Company has not recognised its entire deferred tax asset relating to tax losses up to the year ended September 30, 2017 as the Management expects that major portion of taxes of the Company in foreseeable future will fall under minimum tax and final tax regime.

	Note	2017 (Rupees in thousand)	2016
9 STORES AND SPARES			
Stores and spares		189,121	181,375
Provision for slow moving items and obsolescence		<u>(29,938)</u>	<u>(29,938)</u>
		<u>159,183</u>	<u>151,437</u>
10 STOCK-IN-TRADE			
Raw materials	10.1	606,160	219,108
Work-in-process		4,498	2,972
Finished goods			
Sugar	10.2	1,149,129	256,097
Ethanol		195,521	225,658
Ferro Silicon		-	580
	10.3	1,344,650	482,335
Stock of bagasse in hand		<u>7,367</u>	<u>3,300</u>
		1,962,675	707,715
Provision against finished goods - Ferro Silicon		-	(580)
		<u>1,962,675</u>	<u>707,135</u>

10.1 Value of raw material pledged with financial institutions as on the balance sheet date amounts to Rs. 128.7 (2016: Rs. 100) million.

10.2 Value of finished goods pledged with financial institutions as on the balance sheet date amounts to Rs. 713.981 (2016: Rs. nil) million.

10.3 Finished goods include stock items valued at net realizable value (NRV) at Rs. 1,167.540 million (2016: Rs. 16.033 million)

	Cost (Rupees in thousand)	NRV
Summary of related Cost and NRV is as under:		
Sugar	1,371,325	1,149,129
Ethanol - Grade B	20,608	18,411
	<u>1,391,933</u>	<u>1,167,540</u>

	Note	2017 (Rupees in thousand)	2016 (Rupees in thousand)
11			
TRADE DEBTS			
Considered good			
Export		14,436	28,650
Local		<u>13,876</u>	<u>12,119</u>
		28,312	40,769
Considered doubtful			
Local		<u>15,432</u>	<u>15,432</u>
		43,744	56,201
Provision for doubtful debts		<u>(15,432)</u>	<u>(15,432)</u>
		<u>28,312</u>	<u>40,769</u>
12			
LOANS AND ADVANCES			
Loans			
To growers			
- Interest based:			
Considered good	12.1	37,293	35,406
- Non - Interest Based:			
Considered good		4,779	6,119
Considered doubtful		301	301
		5,080	6,420
Provision for loans considered doubtful		<u>(301)</u>	<u>(301)</u>
		4,779	6,119
Current portion of loans to employees and executives	7	<u>662</u>	<u>1,360</u>
		42,734	42,885
Advances			
Considered good			
To employees against salary		75	94
To employees against expenses		795	1,057
To suppliers and contractors		462,326	12,159
Against letter of credit for stores and spares parts		6,890	21,715
		470,086	35,025
Considered doubtful			
To suppliers and contractors		<u>75,355</u>	<u>75,355</u>
		545,441	110,380
Provision for doubtful advances		<u>(75,355)</u>	<u>(75,355)</u>
		470,086	35,025
		<u>512,820</u>	<u>77,910</u>

- 12.1 The rate of mark-up on such loans is 14.96% (2016: Rs 14.96%) per annum subject to final settlement with the respective grower. In order to ensure supply of sugarcane from certain growers, Company has provided fertilizers, seeds and tricograma cards which has been provided as loan and the Company will recover the same out of the cane supply from the said grower in the ensuing season.

	Note	2017 (Rupees in thousand)	2016 (Rupees in thousand)
13 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Deposit	13.1	5,200	141
Prepayments	13.2	<u>10,127</u>	<u>7,790</u>
		<u>15,327</u>	<u>7,931</u>
13.1 This deposit is interest free.			
13.2 Prepayments			
Rent		3,620	1,245
Establishment charges		3,487	3,098
Insurance		1,785	2,251
Software license fees		<u>1,235</u>	<u>1,196</u>
		<u>10,127</u>	<u>7,790</u>
14 INTEREST ACCRUED			
- On			
Growers loan		<u>2,868</u>	<u>2,542</u>
15 OTHER RECEIVABLES			
- Considered good			
Sales tax and excise duty		24,054	39,391
Defined benefit plan - related party	22.4.1	-	14,676
Freight subsidy on sugar export	15.1	42,343	42,343
Others		<u>210</u>	<u>612</u>
		<u>66,607</u>	<u>97,022</u>
15.1 The management believes that the balance is recoverable as this represents receivable from the Government. Therefore, no provision has been made in these financial statements.			
	Note	2017 (Rupees in thousand)	2016 (Rupees in thousand)
16 SHORT TERM INVESTMENTS			
Held to Maturity			
Term Deposit Receipts (TDR)	16.1	600	600
At fair value through profit and loss			
Quoted securities	6.2.4	<u>-</u>	<u>234,900</u>
		<u>600</u>	<u>235,500</u>
16.1 These term deposit receipts are under banks lien against bank guarantees issued on behalf of the Company. These carry profit ranging from 3.99% to 4.09% (2016: 3.99% to 4.34%) per annum.			
	Note	2017 (Rupees in thousand)	2016 (Rupees in thousand)
17 INCOME TAX REFUNDS DUE FROM THE GOVERNMENT			
Income tax	17.1	<u>91,212</u>	<u>37,523</u>

	Note	2017 (Rupees in thousand)	2016
17.1 Balance at the beginning of the year		37,523	30,315
Advance tax paid / deducted during the year		117,661	73,895
Provision for taxation for the year	35	(62,064)	(65,560)
Prior year tax		(1,908)	(1,127)
		<u>91,212</u>	<u>37,523</u>

18 CASH AND BANK BALANCES

Cash in hand		1,062	1,173
Cash at banks			
Current accounts		16,948	20,983
Saving accounts	18.1 & 18.2	5,573	36,209
		<u>22,521</u>	<u>57,192</u>
		<u>23,583</u>	<u>58,365</u>

18.1 These carry profit ranging from 2.4% to 3% (2016: 3.44% to 6%).

18.2 This includes Rs. 0.009 (2016: Rs. 29.727) million kept under arrangements permissible under the Shariah.

19 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2017 (Number of shares)	2016 (Number of shares)	Fully paid in cash Ordinary shares of par value of Rs.10 each.	2017 (Rupees in thousand)	2016 (Rupees in thousand)
<u>17,362,300</u>	<u>17,362,300</u>		<u>173,623</u>	<u>173,623</u>

19.1 Number of shares held by associates as on the balance sheet date are 7,082,332 (2016: 7,082,332).

19.2 The ordinary share holders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry one vote per share without restriction.

	Note	2017 (Rupees in thousand)	2016
20 RESERVES			
Capital reserves			
Unrealized gain on remeasurement of available for sale investment	20.1	225,421	25,293
Revenue reserves			
General reserve		1,458,000	1,458,000
Unappropriated profit		651,314	678,192
	20.2	<u>2,109,314</u>	<u>2,136,192</u>
		<u>2,334,735</u>	<u>2,161,485</u>

20.1 Capital reserves will be utilized for any purpose only after it is realized and transferred to profit and loss account. However, these reserves can be individually offset against losses arising in future periods (if any).

20.2 Revenue reserves can be utilized for meeting any contingencies and for distribution of profit by way of dividend.

	2017	2016
	(Rupees in thousand)	
21 DEFERRED LIABILITY	80,707	74,116

The Company has challenged the levy of market committee fee on sugarcane milled since the crushing season 1992 / 93 till to date in the Honorable High Court of Sindh and filed a constitutional petition and has also obtained a stay order from the Honorable High Court. Pending the outcome of the petition, the Company has accounted for the levy as a matter of prudence.

	Note	2017	2016
		(Rupees in thousand)	
22 TRADE AND OTHER PAYABLES			
Creditors	22.1 & 22.2	375,800	362,346
Accrued liabilities		63,207	68,223
Advances from customers		198,656	364,820
Advance against rent		4,592	4,442
Sales tax payable		35,900	-
Workers' profit participation fund	22.3	10,689	26,718
Unclaimed / withheld dividend		13,381	12,053
Retention money		2,047	2,059
Defined benefit plan - related party	22.4.1	18,692	-
Special Excise Duty payable		9,696	9,696
Others		3,440	1,456
		<u>736,100</u>	<u>851,813</u>

22.1 The Company, as the matter of prudence, has recorded liability amounting to Rs. 141.139 million in respect of sugarcane purchases (crushing season 2014/15) considering the notifications issued by Cane Commissioner Sindh on November 07, 2014 and December 09, 2014 after adjusting the amount paid by Government of Sindh to the growers through sugar mills in the light of interim decision of Honourable High Court of Sindh. However these notifications have been challenged by Pakistan Sugar Mills Association and other sugar mills in Honourable Supreme Court of Pakistan. The case has been pending with the Honourable Court as at September 30, 2017.

22.2 This amount includes provision for quality premium recorded from the year 2002 to 2010 amounting to Rs. 196.990 million. The payment of which is subject to the decision of the Honourable Supreme Court of Pakistan as fully disclosed in note 26.1 (d) to these financial statements.

	Note	2017	2016
		(Rupees in thousand)	
22.3 Workers' profit participation fund			
Balance at beginning of the year		26,718	23,144
Interest for the year		1,669	3,504
		<u>28,387</u>	<u>26,648</u>
Charge for the year	32	10,689	26,718
		<u>39,076</u>	<u>53,366</u>
Paid during the year		(28,387)	(26,648)
Balance at end of the year		<u>10,689</u>	<u>26,718</u>

22.4 Defined benefit plan - related party

As stated in note 3.1, the Company operates a defined benefit plan i.e. an approved funded gratuity scheme for all its permanent employees subject to attainment of retirement age and minimum service of prescribed period. Actuarial valuation of the scheme is carried out every year and the latest actuarial valuation was carried out as at September 30, 2017 using projected unit credit method. The disclosures made in notes 22.4.1 to 22.4.11 are based on the information included in that actuary's report.

	Note	2017 (Rupees in thousand)	2016
22.4.1 The asset / (liability) recognised in the balance sheet is as follows:			
Present value of defined benefit obligation	22.4.2	(96,232)	(93,265)
Fair value of plan assets	22.4.3	106,277	129,340
Payables - (Benefits due but not paid)		(2,671)	(2,396)
Receivable from employees gratuity fund	22.4.7	7,374	33,679
Other liability - Payable to gratuity fund	22.4.8	(26,066)	(19,003)
Net (payable) / receivable at the balance sheet		(18,692)	14,676

22.4.2 Changes in present value of defined benefit obligation

Present value of defined benefit obligation at the beginning of the year		93,265	77,746
Current service cost		15,341	12,721
Interest cost on defined benefit obligation		6,440	6,797
Benefits due but not paid (payables)		(371)	(454)
Benefits paid		(8,512)	(8,075)
Remeasurements due to - experience adjustments		(9,851)	4,530
Remeasurements due to - actuarial gain from change in assumption		(80)	-
Present value of defined benefit obligation at the end of the year		96,232	93,265

22.4.3 Changes in fair value of plan assets

Fair value of plan assets as at the beginning of the year		129,340	106,596
Contributions during the year		-	-
Interest income on plan assets		9,069	9,487
Benefit paid during the year - defined benefit obligation		(8,512)	(8,075)
Benefit paid during the year from payables		(96)	-
Return on plan assets, excluding interest income		(23,524)	21,332
Fair value of plan assets at the end of the year		106,277	129,340

22.4.4 Plan assets comprises of

	2017		2016	
	Rupees in '000	%	Rupees in '000	%
Investments	50,428	47.45	84,640	65.44
Bank balance and receivables	55,849	52.55	44,700	34.56
	106,277	100	129,340	100

2017
(Rupees in thousand)

22.4.5 The following amounts have been charged to profit and loss account during the year

Current service cost	15,341	12,721
Interest cost on defined benefit obligation	6,440	6,797
Interest income on plan assets	(9,069)	(9,487)
	12,712	10,031

22.4.6 Total Remeasurements Chargeable in Other Comprehensive Income

Gain / (loss) on remeasurements of defined benefit obligation	Note	2017 (Rupees in thousand)	2016
Due to experience adjustments		9,851	(4,530)
Actuarial gain from changes in financial assumptions		80	-
Return on plan assets, excluding interest income		<u>(23,524)</u>	<u>21,332</u>
		<u>(13,593)</u>	<u>16,802</u>

22.4.7 Movement in net asset recognised in the balance sheet

Asset at the beginning of the year		33,679	26,908
Charge for the year	22.4.5	(12,712)	(10,031)
Remeasurements chargeable in OCI	22.4.6	<u>(13,593)</u>	<u>16,802</u>
Asset at the end of the year		<u>7,374</u>	<u>33,679</u>

22.4.8 Other liability - Payable to gratuity fund - related party

The Company operates a policy that its employees can obtain loans from Al-Abbas Sugar Mills Limited Employees Gratuity Fund Trust - a related party (the fund). The Company recovers these loans from employees through monthly deduction from their salaries and offsets the same against the net receivable from the Fund.

22.4.9 Principal actuarial assumptions

The latest actuarial valuation for gratuity fund was carried out as at September 30, 2017 using the Projected Unit Credit Method (PUCM). The following significant assumptions used for the actuarial valuation:

	2017	2016
Discount rate	<u>8.00%</u>	<u>7.25%</u>
Expected rate of increase in salary	<u>0.00%</u>	<u>6.25%</u>
Expected rate of return on plan assets	<u>7.25%</u>	<u>9.25%</u>
Average retirement age of the employee	<u>60 years</u>	<u>60 years</u>
Mortality rates	<u>SLIC 2001-2005</u>	<u>SLIC 2001-2005</u>

22.4.10 Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected rate of salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

	Impact on defined benefit obligation		
	Changes in assumption %	Increase in assumption (Rupees in thousand)	Decrease in assumption
Discount rate	<u>1</u>	<u>6,891</u>	<u>(6,112)</u>
Salary increase	<u>1</u>	<u>6,718</u>	<u>(6,060)</u>

22.4.11 Expected charge for the year 2017-18 will be Rs. 13.249 million.

22.4.12 Risks associated with the fund

Investment Risk: The risk of the investment underperforming and being not sufficient to meet the liabilities.

Final Salary Risk: The risk that the final salary at the time of cessation of service is greater than what the Company assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macro-economic factors), the benefit amount increases as salary increases.

Withdrawal Risk: The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

Mortality Risk: The risk that the actual mortality experience is different than that of expected i.e. the actual life expectancy is longer than assumed. Specially in case of benefit payable are in streams of payments after retirement like pension etc.

	Note	2017 (Rupees in thousand)	2016
23	ACCRUED MARK-UP		
	Mark-up on short term borrowings	<u>22,226</u>	<u>1,030</u>
24	SHORT TERM BORROWINGS		
	From banking companies - secured		
	Under Mark up arrangements		
	Cash / running finances	24.1 831,526	15,637
	Export refinance	24.1 <u>957,000</u>	<u>-</u>
		<u>1,788,526</u>	<u>15,637</u>

24.1 The available aggregate finance facilities (short term funded) amounted to Rs. 3.888 (2016: Rs. 3.810) billion which have been arranged from various commercial banks out of which Rs. 2.863 (2016: 2.885) billion are with export refinance and FE 25. Out of total export refinance limit, Rs. 2.578 (2016: 2.600) billion are interchangeable. The short term financing facilities are secured against hypothecation of current assets, pledge of stock and hypothecation over present and future property, plant and equipment of the Company. Cash / running finance carry mark-up ranging from 1 to 3 months KIBOR plus 0.65% to 1.5% (2016: 1 to 3 months KIBOR plus 1% to 1.5%) per annum payable quarterly in arrears or upon maturity and Export refinance carry mark up of SBP rate plus 1 % (2016: SBP rate plus 1%). At the year end, facilities amounting to Rs. 2.100 (2016: Rs. 3.794) billion remained unutilized. These facilities are expiring on various dates latest by September 30, 2018 and are renewable.

24.2 The available facilities for opening letters of credit as at September 30, 2017 aggregate Rs. 300 (2016: Rs. 300) million of which the amount unutilized as at September 30, 2017 was Rs. 293.346 (2016: Rs. 287.862) million.

	Note	2017 (Rupees in thousand)	2016
25	PROVISION FOR TAXATION	25.1 <u>12,846</u>	<u>12,846</u>

25.1 The Company filed appeal before Commission of Income Tax (CIT) against the said amount of tax levied by Income Tax Officer (ITO) under section 12(9A) of Income Tax Ordinance, 1979 related to assessment year 2002-2003, who set aside the order of ITO. The Department made appeal before the learned Income Tax Appellate Tribunal who

maintained the decision of CIT. The Department again filed reference before the Honourable High Court Sindh which is pending. As per view of the tax advisor, the decision of the reference will be in favour of the Company.

26 CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

- a) The Karachi Water and Sewerage Board (Board) has demanded Rs. 19.588 million for sewerage, fire and conservancy charges which the Company has challenged in the Honourable High Court of Sindh, Karachi as no such facilities are being provided by the Board. The Court has stayed the operations of Demand Notice by the Board and hearings of the case are in process. The management, in the light of legal adviser's opinion, is confident that the case will be decided in favor of the Company, therefore, no provision has been made in these financial statements.
- b) The Competition Commission of Pakistan has issued show cause notice to the Company alleging cartelization in industry. The Company has challenged this show cause in the Honourable High Court of Sindh in Karachi challenging the jurisdiction of Competition Commission of Pakistan. The Court has granted Stay Order against the show cause notice and case hearings are in progress in Honourable High Court of Sindh, Karachi. There are no financial implications related to this matter at the moment.
- c) A suit bearing no. 281 has been filed in the Honourable 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 the 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 suit is at the stage of Civil Miscellaneous hearing at the Applications.

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

Furthermore, Mr. Lalani also filed another Civil Miscellaneous Application (CMA) 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 Honourable High Court of Sindh by both parties which has restrained the defendant not to take any decision for investment in JCL until the final outcome of the suit and has directed the Securities Exchange Commission of Pakistan ("SECP") to treat the complaint 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 Honourable 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 the view of the legal advisor, the Company has fair chance to succeed in the said case.

- d) The matter of quality premium payable to sugarcane growers continues to be pending with the Honorable Supreme Court of Pakistan since the year 2004 after it granted leave to defend on the question of issue of quality premium. The Apex court also ordered that no coercive action for recovery of quality premium shall be taken against the mills till the case is decided. It also holds the view that uniform formula being developed by MINFAL for mills and cane growers would be applicable prospectively.

- e) 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 with effect from January 10, 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. During financial year 2015-16, the same was contested before the Appellate Tribunal who made the decision in favour of the Company. Miscellaneous application for rectification were filed by the Commissioner Inland Revenue before the Appellate Tribunal inland Revenue which were also rejected during the current financial year. The Department again filed reference application before the Honourable High Court Sindh which is pending. As per view of the tax advisor, the decision of the reference will be in favour of the Company.
- f) During the crushing season 2015-16, various growers associations filed petitions before High Court of Sindh Circuit Court against province of Sindh and others (respondents) requesting to direct the respondents to fix minimum purchase price of sugarcane at the rate of Rs. 185 per 40 kg for the crushing season 2015 / 16 instead of Rs. 172 per 40 kg issued by the respondents. The cases are pending with the Honourable Court. The Company's legal counsel have stated that no definite prediction can be made at this stage. However, in view of the Company's management, no adverse inference is likely to materialize in the suit.

26.2 Commitments

- a) Commitments in respect of outstanding letter of credit amounts to Rs. 6.654 (2016: Rs. 12.138) million.
- b) Bank guarantees of Rs. 76.232 (2016: Rs. 54.600) million have been issued by the banking companies on behalf of the Company in favour of customers and suppliers. The available and unavailed limits of bank guarantees amount to Rs. 76.632 (2016: Rs. 55.000) million and Rs. 0.400 (2016: Rs. 0.400) million respectively.

Note	Sugar		Ethanol		Total	
	2017	2016	2017	2016	2017	2016
----- (Rupees in thousand) -----						
27 SALES						
Gross sales						
Local	2,711,843	3,662,417	184,256	172,847	2,896,099	3,835,264
Export	-	-	2,705,205	2,261,260	2,705,205	2,261,260
	2,711,843	3,662,417	2,889,461	2,434,107	5,601,304	6,096,524
Less:						
Sales tax	(205,307)	-	(27,980)	(25,256)	(233,287)	(25,256)
Federal excise duty	(40,602)	(277,417)	-	-	(40,602)	(277,417)
	(245,909)	(277,417)	(27,980)	(25,256)	(273,889)	(302,673)
	2,465,934	3,385,000	2,861,481	2,408,851	5,327,415	5,793,851

27.1 It includes exchange gain of Rs. 6.351 (2016: Rs. 8.484) million realized on export of ethanol.

Note	Sugar		Ethanol		Total	
	2017	2016	2017	2016	2017	2016
----- (Rupees in thousand) -----						
28 COST OF SALES						
Cost of raw materials consumed	3,359,765	2,631,791	1,889,410	1,807,794	5,249,175	4,439,585
Stores and spare parts consumed	101,566	90,879	57,901	85,679	159,467	176,558
Packing materials	24,073	21,907	62,153	15,826	86,226	37,733
Salaries, wages and other benefits	249,798	213,571	50,815	45,638	300,613	259,209
Fuel, electricity and water charges	1,124	4,158	36,332	60,246	37,456	64,404
Other manufacturing expenses	41,152	38,013	29,438	20,894	70,590	58,907
Repairs and maintenance	10,056	9,013	24,090	5,249	34,146	14,262
Depreciation	38,053	39,671	30,507	33,897	68,560	73,568
	3,825,587	3,049,003	2,180,646	2,075,223	6,006,233	5,124,226
Work-in-process						
Opening	2,972	3,312	-	-	2,972	3,312
Closing	(4,498)	(2,972)	-	-	(4,498)	(2,972)
	(1,526)	340	-	-	(1,526)	340
	3,824,061	3,049,343	2,180,646	2,075,223	6,004,707	5,124,566
Less:						
Transfer price of molasses	(236,658)	(200,410)	-	-	(236,658)	(200,410)
Sale of fusel oil and CO2 gas - net	-	-	(9,710)	(11,528)	(9,710)	(11,528)
Transfer price of bagasse	(48,723)	(81,360)	-	-	(48,723)	(81,360)
Stock adjustment of bagasse in hand	(4,067)	795	-	-	(4,067)	795
Sale of bagasse - net	(26,504)	(16,059)	-	-	(26,504)	(16,059)
	(315,952)	(297,034)	(9,710)	(11,528)	(325,662)	(308,562)
Cost of goods manufactured	3,508,109	2,752,309	2,170,936	2,063,695	5,679,045	4,816,004
Finished goods						
Opening	256,097	603,164	225,658	92,777	481,755	695,941
Closing	(1,149,129)	(256,097)	(195,521)	(225,658)	(1,344,650)	(481,755)
	(893,032)	347,067	30,137	(132,881)	(862,895)	214,186
	2,615,077	3,099,376	2,201,073	1,930,814	4,816,150	5,030,190

28.1 Salaries, wages and other benefits include Rs. 6.164 (2016: Rs. 4.709) million in respect of defined benefit plan - gratuity.

Note	Sugar		Ethanol		Total	
	2017	2017	2017	2016	2017	2016
----- (Rupees in thousand) -----						
28.2 Other Manufacturing Expenses						
Security services	9,014	9,214	6,009	6,142	15,023	15,356
Printing and stationery	158	151	105	100	263	251
Vehicle running	6,293	5,560	4,195	3,707	10,488	9,267
Insurance	9,071	8,284	6,047	5,523	15,118	13,807
Travelling and conveyance	788	564	526	376	1,314	940
Others	15,828	14,240	12,556	5,046	28,384	19,286
	41,152	38,013	29,438	20,894	70,590	58,907

	Note	2017 (Rupees in thousand)	2016
29	PROFIT FROM OTHER REPORTABLE SEGMENTS - NET		
Net profit from storage tank terminal	29.1	93,840	87,686
Net loss from chemical, alloys and power segment and fixed expenses due to suspension	29.2	<u>(45,314)</u>	<u>(49,626)</u>
		<u>48,526</u>	<u>38,060</u>
29.1	Net profit from storage tank terminal		
Storage service income		136,865	126,641
Inter-segment services		<u>17,100</u>	<u>17,100</u>
		153,965	143,741
Less: direct expenses			
Salaries, wages and other benefits	29.1.1	18,923	16,505
Water, fuel and power		2,665	2,309
Repairs and maintenance		4,771	3,970
Depreciation	4.1.1	15,717	17,461
Security services		2,071	1,904
Printing and stationery		82	46
Lease charges		2,642	2,486
Vehicle running		894	550
Insurance		2,029	1,445
Shipment expenses		5,140	3,581
Fees and subscription		667	672
Establishment charges		2,773	2,723
Others		1,751	2,403
		<u>60,125</u>	<u>56,055</u>
		<u>93,840</u>	<u>87,686</u>
29.1.1	Salaries, wages and other benefits include Rs. 0.628 (2016: Rs. 0.241) million in respect of defined benefit plan - gratuity.		
29.2	Net loss from chemical, alloys and power segment and fixed expenses due to suspension		
	Note	2017 (Rupees in thousand)	2016
Fixed expenses due to suspension			
Chemical and alloys	29.2.1	25,269	28,149
Power	29.2.2	<u>20,045</u>	<u>21,477</u>
		<u>(45,314)</u>	<u>(49,626)</u>

	Note	2017 (Rupees in thousand)	2016
29.2.1 Chemical and alloys			
Salaries, wages and other benefits	29.2.1.1	3,632	4,717
Water, fuel and power		1,064	950
Security services		5,325	5,050
Printing and stationery		6	1
Vehicle running		237	416
Insurance		1,131	1,107
Travelling and conveyance		101	155
Repairs and maintenance		354	530
Depreciation	4.1.1	13,868	15,036
Others		183	281
		<u>25,901</u>	<u>28,243</u>
Gain from sale of carried over stock	29.2.1.2	(632)	(94)
		<u>25,269</u>	<u>28,149</u>

29.2.1.1 Salaries, wages and other benefits include Rs. 0.047 (2016: Rs. 0.201) million in respect of defined benefit plan - gratuity.

	Note	2017 (Rupees in thousand)	2016
29.2.1.2 Gain from sale of stock			
Sales		755	2,020
Less: sales tax		(123)	(326)
		<u>632</u>	<u>1,694</u>
Stock adjustment			
Reversal of provision made for write down in value of finished goods		-	1,600
		<u>632</u>	<u>94</u>

29.2.2 Power			
Salaries, wages and other benefits	29.2.2.1	2,876	3,713
Water, fuel and power		843	747
Security services		4,218	3,974
Printing and stationery		3	-
Vehicle running expenses		187	327
Insurance Expenses		896	871
Cost audit fees		36	-
Travelling and conveyance		80	122
Repairs and maintenance		281	417
Depreciation	4.1.1	10,479	11,084
Others		146	222
		<u>20,045</u>	<u>21,477</u>

29.2.2.1 Salaries, wages and other benefits include Rs. 0.038 (2016: Rs. 0.157) million in respect of defined benefit plan - gratuity.

	Note	Sugar		Ethanol		Total	
		2017	2016	2017	2016	2017	2016
		(Rupees in thousand)					
30 DISTRIBUTION COST							
Sugar bags handling expenses		6,552	7,526	-	-	6,552	7,526
Export transportation and other expenses		-	-	112,822	104,641	112,822	104,641
Salaries and other benefits	30.1	1,817	1,658	2,493	2,298	4,310	3,956
Local transportation		8,388	130	-	-	8,388	130
Marking fees		2,711	3,662	-	-	2,711	3,662
		<u>19,468</u>	<u>12,976</u>	<u>115,315</u>	<u>106,939</u>	<u>134,783</u>	<u>119,915</u>

30.1 Salaries and other benefits include Rs. 0.497 million (2016: 0.375 million) in respect of defined benefit plan - gratuity.

	Note	Sugar		Ethanol		Total	
		2017	2016	2017	2016	2017	2016
		(Rupees in thousand)					
31 ADMINISTRATIVE EXPENSES							
Salaries and other benefits	31.1	32,301	32,102	21,534	20,209	53,835	52,311
Rent, rates and taxes		3,516	3,389	2,344	2,259	5,860	5,648
Communication charges		2,108	2,030	1,405	1,353	3,513	3,383
Traveling and conveyance		1,489	1,376	993	917	2,482	2,293
Printing and stationery		708	634	472	423	1,180	1,057
Entertainment		1,068	939	712	626	1,780	1,565
Vehicle running		4,441	5,577	2,961	3,718	7,402	9,295
Repairs and maintenance		1,570	1,694	1,047	1,129	2,617	2,823
Insurance		1,999	1,735	1,333	1,157	3,332	2,892
Fees and subscription		3,843	3,683	2,562	2,455	6,405	6,138
Legal and professional		4,430	2,956	2,953	1,971	7,383	4,927
Auditors' remuneration	31.2	836	950	557	633	1,393	1,583
Charity and donations	31.3	500	500	-	-	500	500
Newspaper and periodicals		59	61	39	41	98	102
Utilities		2,547	2,320	1,698	1,547	4,245	3,867
Depreciation on property plant and equipments	4.1.1	4,798	4,792	3,199	3,194	7,997	7,986
Depreciation on investment property		34	38	-	-	34	38
Security charges		589	820	393	547	982	1,367
Miscellaneous expenses		993	1,523	662	1,015	1,655	2,538
		<u>67,829</u>	<u>67,119</u>	<u>44,864</u>	<u>43,194</u>	<u>112,693</u>	<u>110,313</u>

31.1 Salaries and other benefits include Rs. 5.339 (2016: Rs. 4.348) million in respect of defined benefit plan - gratuity.

	Note	Sugar		Ethanol		Total	
		2017	2016	2017	2016	2017	2016
		(Rupees in thousand)					
31.2 Auditors' remuneration							
Statutory Auditors							
Annual audit fee		660	600	440	400	1,100	1,000
Half yearly review fee		69	63	46	42	115	105
Out of pocket expenses		107	144	71	109	178	253
		<u>836</u>	<u>807</u>	<u>557</u>	<u>551</u>	<u>1,393</u>	<u>1,358</u>
Cost Auditors							
Audit fee		-	78	-	52	-	130
Out of pocket expenses		-	65	-	30	-	95
		<u>-</u>	<u>143</u>	<u>-</u>	<u>82</u>	<u>-</u>	<u>225</u>
		<u>836</u>	<u>950</u>	<u>557</u>	<u>633</u>	<u>1,393</u>	<u>1,583</u>

31.3 None of the directors or their spouses have any interest in any donees' fund.

	Note	2017 (Rupees in thousand)	2016
32 OTHER OPERATING EXPENSES			
Loss from farming - net	34.1	-	167
Workers' profit participation fund		10,689	26,718
		<u>10,689</u>	<u>26,885</u>
33 FINANCE COST			
Mark-up on short term borrowings		104,148	77,039
Interest on Workers Profit Participation Fund		1,669	3,504
Bank charges and guarantee commission		6,572	4,847
		<u>112,389</u>	<u>85,390</u>
34 OTHER INCOME			
Income from financial assets			
Mark - up on loan to growers		3,356	2,966
Income from TDR / PLS deposits		691	1,667
Dividend		2,265	9,512
Unrealized gain on short term investments carried at fair value through profit and loss	6.2.4	-	7,589
		6,312	21,734
Income from other than financial assets			
Scrap sales		6,733	944
Export freight subsidy		-	13,000
Liability against workers welfare fund written back		-	25,913
Gain on disposal of property, plant and equipment		706	2,324
Income from farming - net	34.1	1,594	-
Income from Bio-chemical lab		2,043	1,243
Miscellaneous		323	194
		<u>11,399</u>	<u>43,618</u>
		<u>17,711</u>	<u>65,352</u>
34.1 Income / (loss) from farming operations - net			
Sales		3,236	2,066
Farming cost		(1,642)	(2,233)
		<u>1,594</u>	<u>(167)</u>
34.1.1 Farm operations is a distinguishable business segment as per the criteria specified in International Financial Reporting Standard - 8 "Operating Segment" , but it is substantially below the threshold mentioned for reportable segment under IFRS - 8, therefore, this is not classified as a reportable segment in these financial statements.			
	Note	2017 (Rupees in thousand)	2016
35 TAXATION			
Current	35.1	62,064	65,560
Prior		1,908	1,127
Deferred	8.1	-	-
		<u>63,972</u>	<u>66,687</u>

- 35.1 This represents minimum tax on local turnover and on income chargeable under Final Tax Regime (FTR), therefore, no numerical tax reconciliation is given.
- 35.2 Income tax returns of the Company have been filed up to tax year 2017 which is considered to be deemed assessment. However, the Commissioner of Income tax may, at any time during the period of five years from the date of filing of return, select the deemed assessment for audit.
- 35.3 The Company has filed appeal before the Appellate Tribunal Inland Revenue and Commissioner Inland Revenue (Appeals) against amended order passed under section 122 of Income Tax Ordinance, 2001 for the tax year 2012 under which Assistant Commissioner Inland Revenue disallowed / added back Rs. 176 million to the income respectively. However, this addition has no impact on the tax liability of the Company due to huge carried forwarded losses. Further, the appeal filed before the appellate forum is pending adjudication. Tax adviser of the Company expects favourable outcome of the appeal.
- 35.4 The Assistant Commissioner Inland Revenue (ACIR) has recently passed an order under section 122(5A) whereby he has wrongly calculated the excessive minimum tax liability for tax year 2010 amounting to Rs. 15.849 million against the Company. The Company has filed an appeal with the Commissioner Appeals Inland Revenue for grant of stay against the above order and rectification application with ACIR. Both the matters are pending at year end. The tax adviser of the Company expects favourable outcome, therefore, no provision has been made in these financial statements.

	Note	2017 (Rupees in thousand)	2016
36	EARNINGS PER SHARE - BASIC AND DILUTED		
Net profit for the year		<u>142,976</u>	<u>457,883</u>
		(No. of shares)	
Weighted average number of ordinary shares outstanding		<u>17,362,300</u>	<u>17,362,300</u>
Basic and diluted earnings per share - Rupees	36.1	<u>8.23</u>	<u>26.37</u>

- 36.1 Diluted earnings per share is same as the basic as the Company does not have any convertible instruments in issue as at September 30, 2017 and September 30, 2016 which would have any effect on the earnings per share if the option to convert is exercised.

	Note	2017 (Rupees in thousand)	2016
37 CASH (USED IN) / GENERATED FROM OPERATIONS			
Profit before taxation		206,948	524,570
Adjustment for:			
Depreciation on property, plant and equipment		116,621	125,135
Depreciation on investment property		34	38
Reversal of provision made for written down in value of finished goods		-	(1,600)
Mark - up on loan to growers		(3,356)	(2,966)
Provision for staff retirement benefits - gratuity		12,712	10,031
Income from TDR / PLS deposits		(691)	(1,667)
Unrealized gain on short term investments carried at fair value through profit and loss		-	(7,589)
Dividend income		(2,265)	(9,512)
Gain on disposal of property, plant and equipment - net		(706)	(2,324)
Finance cost		112,389	85,390
Increase in market committee fee		6,591	5,609
Workers Profit Participation Fund		10,689	26,718
		252,018	227,263
Working capital changes	37.1	(1,816,755)	307,904
Cash (used in) / generated from operations		<u>(1,357,789)</u>	<u>1,059,737</u>
37.1 Working capital changes			
(Increase) / decrease in current assets			
Stores and spare parts		(7,746)	(12,196)
Stock-in-trade		(1,255,540)	143,250
Trade debts		12,457	148,249
Loans and advances		(434,910)	(37,932)
Trade deposits and short term prepayments		(7,396)	2,178
Other receivables		16,822	(32,347)
		(1,676,313)	211,202
Increase / (decrease) in trade and other payables		(140,442)	96,702
Cash (used in) / generated from working capital		<u>(1,816,755)</u>	<u>307,904</u>

38. REMUNERATION OF CHIEF EXECUTIVE , DIRECTOR AND EXECUTIVES

	Chief Executive		Director		Executive		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	Rupees in thousand							
Managerial remuneration	9,818	9,818	5,455	5,455	54,490	48,081	69,763	63,354
Medical allowances	982	982	545	545	4,810	4,229	6,337	5,756
Other prerequisites	595	1,022	745	645	5,085	4,691	6,425	6,358
Retirement benefits	900	900	500	500	5,926	5,217	7,326	6,617
Total	12,295	12,722	7,245	7,145	70,311	62,218	89,851	82,085
No. of persons	1	1	1	1	47	41	49	43

38.1 Chairman, Chief Executive Officer and an Executive Director are provided with the Company maintained cars for business and their personal use. The aggregate amount of prerequisites during the year on Chairman's vehicle was Rs. 0.402 million (2016: Rs. 0.422 million). The boarding and lodging expenses incurred for a Non-Executive Director amounted to Rs. 0.274 million (2016: Rs. 0.209 million).

38.2 The Company has not paid any fees / benefits to any of its Non - Executive Directors during the year except Chairman and a Non - Executive Director as stated above.

38.3 Seventeen (2016: Twenty) Executives of the Company are also provided with the Company maintained cars for the business and personal use.

Note
2017
2016
(Rupees in thousand)

39 FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets

- Loans and receivables at amortized cost			
Long term loans	7	487	1,249
Long term deposits		11,406	11,406
Trade debts - gross	11	43,744	56,201
Loans	12	662	1,360
Trade deposits	13	5,200	141
Interest accrued	14	2,868	2,542
Other receivables	15	210	612
Cash and bank balances	18	23,583	58,365
		<u>88,160</u>	<u>131,876</u>
- Held to maturity			
Short term investments	16	600	600
- Fair value through profit and loss			
Short term investments	16	-	234,900
- Available for sale			
Long term investments	6	709,068	200,420
		<u>797,828</u>	<u>567,796</u>
Financial Liabilities			
- Financial liabilities at amortized cost			
Trade and other payables	22	457,875	446,137
Accrued mark-up	23	22,226	1,030
Short term borrowings	24	1,788,526	15,637
		<u>2,268,627</u>	<u>462,804</u>

40 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest / mark-up rate risk and price risk). The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous period in the manner described in notes below.

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

40.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fails to meet its contractual obligation and it mainly arises from balances with banks and financial institutions, trade debts, loans, advances, deposits and other receivables. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. Out of the total financial assets of Rs. 797.828 (2016: Rs. 567.796) million, the financial assets which are subject to credit risk amounted to Rs. 87.098 (2016: Rs. 130.703) million.

To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Sales contracts and credit terms are approved by the Chief Executive Officer and Executive Directors. Where considered necessary, advance payments are obtained from certain parties. Sales made to exporters are secured through letters of credit. The management set out a maximum credit period in respect of certain customers as well in order to reduce the credit risk.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk before any provisions at the reporting date is:

Note	2017 (Rupees in thousand)	2016
Long term loans	487	1,249
Long term deposits	11,406	11,406
Trade debts - gross	43,744	56,201
Loans	662	1,360
Trade deposits	5,200	141
Interest accrued	2,868	2,542
Other receivables	210	612
Bank balances	22,521	57,192
	<u>87,098</u>	<u>130,703</u>

Loans

The Company believes that no impairment allowance is required in respect of loans because these are not past due. The Company is actively pursuing for the recovery of debts and the Company does not expect any of its employees failing to meet their obligations.

Trade debts

All the trade debts at the balance sheet date represent domestic and overseas parties.

The maximum exposure to credit risk before any credit enhancements and provisions for trade debts at the reporting date by division is:

	2017	2016
	(Rupees in thousand)	
Ethanol division	14,604	28,674
Chemical and alloys	9,636	9,636
Bagasse	6,377	6,377
Others	13,127	11,514
	<u>43,744</u>	<u>56,201</u>

The aging of trade receivable at the reporting date is:

Past due 1-30 days	14,458	35,603
Past due 30-150 days	4,870	4,570
Past due 150 days	24,416	16,028
	<u>43,744</u>	<u>56,201</u>

The Company has made adequate provision of Rs. 15.432 million for receivables past due over one year since it is likely that the same is not to be received and for rest of the receivables, the Company considers the amount to be fully recoverable and therefore, no further provision has been made.

Quality of financial assets

The Company keeps its fund with banks having good credit ratings. Currently the funds are kept with banks having rating from A1 + to A2.

	2017	2016
	(Rupees in thousand)	
Bank balances		
With external credit rating		
A1+	21,663	47,023
A1	847	93
A2	11	10,075
	<u>22,521</u>	<u>57,192</u>

40.2 Liquidity risk

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or at the risk of Company's reputation. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to fulfill its obligation, monitoring balance sheet liquidity ratios against internal and external requirements and maintaining debt financing plans.

The following are the contractual maturities of the financial liabilities:

	2017					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to three years	Three to five years and over
----- (Rupees in thousand) -----						
Financial Liabilities						
Trade and other payables	457,875	457,875	93,343	364,532	-	-
Accrued mark-up	22,226	22,226	22,226	-	-	-
Short term borrowings	1,788,526	1,788,526	1,788,526	-	-	-
	<u>2,268,627</u>	<u>2,268,627</u>	<u>1,904,095</u>	<u>364,532</u>	<u>-</u>	<u>-</u>
	2016					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to three years	Three to five years and over
----- (Rupees in thousand) -----						
Financial Liabilities						
Trade and other payables	446,137	446,137	104,135	364,383	-	-
Accrued mark-up	1,030	1,030	1,030	-	-	-
Short term borrowings	15,637	15,637	15,637	-	-	-
	<u>462,804</u>	<u>462,804</u>	<u>120,802</u>	<u>364,383</u>	<u>-</u>	<u>-</u>

The Company manages liquidity risk by maintaining sufficient cash and ensuring the fund availability through adequate credit facilities. At September 30, 2017, the Company has Rs. 2.100 (2016: Rs. 3.794) billion available and unutilized short term borrowings limit from financial institutions and also has Rs. 22.521 (2016: Rs. 57.192) million being balances at banks. Based on the above, management believes the liquidity risk is insignificant.

40.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is exposed to foreign exchange risk, interest rate risk and other price risk are as follows:

40.3.1 Foreign Exchange Risk

Foreign exchange risk represents the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises mainly from future economic transaction or receivables or payables that exist due to transactions in foreign currency. The Company is exposed to foreign exchange currency risk on import of stores and spares, export of ethanol mainly denominated in US dollars. Approximately 93.62% of the Company's revenue from ethanol segment is denominated in currencies other than Pak Rupees which forms 48.3% of the total gross revenue of the Company. The Company's exposure to foreign currency risk for US Dollars is as follows:

	Note	2017 (Rupees in thousand)	2016 (Rupees in thousand)
Foreign debtors		14,436	28,650
Advance from foreign customers		(5,462)	(51,513)
Net exposure		<u>8,974</u>	<u>(22,863)</u>

The following significant exchange rate has been applied:

	Average rate		Spot rate at reporting date	
	2017	2016	2017	2016
USD to PKR	<u>104.98</u>	<u>104.70</u>	<u>105.41</u>	<u>104.61</u>

Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the US \$ with all other variables held constant, pre-tax profit for the year have been higher / (lower) by the amount shown below:

	Note	2017 (Rupees in thousand)	2016
Effect on profit or loss			
US Dollars		<u>(897)</u>	<u>2,286</u>

The weakening of the PKR against US \$ would have had an equal but opposite impact on the pre tax profit.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

40.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rate . The Company has short term borrowings - under cash / running finance borrowings Rupee based loan at variable rates, short term borrowings under export refinance borrowings Rupee base loan at fixed rates. The Company has provided short term loan to growers and Term deposit to bank carrying mark up at fixed rates , while saving accounts carries mark up at variable rate.

At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	2017 Effective interest rate (in percent)	2016	2017 Carrying amount (Rupees in thousand)	2016
Financial assets				
Fixed rate instruments				
Term deposit receipts (TDR)	3.99 and 4.09	3.99 and 4.34	<u>600</u>	<u>600</u>
Variable rate instruments				
Bank balances	2.4 to 3	3.44 to 6	<u>5,573</u>	<u>36,209</u>
Financial liabilities				
Variable rate instruments				
Short term borrowings	3 to 7.78	3 to 8.07	<u>1,788,526</u>	<u>15,637</u>

Cash flow sensitivity analysis for variable rate instruments.

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2016.

	Profit and loss 100 bp	
	increase	decrease
	(Rupees in thousand)	
Financial assets		
As at September 30, 2017		
Cash flow sensitivity	56	(56)
As at September 30, 2016		
Cash flow sensitivity	362	(362)

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

	Profit and loss 100 bp	
	increase	decrease
	(Rupees in thousand)	
Financial liabilities		
As at September 30, 2017		
Cash flow sensitivity	(17,885)	17,885
As at September 30, 2016		
Cash flow sensitivity	(156)	156

40.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is exposed to price risk with respect to equity investment. Investments are monitored through continuous trend prevailing in the market for which an investment committee has been setup to take appropriate decision.

A 10% increase / decrease in share prices at year end would have increased / decreased the Company's profit in case of short term investments at fair value through profit or loss and increase / decrease in unrealized gain on remeasurement of available for sale investments through OCI as follows:

	Profit and loss 100 bp	
	increase	decrease
	(Rupees in thousand)	
As at September 30, 2017		
Investment at fair value through profit or loss	-	-
Available for sale investments	70,907	(70,907)
	70,907	(70,907)
As at September 30, 2016		
Investment at fair value through profit or loss	23,490	(23,490)
Available for sale investments	20,042	(20,042)
	43,532	(43,532)

The sensitivity analysis prepared is not necessarily indicative of the effects on profit / equity and assets of the Company.

40.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial assets which are tradable in an open market are remeasured at the market prices prevailing on the balance sheet date. The carrying values of all other financial assets and liabilities reported in the financial statements approximate their fair value.

40.4.1 In accordance with the requirements of IFRS 13 Fair value measurement, the Company classifies its long term investments and short term investments in terms of following fair value hierarchy:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs).

Details of the Company's long term investments and short term investments in terms of fair value hierarchy, explained above, at September 30, 2017 is as follows:

	2017		
	Level 1	Level 2	Level 3
	----- (Rupees in thousand) -----		
Assets measured at fair value			
Long term investments	709,068	-	-
Short term investments	-	-	-
	<u>709,068</u>	<u>-</u>	<u>-</u>

	2016		
	Level 1	Level 2	Level 3
	----- (Rupees in thousand) -----		
Assets measured at fair value			
Long term investments	200,420	-	-
Short term investments	234,900	-	-
	<u>435,320</u>	<u>-</u>	<u>-</u>

40.5 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures commensuration to the circumstances. The Company finances its expansions projects through equity, borrowings and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk and maximize profitability.

The Company monitors capital using a gearing ratio, which is net debt divided by total shareholders equity plus net debt. Net debt is calculated as total loans and borrowings including any finance cost thereon, less cash and bank balances. The Company's strategy is to maintain leveraged gearing. The gearing ratios as at the balance sheet are as follows:

		2017 (Rupees in thousand)	2016
Accrued mark-up		22,226	1,030
Short term borrowings		1,788,526	15,637
Total debt		1,810,752	16,667
Less: cash and bank balances		(23,583)	(58,365)
Net debt A	A	1,787,169	(41,698)
Shareholders' equity	B	2,508,358	2,335,108
Equity and net debt	C = A + B	4,295,527	2,293,410
Gearing ratio	(D = A / C)	41.61%	-

Note	2017	2016
------	------	------

41 PLANT CAPACITY AND ACTUAL PRODUCTION

Sugar Unit

Sugarcane crushing capacity per day in M.T	7,500	7,500
Actual no. of days season operated	125	93
Sugar cane crushed during the year in M .T	659,154	560,786
Sugarcane yield	10.70%	10.47%
Capacity in M.T based on number of days operated and sugarcane yield	100,313	73,028
Actual production in M. T	70,484	58,370

Ethanol Unit

Unit - I

Capacity in liters per day	85,000	85,000
Actual no. of days operated	290	266
Capacity in liters based on number of days operated	24,650,000	22,610,000
Actual production in liters	23,309,333	22,316,492

Unit - II

Capacity in liters per day	87,500	87,500
Actual no. of days operated	296	286
Capacity in liters based on number of days operated	25,900,000	25,025,000
Actual production in Liters	25,182,918	23,186,313

Chemical alloys and others

Capacity in M.T based on 320 days	27,220	27,220
Actual production in M.T	-	-

Power

Capacity in Kilo Watts Hour (KWH) per day	312,000	312,000
Actual no. of days operated	-	-
Capacity in KWH based on number of days operated	-	-
Actual production in KWH	-	-

Tank terminal

Capacity per month based on ethanol in M.T	22,850	22,850
Actual capacity utilized per month based on ethanol in M.T	22,850	22,850

41.1 Reasons for shortfall in capacity utilization

- a) Sugar
Lesser availability of sugarcane
- b) Ethanol
Lesser availability of molasses and its quality
- c) Chemical, alloys and power
Production facilities have been suspended.

42 SEGMENT REPORTING

Note	2017				Total	2016
	Sugar	Ethanol	Chemical, alloys and power	Storage tank terminal		
----- (Rupees in thousand) -----						
Segment assets and liabilities						
Segment assets	1,997,830	1,611,894	458,653	168,575	4,236,952	2,634,141
Unallocated segment assets					934,192	678,790
					<u>5,171,144</u>	<u>3,312,931</u>
Segment liabilities	1,487,968	972,641	104	26,973	2,487,686	822,159
Unallocated segment liabilities					175,100	155,664
					<u>2,662,786</u>	<u>977,823</u>
Addition in capital work in progress	4.2	-	18,528	-	-	18,528
Unallocated additions in operating fixed assets		-	-	-	-	1,864
					<u>20,392</u>	<u>16,750</u>
Segment profit and loss account						
Sales	27	2,465,934	2,861,481	-	-	5,327,415
Cost of sales	28	(2,615,077)	(2,201,073)	-	-	(4,816,150)
Gross profit		(149,143)	660,408	-	-	511,265
Profit from other reportable segments - net	29	-	-	(45,314)	93,840	48,526
		(149,143)	660,408	(45,314)	93,840	559,791
Distribution cost	30	(19,468)	(115,315)	-	-	(134,783)
Administrative expenses	31	(67,829)	(44,864)	-	-	(112,693)
Operating segment results		(236,440)	500,229	(45,314)	93,840	312,315
Other operating expenses	32					(10,689)
Other income	34					17,711
Finance cost	33					(112,389)
Profit before taxation						206,948
Taxation	35					(63,972)
Profit after taxation						<u>142,976</u>
						<u>457,883</u>
Depreciation		42,851	33,706	24,347	15,717	116,621
						<u>125,135</u>

42.1 Revenue reported in note no. 27 and 29 is generated from external customers. The inter transfer of molasses and bagasse from sugar segment to ethanol segment is accounted for as a reduction of cost of production of sugar segment in note 28.

42.2 The accounting policies of the reportable segments are the same as the Company's accounting policies described in note number 3 to these financial statements.

42.3 Revenue from major products

The break up of Company's revenue from external customers for major products is given in note number 27 to these financial statements.

42.4 Information about major customers

Revenue from major customers (5% or above of segment's gross sales) of sugar segment represents Rs. 2,132 (2016: Rs. 2,348) million of total sugar segment gross revenue amounting to Rs. 2,712 (2016: Rs. 3,662) million, ethanol segment of Rs. 2,251 (2016: Rs. 1,856) million of total ethanol segment revenue amounting to Rs. 2,889 (2016: Rs. 2,434) million. Revenue from chemical and alloys and power segment is none due to suspension.

43 RELATED PARTY TRANSACTIONS

The related parties comprise of associated undertakings, other related group companies, Directors of the Company, Key Management Personnel and post employment benefit plan. The Company in the normal course of business carries out transactions with various related parties. Amounts due to / from related parties (if any) are shown in under respective notes to the financial statement. Remuneration of Directors, Chief Executive Officer and Executives being the Key Management Personnel are disclosed in note no. 38 to these financial statements. Transactions with related parties are as follows:

	2017	2016
	(Rupees in thousand)	
- associated companies		
Dividend received	-	1
Vehicle tracker system	315	-
Sale of ethanol	24,583	37,027
- other related party		
Installment recovered from employees on behalf of Employees' Gratuity Fund	7,461	5,727
Paid to Employee's Gratuity Fund on account of installment recovered from employees	397	-

43.1 During the year, the Company has paid dividend to its Directors and other related parties amounting to Rs. 103.542 (2016: Rs. 279.141) million. There were no other transactions with the key management personnel other than those are disclosed in note 38 to the financial statements.

44 NUMBER OF EMPLOYEES

Total number of employees at year end and average number of employees during the year were 1,024 (2016: 1,050) and 1,160 (2016: 1,159) respectively.

45 NON ADJUSTING SUBSEQUENT EVENT

The Board of Directors of the Company in their meeting held on December 26, 2017 has proposed a final cash dividend of Rs. 5/- per share i.e. 50% for the year ended September 30, 2017 amounting to Rs. 86.812 million. The financial statements for the year ended September 30, 2017 do not include the effect of the proposed cash dividend which will be accounted for in the financial statements for the year ended September 30, 2018.

46 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 thousand
Capital Reserve	Revenue Reserve		52,576
Trade and other payables - Creditors	Long term deposits		22,381
Cost of sales - Sale of fusel oil and CO2 gas - net	Cost of sales - Fuel, electricity and water charges	28	21,589
Net loss from chemical, alloys and power segment and fixed expenses due to suspension - salaries, wages and other benefits	Net profit from storage tank terminal - salaries, wages and other benefits	29	3,975
Administrative expenses - Salaries, wages and other benefits	Distribution costs - Salaries, wages and other benefits	30	3,956

47 GENERAL

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

Administrative expenses are allocated between the sugar and ethanol segment on the ratio being consistently applied since prior year.

48 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on December 26, 2017 by the Board of Directors of the Company.



Asim Ghani
Chief Executive Officer



Darakshan Ghani
Director



Zuhair Abbas
Chief Financial Officer

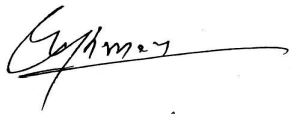
پاکستان میں سال 2017-18 میں بھی شاندار کثیر فصل ہو رہی ہے۔ حکومت سے یہ بھی درخواست کی گئی ہے کہ اُسے بروقت برآمدات کے لئے شکر سازی کی صنعت کے ساتھ مشاورت کی حکمت عملی وضع کرنا چاہیے اور شوگر انڈسٹری کو درپیش مشکلات کے پیش نظر شکر کی برآمد میں چھوٹ / زر اعانت کی صورت میں ان کی مالی معاونت کرنی چاہیے۔

بورڈ اور آپ کی کمپنی انتظامیہ مستقبل کے چیلنجز سے بخوبی آگاہ ہے۔ کمپنی اپنے کرم فرماؤں، سپلائرز، سرمایہ کاروں اور دیگر اسٹیک ہولڈرز کے ساتھ صحت مند تعلقات کو برقرار رکھنے کے حوالے سے بہترین طریقوں اور ہدایات کی پیروی کرتی رہی ہے۔

آپ کا بورڈ اس بات کا ذمہ دار ہے کہ ادارے میں بالائی سطح سے درست قواعد و ضوابط قائم کرے تاکہ کامیاب کاروبار اور طویل مدت پائیدار ترقی کی راہ فراہم کرنے کے لیے کاروباری ڈھانچے کی تشکیل کو یقینی بنایا جاسکے۔ آپ کا بورڈ ان اصولوں پر کاربند ہے کہ ڈائریکٹرز کی کارکردگی کا جائزہ لے جو وہ بورڈ کو اپنے فرائض بہتر طور پر انجام دینے میں مدد دیتے ہیں۔

کمپنی کے تمام شعبہ جات میں درست معیار کے قیام اور اس کی اہمیت کے پیش نظر ہم نے ضابطہ اخلاق، اقدار اور معیار وضع کئے ہیں جو کاروباری معاملات میں ضروری ہوتے ہیں کمپنی کے معاملات کی نگہبانی کے لیے بہتر اسلوب انتظام کو نافذ کیا ہے جس کا مقصد صحت و تحفظ، ملازمین کے رویہ، اختلاف، مالیاتی کنٹرول اور کاروباری دیانت کے معیار کو قائم کرنا ہے۔

میں یقین رکھتا ہوں کہ مسابقتی مستقبل کے لئے ہم بہتر کاروباری مقام پر ہیں۔ میں اس موقع پر اپنے حصص یافتگان، ملازمین، مالیاتی ادارے اور دیگر اسٹاک ہولڈرز کا العباس شوگر ملز لمیٹڈ کو کامیابی کے مقام تک لے جانے کے لیے ان کی مسلسل معاونت اور شراکت پر ان کا بھرپور شکریہ ادا کرتا ہوں۔



جناب محمد اقبال عثمان
چیئرمین

کراچی: 26 دسمبر 2017

چیمبر مین کی جائزہ رپورٹ

معزز حصص یافتگان

مالیاتی سال 2016-17 کے اختتام پر میں آپ کو خوش آمدید کہتا ہوں۔ العباس عباس شوگر ملز لمیٹڈ میں اسٹیک ہولڈرز کے طور پر آپ اس کمپنی میں اپنی سرمایہ کاری کرتے ہیں اور ہمیں بھی بلند معیار کی تخلیق میں سہولت فراہم کرتے ہیں اور ہم پر اعتماد کرتے ہیں جس پر ہم آپ کے تہہ دل سے شکر گزار ہیں۔

زیر جائزہ سال کے دوران ملکی و عالمی منڈیوں میں شکر کی قیمتیں، ملکی سطح پر 7 ملین میٹرک ٹن سے زائد ریکارڈ قومی پیداوار اور گزشتہ سال کی چینی کے ذخیرہ کے باعث تاحال مندی کا شکار ہیں۔ حکومت نے شکر برآمد کرنے کی اجازت دینے کا بروقت فیصلہ نہیں کیا۔ شکر کی برآمد بروقت و مطابقت کے ساتھ ضروری تھی اور حکومت شکر برآمد کرنے کی اجازت دینے میں ہچکچاہٹ تھی اور جب اس کی اجازت دی گئی تو اس وقت تک ہماری مطلوبہ قیمت کے مقابلے میں بین الاقوامی منڈی میں قیمتیں بہت گر ہو چکی تھیں۔ شکر کی بین الاقوامی قیمت 550 امریکی ڈالر فی ٹن سے گر کر اپریل 2017ء میں تاحال 360 امریکی ڈالر فی ٹن تک پہنچ چکی تھی۔ شکر ساز صنعتکاروں نے حکومت سے درخواست کی ہے کہ گنے کی قیمتوں کا جائزہ لیا جائے اور اسے قیمت فروخت کے ساتھ مربوط بنایا جائے تاکہ شوگر ملز سمیت تمام اسٹیک ہولڈرز کو مناسب قیمت مل سکے۔ حکومت سے یہ بھی درخواست کی گئی ہے کہ شوگر ملز کو اپنی معاشی حالت کی بہتری میں مدد فراہم کرنے کے لیے شکر کی برآمد پر سبسڈی فوراً جاری کرے۔

حکومت نے زیر جائزہ سال کے بعد 0.500 ملین میٹرک ٹن چینی کی برآمد قیمت بشمول کرایہ میں 10.70 روپے فی کلو سبسڈی اسٹیٹ بینک آف پاکستان کے EPD سرکلر نمبر 2017 کا 20 تاریخ 11 اکتوبر 2017 میں مذکور ہے، کی اجازت دی ہے۔ آپ کی کمپنی نے چینی کی برآمد کی اس اسکیم کے تحت اجازت لی ہے اور چینی کی برآمد جاری ہے۔

حکومت نے اس کے علاوہ مزید 1.5 ملین میٹرک ٹن چینی برآمد کرنے کی اجازت اسٹیٹ بینک آف پاکستان کے EPD سرکلر نمبر 2017 کا 20 تاریخ 11 اکتوبر 2017 کے تحت اور اسٹیٹ بینک آف پاکستان کے EPD سرکلر نمبر 2017 کا 23 تاریخ 13 دسمبر 2017 کے تحت 1.5 ملین میٹرک ٹن چینی کی برآمد کی اجازت دی ہے۔

سندھ میں صوبائی سطح پر چینی کی اضافی سبسڈی کے حوالے سے خبریں ہیں کہ سندھ حکومت نے اضافی سبسڈی 9.30 روپے فی کلو کی منظوری دی ہے جو کہ صرف ان ملوں کو دی جائے گی جو کہ سندھ میں واقع ہیں اور یہ سبسڈی 0.500 ملین میٹرک ٹن چینی کے اضافی اسٹاک کے لئے دستیاب ہو گی اگر یہ سبسڈی منظور ہو جاتی ہے جو کہ ان ملوں کو دستیاب ہوگی جو اسٹیٹ بینک آف پاکستان کے جاری کردہ EPD سرکلر نمبر 2017 کا 23 تاریخ 13 دسمبر 2017 میں دی گئی 1.5 ملین میٹرک ٹن کے کوٹ کے تحت چینی برآمد کر رہے ہوں گے۔

10. کمپنی نے مارکیٹ کمیٹی فیس کی شروع سے ادائیگی نہیں کی ہے کیونکہ اسے سندھ ہائی کورٹ میں چیلنج کیا گیا ہے۔ تاہم اس طرح کی ذمہ داریوں کے لئے اکاؤنٹس میں 80.707 ملین کی رقم مختص کی گئی ہے۔ ادارہ فراہمی و نکاسی آب نے 19.588 ملین روپے کی ادائیگی کا مطالبہ سیورج، فائر اور کنزرومنی کی مد میں کیا ہے۔ جس کو کمپنی نے سندھ ہائیکورٹ کراچی میں چیلنج کیا ہوا ہے کیونکہ متعلقہ ادارے نے مزکورہ سہولیات فراہم نہیں کی ہیں۔

11. کمپنی اپنے ڈائریکٹرز کو جب انہیں اپنے فرائض اور ذمہ داریاں پیش کرنے کی ضرورت ہوتی ہے لئے واقفیت کورس کا انتظام کرتی ہے۔ چار ڈائریکٹرز نے پہلے ہی اپنا ٹریننگ پروگرام مکمل کر لیا ہے جبکہ دو ڈائریکٹرز PSX رول بک کے کلاز 5.19.7 کے تحت ٹریننگ پروگرام سے مستثنیٰ قرار دیئے گئے ہیں اور بقایا ڈائریکٹرز یہ کورس مقررہ مدت میں مکمل کر لیں گے۔ بورڈ کے تمام ڈائریکٹرز کارپوریٹ ادارے کے ڈائریکٹرز کے طور پر اپنے فرائض اور افعال کے لحاظ سے مکمل طور پر ذمہ دار ہیں۔

12. کمپنی نے اپنے ملازمین کے لئے گریجویٹ فنڈ کو برقرار رکھتی ہے۔ فنڈ کی مالیت 30 ستمبر، 2017 کو سرمایہ کاری کی شکل میں 106.277 ملین روپے ہے۔

اظہار تشکر

کمپنی اس بات پر یقین رکھتی ہے کہ اس کی کامیابی اس کے ملازمین کی محنت کی وجہ سے ہے۔ کمپنی کی ترقی کے لیے ہم ملازمین کی انتھک محنت کا اعتراف کرتے ہیں۔ ہم اپنے صارفین اور خریداروں کا بھی ہماری مصنوعات پر اعتماد کا شکریہ ادا کرتے ہیں۔ ہم اپنے مالیاتی اداروں، اور بینکس کا بھی شکریہ ادا کرتے ہیں کہ ہمیں انکا مکمل اعتماد اور تعاون حاصل ہے اور وعدہ کرتے ہیں کہ ان کی کمپنی میں سرمایہ کاری کا بہترین فائدہ ان کو دیں گے۔ اللہ تعالیٰ ہماری کوششوں میں ہماری مدد فرمائے۔ (آمین)

منجانب بورڈ آف ڈائریکٹرز



درخشاں غنی
ڈائریکٹر



عاصم غنی
چیف ایگزیکٹو آفیسر

کراچی: 26 دسمبر 2017

پالیسیوں اور قواعد و ضوابط پر باقاعدگی سے نظر ثانی کی جاتی ہے تاکہ اس امر کو یقینی بنایا جاسکے کہ کمپنی انڈسٹری میں مروجہ بہترین اصولوں پر گامزن رہے۔ اس مقصد کے حصول کے لئے کمپنی اپنے ملازمین کو صحت اور حفاظت سے متعلق تربیت دیتی ہے تاکہ وہ اپنا کام پالیسی کے مطابق انجام دیں۔ چنانچہ وقتاً فوقتاً آگ سے بچاؤ، ابتدائی طبی امداد، صحت اور حفاظت سے متعلق تربیتی پروگرام منعقد ہوتے رہتے ہیں۔

قومی خزانہ میں حصہ

دوران سال کمپنی نے ٹیکسز، ایکسائز ڈیوٹی اور سیلز ٹیکس کی مد میں 395.393 ملین روپے (454.456 روپے: 2016)

قومی خزانہ میں جمع کرائے۔

حصہ داران اور شیئرز فروخت کی تفصیل

کوڈ آف کارپوریٹ گورننس کے تحت بمطابق 30 ستمبر 2016 حصہ داران کی تفصیلی رپورٹ ساتھ لگا دی گئی ہے جس میں حصہ داران کی مکمل تفصیل دیدی گئی ہے۔

دوران سال چیف ایگزیکٹو، ڈائریکٹرز، چیف فنانسئل آفیسرز، کمپنی سیکریٹری اور ان کے شریک حیات اور نابالغ بچوں نے کمپنی کے حصص میں کوئی لین دین نہیں کیا ہے۔

کارپوریٹ گورننس

ڈائریکٹرز یہ بات بیان کرنے میں مسرت محسوس کرتے ہیں کہ آپ کی کمپنی نے ایس ای سی پی کی فراہم کردہ ہدایات کے مطابق کوڈ آف کارپوریٹ گورننس جو کہ اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز کا حصہ بھی ہیں کی مکمل تعمیل کی ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

1. مالی بیانات جو کہ کمپنی انتظامیہ کی طرف سے تیار کی گئی ہیں جو منصفانہ امور کی نشاندہی، اپنے آپریشنز، نقدی کا بہاؤ اور ایکویٹی میں تبدیلیوں کا نتیجہ ہے۔

2. کمپنی اکاؤنٹس کی مناسب کتابوں کو برقرار رکھا ہے۔

3. مناسب اکاؤنٹنگ کی پالیسیوں کے تسلسل کے ساتھ مالی اکاؤنٹ کی تیاری میں لاگو کیا گیا ہے۔ اکاؤنٹنگ اندازے سے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

4. انٹرنیشنل اکاؤنٹنگ کے معیار جو کہ پاکستان میں قابل عمل ہیں کی مالی بیانات کی تیاری میں پیروی کی گئی ہے۔

5. اندرونی کنٹرول کے نظام کا ڈیزائن صحیح ہے اور اس پر موثر طریقے سے عمل درآمد اور اس کی نگرانی کی گئی ہے۔

6. کمپنی کو جاری رکھنے کی صلاحیت پر کوئی شکوک و شبہات نہیں ہیں۔

7. کارپوریٹ گورننس کے بہترین طریقوں پر عمل کیا گیا ہے جو کہ لسٹنگ کے ضابطے میں موجود ہیں۔

8. گزشتہ چھ سالوں کے لئے اہم مالیاتی اعداد و شمار اس رپورٹ کے ساتھ منسلک ہے۔

9. لسٹنگ کے قواعد و ضوابط کی تفصیل میں درج کارپوریٹ گورننس کے بہترین طریقوں میں کوئی مادی تبدیلی نہیں کی گئی ہے۔

بورڈ آف ڈائریکٹرز نے انتہائی تجربہ کار افراد پر مشتمل سرمایہ کاری کمیٹی تشکیل دی ہے جو کہ شتاہی بنیادوں پر سرمایہ کاری اور مستقبل کے منصوبہ جات کا تعین کرتی ہے۔ دوران سال سرمایہ کاری کمیٹی کے چار اجلاس ہوئے۔ اجلاس میں ممبران کی شرکت کی تفصیل حسب ذیل ہے:

ڈائریکٹرز کے اسمائے گرامی	حیثیت	زمرہ	اجلاسوں میں شرکت کی تعداد
جناب محمد اقبال عثمان	چیرمین	نان ایگزیکٹیو ڈائریکٹر	4/4
جناب عاصم غنی	ممبر	ایگزیکٹیو ڈائریکٹر	4/4
مسما درخشاں غنی	ممبر	نان ایگزیکٹیو ڈائریکٹر	4/4

بورڈ ایوالویشن کمیٹی

بورڈ آف ڈائریکٹرز نے بورڈ آف ڈائریکٹرز کی کارکردگی جاننے کے لیے بورڈ ایوالویشن کمیٹی تشکیل دی ہے جس کا دوران سال دو اجلاس منعقد ہوئے۔ اجلاس میں ممبران کی شرکت کی تفصیل حسب ذیل ہے:

ڈائریکٹرز کے اسمائے گرامی	حیثیت	زمرہ	اجلاسوں میں شرکت کی تعداد
جناب محمد اقبال عثمان	چیرمین	نان ایگزیکٹیو ڈائریکٹر	2/2
مسما درخشاں غنی	ممبر	نان ایگزیکٹیو ڈائریکٹر	2/2
جناب درید قریشی	ممبر	نان ایگزیکٹیو ڈائریکٹر	2/2

آڈیٹرز

سبکدوش ہونے والے آڈیٹرز میسرز رینڈا ہارون زکریا اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے اہلیت کی بنیاد پر دوبارہ تقرری کے لیے خود کو پیش کیا ہے۔ آڈٹ کمیٹی کی سفارش پر بورڈ نے برائے سال 2017-18 ان کے تقرری کے لیے حصص یافتگان کو سالانہ اجلاس میں سفارش کی ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی کارپوریٹ سماجی ذمہ داری کی اہمیت کو سمجھتی ہے اور سماجی ذمہ داری کے پروگرامز منعقد کرتی رہتی ہے۔ دوران سال ہڈ CRS پروگرام کے تحت کمپنی نے صحت کے شعبہ میں حصہ لیا ہے۔

کمپنی کے کاروبار کے ماحول پر اثرات

ہم اپنی ماحولیاتی ذمہ داریوں اور معاشرے کی ترقی میں اپنے حصے کا شدت سے احساس کرتے ہیں۔ ہماری ماحولیاتی پالیسی اور ہمارا انتظامی نظام اس بات کا خیال رکھتا ہے کہ ہماری کمپنی کی پیداوار کے طریقے سے ماحول پر کیا اثرات مرتب ہوتے ہیں۔ کمپنی اپنا کاروبار اور پیداوار کرتے ہوئے اس بات کا خاص خیال رکھتی ہے کہ ملازمین، گاہک، سپلائرز، پڑوسیوں اور عام آدمی کو صاف ستھرا اور محفوظ ماحول فراہم کیا جائے۔

آڈٹ کمیٹی

بورڈ آف ڈائریکٹرز نے کارپوریٹ گورننس کے کوڈ کے تحت ایک آڈٹ کمیٹی قائم کی ہے۔ ارکان آڈٹ کمیٹی کی اجلاس میں شرکت حسب ذیل ہیں:

ڈائریکٹرز کے اسمائے گرامی	حیثیت	زمرہ	اجلاسوں میں شرکت کی تعداد
سید رفیع اکبر راشدی	چیئر مین	انڈیپنڈنٹ ڈائریکٹر	4/4
مسما درخشاں غنی	ممبر	نان ایگزیکٹیو ڈائریکٹر	4/4
جناب درید قریشی	ممبر	نان ایگزیکٹیو ڈائریکٹر	4/4
مسما اسماء اولیس کوچن والا	ممبر	نان ایگزیکٹیو ڈائریکٹر	4/4

آڈٹ کمیٹی نے بورڈ کو ارسال سے قبل سہ ماہی، ششماہی اور سالانہ مالی حسابات اور متعلقہ فریقین سے لین دین کا جائزہ لیا۔ آڈٹ کمیٹی نے انٹرنل آڈیٹرز کے نتائج کا بھی جائزہ لیا اور کوڈ آف کارپوریٹ گورننس کے تحت انٹرنل اور ایکسٹرنل آڈیٹرز کے ساتھ الگ الگ اجلاس منعقد کیے۔

انسانی وسائل کی کمیٹی

انسانی وسائل کی منصوبہ بندی اور انتظام بہترین انتظامیہ کے لیے بہت اہم ہیں۔ کمپنی کی انسانی وسائل اور معاوضہ کمیٹی ہے جو کہ اہم عہدوں پر افراد کی تعیناتی، تشخیص، معاوضہ اور بنیادی انتظامات کا جائزہ لیتی ہے۔ یہ کمیٹی انسانی وسائل اور طریقہ کار کی بہتری کے لیے کوشاں رہتی ہے۔ یہ کمپنی کے انسانی وسائل کی پالیسیوں اور طریقہ کار اور ان کے دورانیہ کی تشخیص میں بہتری کی تصدیق میں بھی معاونت انجام دیتی ہے۔

کمیٹی کے اجلاس میں ارکان کی شرکت کی تفصیل حسب ذیل ہے:

ڈائریکٹرز کے اسمائے گرامی	حیثیت	زمرہ	اجلاسوں میں شرکت کی تعداد
جناب محمد اقبال عثمان	چیئر مین	نان ایگزیکٹیو ڈائریکٹر	2/2
جناب عاصم غنی	ممبر	ایگزیکٹیو ڈائریکٹر	2/2
مسما درخشاں غنی	ممبر	نان ایگزیکٹیو ڈائریکٹر	2/2
مسما اسماء اولیس کوچن والا	ممبر	نان ایگزیکٹیو ڈائریکٹر	2/2

سرمایہ کاری کمیٹی

ہونے تک دوبارہ آغاز کے معاملے پر نظر ثانی کی جائے گی۔

بحیثیت مجموعی

کمپنی منافع بڑھانے کے لیے بشمول لاگت میں کمی، طریقہ کار کی بہتری، پیش آمدہ خطرات کا مقابلہ کرنے اور متبادل ذرائع کے استعمال میں کوشاں ہے۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز، دو ایگزیکٹو، پانچ نان ایگزیکٹو اور ایک آزاد ڈائریکٹر پر مشتمل ہے۔

سال تختہ 30 ستمبر 2017 کے دوران ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔ ڈائریکٹرز کی طرف سے اجلاس میں شمولیت کی تفصیل درج ذیل ہے:

ڈائریکٹرز کے اسمائے گرامی	حیثیت	اجلاسوں میں شرکت کی تعداد
جناب محمد اقبال عثمان	چیئر مین	5/6
جناب شنید قریشی	چیف ایگزیکٹو ٹیو	4/6
جناب عاصم غنی	ایگزیکٹو ڈائریکٹر	6/6
مسماں اسماء اولیس کوچن والا	نان ایگزیکٹو ڈائریکٹر	6/6
مسماں درخشاں غنی	نان ایگزیکٹو ڈائریکٹر	6/6
جناب درید قریشی	نان ایگزیکٹو ڈائریکٹر	3/6
جناب سلیمان لالانی	نان ایگزیکٹو ڈائریکٹر	6/6
سید رفیع اکبر راشدی	انڈیپنڈنٹ ڈائریکٹر	3/6
جناب عرفان ناصر چیمہ	نان ایگزیکٹو ڈائریکٹر	4/6

تقرری/استقفا

کمپنی کے چیف ایگزیکٹو جناب شنید قریشی صاحب نے 12 دسمبر 2017 کو فوری طور پر بحیثیت چیف ایگزیکٹو اپنی ذاتی وجوہات کی بناء پر استقفا دے دیا تھا۔ نتیجتاً اس خالی اسامی کو بورڈ نے اپنے اجلاس منعقدہ 26 دسمبر 2017 کے دوران جناب عاصم غنی عثمان کو بحیثیت نیا چیف ایگزیکٹو تقرری کر کے پر کیا ہے۔

قیمتوں اور روپیہ کی قیمت میں استحکام پر منحصر ہے۔

شکر کا پروگرام

پاکستان شوگر ملز ایسوسی ایشن (PSMA) نے اس معاملے کو مسلسل حکومت کو پیش کیا ہے کہ شکر کرشنگ موسم 2017-18 کا آغاز تمام صوبوں میں گنے کی یکساں قیمت کے نفاذ، برآمد کے ذریعہ اضافی شکر کے اسٹاک کو ختم کرنے اور حکومتی امداد کی بروقت ادائیگی کے بغیر ممکن نہیں ہے۔

حکومت گنے کی قیمت مقرر کرتی ہے مگر نہ تو شکر خریدتی ہے نہ ہی شکر کی فیکٹری قیمت مقرر کرتی ہے اور مل مالکان پر واجبات کی ادائیگی کے لیے دباؤ ڈال رہی ہے۔ مل مالکان چار مہینے تک شکر تیار کرتے ہیں اور 12 ماہ کے اندر ان اجناس کو فروخت کرنا چاہتے ہیں اور شکر کی قیمت مارکیٹ قوتوں کی طرف سے متعین کرنے کے لئے چھوڑ دی گئی ہے۔

آنے والے موسم کے بروقت آغاز کے لئے حکومت کو حکمت عملی کے تحت شکر اسٹاک خریدنے یا پھر شکر سازی کی صنعت کی حمایت کے ساتھ ساتھ اس سے وابستہ ہزاروں کسانوں کے ساتھ تعاون جیسے اقدامات اٹھانے ہوں گے۔ موجودہ تخمینہ کے مطابق اگلے سال گنے کی فراہمی میں 15% فیصد سے زائد تھی۔

2017-18 کے لئے شکر کی عالمی پیداوار کا تخمینہ یورپی یونین، بھارت اور تھائی لینڈ سے پیداواری اضافہ کی پیش گوئی کے ساتھ 190 ملین ٹن لگایا گیا ہے۔ یہ اعداد 2016-17 میں 176.9 ملین ٹن پیدا شدہ شکر کے ساتھ موازنہ کرتے ہیں۔ اس کے نتیجے میں 2017-18 میں شکر کی عالمی پیداوار، عالمی کھپت میں 2% فیصد اضافہ کے ساتھ 184 ملین ٹن ہوگا۔ قیمتیں کم اسٹاک سطح کی وجہ سے گرنے کا امکان نہیں ہے، مگر وہ بھی نمایاں طور پر بڑھانے کے قابل نہیں ہیں۔

ایتھانول سیگمنٹ

آپ کی کمپنی مولاسز کے انتہائی مناسب ریٹ پر حصول کے لیے مشکل دور سے گزر رہی ہے۔ گذشتہ چند سالوں کے دوران سکونی کیفیت کے باعث دنیا بھر میں ایتھانول کی قیمتوں میں گرتا ہوا رجحان پایا جاتا ہے جو مستقبل میں مزید کمی کا شکار ہو سکتا ہے۔ تاہم، آپ کی کمپنی نے صنعت کی ترقی اور بلند قیمت حاصل کرنے کو ہدف بنایا ہوا ہے۔ فوڈ گریڈ ایتھانول چاکلیٹ اور کنفیکشنری کی پیداوار میں خوش رنگ، خوشبودار اور ذائقہ دار بنانے کے لئے اور کھانے کا بہت زیادہ امکان کی وجہ سے جدید مصنوعات تیار کرنے کے لئے ایک محل کے طور پر فوڈ گریڈ الکوحل مینوفیکچرنگ کے لیے بطور خام مال استعمال کیا جاتا ہے۔ گلوبل فوڈ گریڈ ایتھانول کے مارکیٹ سائز کو دو سالوں کے دوران 3.7% فیصد بڑھایا جاتا ہے۔

ٹینک ٹریٹمنٹ

کمپنی اس سیگمنٹ سے مستحکم آمدن کی توقع رکھتی ہے۔

پاور، کیمیکل اور بھرت ڈویژن

کیمیائی، بھرت اور پاور سیگمنٹ کی پیداوار کی سہولیات 2011 سے موجود کاروباری حالات کے پیش نظر معطل کر دی گئی ہیں اور حالات بہتر

اس کے علاوہ، مینجمنٹ نے زیادہ منافع بخش مرکب فروخت کو پورا کرنے کے لئے اتھنول کی مرکب فروخت کو تبدیل کرنے کی بھی کوشش کی۔ بلک فروخت پر انحصار میں کمی واقع ہوئی جبکہ زیادہ انحصار آئی ایس او اور ڈرم کی فروخت پر رکھا گیا تھا۔

30 ستمبر، 2017 کو ختم ہونے والے سال کے دوران اتھنول کی پیداوار 38,793 میٹرک ٹن تھی جبکہ گزشتہ سال کے دوران 36,402 میٹرک ٹن کے تقابل میں 2,391 میٹرک ٹن کی معمولی اضافہ ہوا۔

زیر جائزہ دور میں اس حصے کے آپریٹنگ منافع کا حصہ 500.229 ملین روپے جبکہ گزشتہ سال کے متعلقہ عرصے میں اس حصہ کے نتائج 327.904 ملین روپے حاصل ہوئے جو 172.325 ملین روپے کا بین اضافہ ہے۔ منافع میں اضافے کی بنیادی وجہ مولاسینز کی کم قیمت پر خریداری ہے۔

پاور، کیمیکل اور بھرت ڈویژن

زیر جائزہ سال کے دوران کیمیکل اور پاور ڈویژن کی مد میں مقرر کردہ لاگت کے باعث 45.314 ملین روپے گزشتہ سال کے مقابلے میں نقصان برداشت کرنا پڑا۔ نقصان کی بڑی وجہ مقررہ اخراجات تھے۔ جو برداشت کرنے پڑتے ہیں پیداوار ہو یا نہ ہو۔

اسٹوریج ٹینک ٹریئل

اللہ تعالیٰ کے فضل و کرم سے ہمارے اسٹوریج ٹینک ٹریئل نے دوران سال 93.840 ملین روپے گزشتہ سال 87.686 ملین روپے کے مقابلے میں کامیابی کے ساتھ منافع تقسیم کیا۔ ہمارے موجودہ صارفین ہماری سروسز سے بہت مطمئن ہیں۔ آپ کی کمپنی کی طرف سے تیار شدہ اتھنول کا ذخیرہ برآمدی آرڈرز کی بروقت ترسیل کے لیے ٹریئل ٹینک میں محفوظ رکھا جاتا ہے۔ ٹریئل ٹینک لائسنس شدہ اور بلک مائع کارگو سے نمٹنے کے لئے پبلک بونڈڈ ویئر ہاؤس کے تحت اس کی گنجائش 22,850 میٹرک ٹن فی ماہ ہے۔ ٹریئل میں اتھنول کے ساتھ دوسرے پٹرولیم مصنوعات پر مشتمل خطرناک سامان ذخیرہ کرنے کی اجازت ہے۔ آج تک ذخیرہ ٹریئل مکمل طور پر مقبوض حالت میں ہے۔

آڈیٹر کی رپورٹ پر تبصرہ

جیسا کہ مالیاتی گوشواروں کے نوٹ 26.1.c میں مکمل وضاحت کی گئی ہے کہ ایک سوٹ نمبر 281 سندھ ہائی کورٹ کراچی میں کمپنی اور 9 دیگر کے خلاف دائر کیا گیا ہے جس کے وضاحتی نوٹ میں کمپنی کے معاملات میں بدانتظامی کا الزام ہے۔ کمپنی اور اس کی انتظامیہ مدعی کے تمام الزامات کی تردید کرتی ہے اور اس کا موقف ہے کہ اس سوٹ کا کوئی ٹھوس نتیجہ برآمد نہیں ہوگا اور اس معاملے میں کمپنی کی طرف سے کوئی مالی انکشاف متوقع نہیں ہے۔

مستقبل کا نقطہ نگاہ

کمپنی کے مستقبل کا نقطہ مکمل طور پر گنے اور مولاسینز کی قیمتوں، جیسے عوامل پر اوسط سکروسی وصولی، شکر اور اتھنول، شرح سود، افراط زر کی

الاقوامی قیمتوں میں USD 550-560 فی میٹرک ٹن سے USD 350-360 کمی کا سامنا کرنا پڑا۔ اس طرح شکر مہیا کرنے والوں کے لیے یہ ناممکن ہو گیا کہ وہ پیداواری قیمت کے بغیر شکر کو فروخت کریں۔ اضافی شکر کی وجہ سے مقامی مارکٹ میں بھی قیمت مسلسل پستی کا شکار ہے۔ یہ وہ عوامل تھے جن کے نتیجے میں شکر کی مد میں رواں خام نقصان اٹھانا پڑا۔

2016-17 کیلئے کرشنگ موسم کا آغاز 14 نومبر 2016 کو ہوا اور پلانٹ 125 دنوں گزشتہ موسم 93 دنوں کے مقابلہ میں 18 مارچ 2017 تک چلایا گیا۔

موجودہ موسم کے دوران 659,154 میٹرک ٹن گنا کرش کیا گیا ہمراہ اوسط %10.7 مصفا شکر جبکہ گزشتہ سال اسی مدت میں 560,786 میٹرک ٹن گنا کرش کیا گیا ہمراہ اوسط %10.47 مصفا شکر اور شکر کی پیداوار موجودہ موسم میں 70,484 میٹرک ٹن ہوئی جبکہ گزشتہ سال اسی مدت میں 58,730 میٹرک ٹن پیداوار کی گئی تھی۔

اجتھانول یونٹ
سرگرم کوائف

2016	2017	
36,402	38,793	پیداوار (M.T.) یونٹ اور ا
33,894	39,117	فروخت میٹرک ٹن

مالیاتی کوائف

2016	2017	
روپے ہزار میں	روپے ہزار میں	
2,408,851	2,861,481	فروخت
(1,930,814)	(2,201,073)	لاگت فروخت
478,037	660,408	خام منافع
(106,939)	(115,315)	لاگت منقسمہ
(43,194)	(44,864)	انتظامی اخراجات
327,904	500,229	رواں حصہ منافع

آپ کی کمپنی کی انتظامیہ نے مولا سز کے معیار کو بہترین سطح پر لانے کی کوشش کی ہے۔ بہتر آپریٹنگ سیکشن منافع کے اعداد و شمار جو 500.229 ملین گزشتہ سال اسی مدت کے 327.904 روپے منافع کے مقابلہ میں حاصل ہونا ہماری کاوشوں کا منہ بولتا ثبوت ہے۔

عمل کے نتائج

آپریشن کے حق میں شکر، استھانول، اسٹورج ٹینک ٹرینل، پاور، کیمیکل اور بھرت ڈویژن کی تفصیلات نیچے دی گئی ہیں:

شکر یونٹ:

سرگرم کوائف

2016	2017	آپریشنل کارکردگی
2015 نومبر 23	2016 نومبر 14	موسم کے آغاز کے کوائف
93	125	کام کئے گئے دنوں کی تعداد
560,786	659,154	کرشنگ (M.T.)
58,730	70,484	گنے سے پیداوار (M.T.)
67,529	48,353	فروخت
10.47	10.70	بحالی (%)

مالیاتی کوائف

2016	2017	
روپے ہزار میں	روپے ہزار میں	
3,385,000	2,465,934	فروخت
(3,099,376)	(2,615,077)	لاگت فروخت
285,624	(149,143)	خام منافع
(12,976)	(19,468)	لاگت منقسمہ
(67,119)	(67,829)	انتظامی اخراجات
205,529	(236,440)	رواں حصہ نقصان / منافع

2016-17 کے موسم کے آغاز کے بعد سے چینی کی بھرپور پیداوار کے باعث تمام سال چینی کی قیمت افسردہ اور مسلسل زوال

پذیرش پر رہی۔ حکومت نے بادل ناخواستہ چینی کے کوٹہ کی برآمدگی کی اجازت دی۔ تاہم چینی کی برآمد کی اجازت میں تاخیر کی وجہ سے بین

العباس شوگر ملز لمیٹڈ ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز اپنی سالانہ رپورٹ کے ساتھ کمپنی کے آڈٹ شدہ مالیاتی گوشوارے بشمول آڈٹ رپورٹ برائے سال اختتام سال 30 ستمبر 2017 پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی دور

2016	2017	
روپے ہزار میں	روپے ہزار میں	
524,570	206,948	منافع قبل از ٹیکس
(66,687)	(63,972)	ٹیکس
457,883	142,976	خالص منافع
26.37	8.23	فی حصص آمدن روپے

ڈیویڈنڈ اور بعد کے واقعات

بورڈ آف ڈائریکٹرز نے اپنے منعقدہ اجلاس 26 دسمبر 2017 کو اختتام پزیر سال 30 ستمبر 2017 کے لیے 50 فیصد فائنل کیش ڈیویڈنڈ تجویز کیا ہے۔ یہ پہلے دئے گئے 50 فیصد کے حساب سے عبوری ڈیویڈنڈ 5 روپے فی حصص کے علاوہ ہے۔ اس طرح کل ڈیویڈنڈ اختتام پزیر سال 30 ستمبر 2017 کے لئے 10 روپے فی شیئر کے حساب سے 173.623 ملین ہو جائے گا 26 جنوری 2018 کو ہونے والے سالانہ اجلاس عام میں اراکین کی منظوری کے بعد فائنل ڈیویڈنڈ حاصل کیا جاسکے گا۔ ان مالیاتی گوشواروں میں فائنل کیش ڈیویڈنڈ کا اثر شامل نہیں ہے۔ بورڈ کے منظور شدہ وقف حسابات درج ذیل ہیں:

روپے ہزار میں	
142,976	منافع بعد از ٹیکس
678,192	غیر مختص منافع براٹ فارورڈ
(69,449)	فائنل منافع 2016 @ 4 روپے فی شیئر
(86,812)	عبوری منافع 2017 @ 5 روپے فی شیئر
651,314	دستیاب مختص و غیر مختص منافع کیرڈ فارورڈ

FORM OF PROXY

I/We.....of
..... being a member of AL-ABBAS SUGAR MILLS LIMITED, holding ofof
ordinary share(s), hereby Appoint Mr./Mrs./Miss
as my / our proxy in my / our absence to attend and vote for me / us, and on my / our behalf at the Annual General Meeting
of the Company to be held at Beach Luxury Hotel, Karachi on Friday, January 26, 2018 at 10:00 a.m. and at any adjournment
thereof.

Signed under my / our hand thisday of2018.

(Member's Signature on
Rs. 5.00 Revenue Stamp)

(Signature should agree with
the specimen signature
negotiated with the Company)

Shareholders folio No.....
CDC A/c No.....
CNIC No.....

Signed by the said (Name) in the presence of:

Witnesses

1, Signature	2, Signature
Name	Name
CNIC / Passport No.	CNIC / Passport No.
Address	Address
.....

Note:

1. A member entitled to attend and vote at the annual general meeting is entitled to appoint another member as Proxy to attend and vote instead of him/her. A Corporation or a company being a member of the Company may appoint any of its officers, though not a member of the Company.
 2. Proxies must be received at the Registered Office of the Company not less than 48 hours before the time appointed for the meeting.
 3. The signature on the instrument of proxy must conform to the specimen signature recorded with the Company.
 4. CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
- A. For attending the Meeting:
- a) In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport along with participant ID number and the Account number at the time of attending the meeting.
 - b) In case of corporate entity, the Boards resolution / power of attorney with specimen signature of the nominee shall be produce [unless it has been provide earlier] at the time of the Meeting.
- B. For appointing Proxies :
- a) In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulation, shall submit the proxy form as per above requirements.
 - b) The proxy form shall witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
 - c) Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
 - d) The proxy shall produce his original CNIC or original passport at the time of the Meeting.
 - e) In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished [unless it has been provided earlier] along with proxy form to the Company.

نوٹس:

- 1- سالانہ اجلاس عام میں شرکت اور ووٹ کا حقدار ممبر اپنی جگہ کسی اور ممبر کو اپنی جانب سے شرکت کرنے اور ووٹ دینے کے لئے نیابتی مقرر کر سکتا ہے۔ کارپوریشن یا کمپنی بحیثیت کمپنی رکن اپنے کسی بھی افسران کا تقرر چاہے وہ کمپنی کا رکن نہ بھی ہو کر سکتی ہے۔
- 2- نیابتی فارم اجلاس کی مقررہ تاریخ سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہونی چاہیں۔
- 3- نیابتی کے دستاویز پر دستخط، کمپنی کے ریکارڈ میں موجود دستخط کے نمونے کے ذریعے سے تصدیق لازم کی جائے گی۔
- 4- سی ڈی سی اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ سرکولر نمبر 1 بتاریخ 26 جنوری 2000 میں مقرر کردہ گائیڈ لائنز پر عمل کرنا ہوگا۔

الف۔ برائے اجلاس میں شرکت:

- (i) - افراد کی صورت میں اکاؤنٹ ہولڈر اور یا سب اکاؤنٹ ہولڈر اور ان کی رجسٹریشن تفصیلات سی ڈی سی کے ضابطوں کے مطابق اپ لوڈ ہوں اجلاس میں شرکت کے موقع پر اپنی شناخت کے لئے اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ بمع پارٹیسپنٹ آئی ڈی نمبر اور اکاؤنٹ نمبر پیش کریں۔
- (ii) - کارپوریٹ اینٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کئے گئے ہوں) اجلاس کے موقع پر پیش کرنا ہوگا۔

ب۔ برائے نیابتی کی تقرری:

- (i) - افراد کی صورت میں اکاؤنٹ ہولڈر اور یا سب اکاؤنٹ ہولڈر جن کی رجسٹریشن تفصیلات سی ڈی سی کے ضابطوں کے مطابق اپ لوڈ ہوں، مندرجہ بالا شرائط کے مطابق نیابتی فارم جمع کرنا ہوگا۔
- (ii) - نیابتی فارم پر دو افراد کی گواہی ہونی چاہئے جن کے نام، پتے اور سی این آئی سی یا پاسپورٹ نمبر فارم پر درج ہوں۔
- (iii) - نیابتی کے بیفیشیل اوزر کی سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں نیابتی فارم کے ہمراہ منسلک ہونی چاہئیں۔
- (iv) - نیابتی کو اجلاس کے موقع پر اپنا اصل سی این آئی سی یا پاسپورٹ پیش کرنا ہوگا۔
- (v) - کارپوریٹ اینٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کئے گئے ہوں) پیش کرنا ہوگا۔

FORM OF E-VOTING

I/We _____ of _____ being a member of AL-ABBAS SUGAR MILLS LIMITED, holder of _____ Ordinary share(s), hereby opt for e-voting through Intermediary as proxy and will exercise e-voting as per The Companies (e-voting) Regulations, 2016 and hereby demand for poll for resolutions.

My secured email address is _____, please send login details, password and electronic signature through email.

(Member's Signature on
Rs. 5.00 Revenue Stamp)

(Signature should agree with the
specimen signature registered
with the Company)

Shareholders folio No. _____
CDC A/c No. _____
CNIC No. _____

Signed by the said (name) in the presence of:

Witnesses:

1, Signature _____
Name _____
CNIC/Passport No. _____
Address _____

2, Signature _____
Name _____
CNIC/Passport No. _____
Address _____

Note:

1. The form of E-voting shall be deposited in advance in writing at least ten days before holding of annual general meeting at 2nd Floor, Pardesi House, Survey No. 2/1, RV.16 Old Queen Road, Karachi-74000 or through email: company.secretary@aasml.com.

Date _____

Folio No. _____

Name of Shareholder

F/H Name

Address

Bank Account Details for Payment of Cash Dividend
(Mandatory Requirement as per the Companies Act, 2017)

Dear Shareholder,

This is to inform you that in accordance with the Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Please note that giving bank mandate for dividend payments is mandatory and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide the following information:

Details of Shareholder	
Name of shareholder	
Folio / CDS Account No.	
CNIC No.	
Cell number of shareholder	
Landline number of shareholder, if any	
Details of Bank Account	
Title of Bank Account	
International Bank Account Number (IBAN) "Mandatory"	PK (24 digits) (Kindly provide your accurate IBAN number after consulting with your respective bank branch since in case of any error or omission in given IBAN, the company will not be held responsible in any manner for any loss or delay in your cash dividend payment).
Bank's name	
Branch name and address	
It is stated that the above-mentioned information is correct and in case of any change therein, I / we will immediately intimate Participant / Share Registrar accordingly.	
_____ Signature of shareholder	

You are requested to kindly send this letter immediately duly filled in and signed by you along with legible photocopy of your valid CNIC at our address, Share Registrar Services, Central Depository Company of Pakistan Limited, CDC House, 99-B, Block B, Main Shahrah-e-Faisal, Mian Shahrah-e-Faisal, Karachi. 74400, Pakistan.

Form for Video Conference Facility

The Company Secretary,
M/s. Al-Abbas Sugar Mills Limited;
Pardesi House, Survey No.2/1,
R.Y.16, Old Queens Road,
Karachi.

I/we, _____ of _____ being the
registered shareholder(s) of Al-Abbas Sugar Mills Limited under Folio No. / _____ CDC Participant
ID No. _____ and Sub Account No. _____ CDC Investor
Account ID No., and holder of _____ Ordinary / Preference Shares, hereby request for video conference
facility at _____ for the Annual General Meeting of the Company to be held on 26 January,
2018.

Shareholder's Signature: _____

Date: _____

Note: Copy of CNIC must be furnished with the Form

Pursuant to the Securities and Exchange Commission of Pakistan's notification S.R.O 470(I)/2016 dated 31 May, 2016, the shareholders of Al-Abbas Sugar Mills Limited in 26th AGM of the Company held on January 30, 2017 had accorded their consent for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company through CD or DVD or USB instead of transmitting the same in hard copies. The shareholders who wish to receive hard copy of the aforesaid documents through courier or soft copy through email are requested to fill this form and send it to the Company Secretary / Share Registrar.

PLEASE NOTE THAT RECEIPT OF THE HARD COPY OF ANNUAL REPORT THROUGH COURIER OR SOFT COPY VIA EMAIL IS OPTIONAL AND NOT COMPULSORY.

STANDARD REQUEST FORM

Date: _____

The Share Registrar
CDC House-99B, Block B',
S.M.C.H.S, Main Shahra-e-faisal,
Karachi-74400

Pursuant to the directions given by the Securities Exchange Commission of Pakistan through its SRO 470(I)/2016 of May 31, 2016, I, Mr./Ms. _____ S/o, D/o, W/o _____ hereby consent to have Al-Abbas Sugar Mills Limited's Audited Financial Statements and Notice of Annual General Meeting through the below mentioned mode.

Hard copy through courier

Name of Member/ Shareholder
Folio/ CDC Account Number
Registered mailing address

Soft Copy through email address

Name of Member/ Shareholder
Folio/ CDC Account Number
Email address

It is stated that the above mentioned information is true and correct and that I shall notify the Company and its Share Registrar in writing of any change in my registered mailing address or email address or withdrawal of my consent.

Signature of the Member / shareholder

Form of Submission of Copies of CNIC and NTN Certificates

In pursuance with the Securities & Exchange Commission of Pakistan (SECP) Notification No.SRO 831(1)/2012 dated July 05, 2012 in super session of earlier Notification No. SRO 779(1)/2011 of August 18, 2011, SECP has directed all listed companies to mention Computerized National Identity Card Number (CNIC) / NTN numbers of the registered shareholder on the dividend warrants. Therefore;

"THE SHAREHOLDERS OF THE COMPANY ARE REQUESTED TO PROVIDE IMMEDIATELY A COPY OF THEIR COMPUTERIZED NATIONAL IDENTITY CARD (CNIC) OR PASSPORT (IN CASE OF FOREIGNER) AT COMPANY'S REGISTERED OFFICE OR SHARE REGISTRAR OFFICES".

Folio No.	Name of Shareholder	CNIC/ NTN / Passport No (Copy Attached)

Signature of Member / Share holder

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