



26th ANNUAL REPORT 2016

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Corporate Information

BOARD OF DIRECTORS

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

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Zuhair Abbas

AUDIT COMMITTEE

Sayyed Rafay Akber Rashdi	Chairman
Asma Aves Cochinwala	Member
Darakshan Ghani	Member
Duraid Qureshi	Member
Tariq Iqbal	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
National Bank of Pakistan
The Bank of Punjab
Meezan Bank Limited
Pak Oman Investment Company Limited
Soneri Bank Limited
United Bank Limited

STATUTORY AUDITORS

Haroon Zakaria & Co. Chartered Accountants

COST AUDITORS

Siddiqi & Company Cost and Management 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 Shakra-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 ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting of Al-Abbas Sugar Mills Limited will be held at Beach Luxury Hotel, Karachi on January 30th, 2017 at 10:30 a.m. to transact the following business:

Ordinary Business

1. To confirm the minutes of the 25th Annual General Meeting of the shareholders of the Company held on January 28, 2016.
2. To receive, consider and adopt Annual Audited Financial Statements for the year ended September 30, 2016, together with the reports of the Auditors' and Directors' thereon.
3. To declare and approve the cash dividend for the year ended September 30, 2016 on the ordinary shares of the Company. The Directors have recommended a final cash dividend at 40% i.e. Rs. 4 per share. This is in addition to the combined interim dividend 150% i.e. Rs. 15 per share (first interim cash dividend of 50% and second interim cash dividend of 100%) already paid. The total dividend for 2015-16 will thus amount to 329.884 million i.e. Rs. 19 per share.
4. To appoint auditors for the ensuing year, and to fix their remuneration. The present auditors M/s 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.

Special Business

1. To obtain consent of the shareholders in terms of S.R.O. 470(I)/2016 dated 31 May 2016 issued by Securities and Exchange Commission of Pakistan, for the transmission of the annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company either through CD or DVD or USB and to pass the following resolution as an Ordinary Resolution, with or without modification:

"Resolved that consent and approval of the shareholders of Al-Abbas Sugar Mills Limited (the "Company") be and is hereby accorded for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company to the shareholders for future years commencing from the year ending on September 30, 2016 through CD or DVD or USB instead of transmitting the same in hard copies.

Further resolved that the Chief Executive, Executive Director or Company Secretary be and is hereby authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents as may be incidental for the purposes of implementing this resolution"

2. To consider and, if deemed fit, pass the following resolution as a Special Resolution with or without modification for alterations in the Articles of Association of the Company:

"RESOLVED THAT the Articles of Association of the Company be amended by inserting following new Articles as 56A after Article No. 56:

56A E-Voting: The provisions and requirements for e-voting as prescribed by the Securities and Exchange Commission of Pakistan from time to time shall be deemed to be incorporated in these Articles of Association, irrespective of other provisions of these Articles and notwithstanding anything contradictory therein."

"FURTHER RESOLVED THAT the following new Article 57A be inserted after Article 57:

57A Appointing proxy for e voting: In case of e-voting, members may appoint either members or non-members as proxy and the Company shall comply with the requirements of the Companies (E-Voting) Regulations, 2016."

"FURTHER RESOLVED THAT the following new Article 59A be inserted after Article 59:

59A Form of proxy for e-Voting: An instrument of proxy in relation to e-voting shall be in the following form:



I/We _____ of _____, being a member of _____, holder of _____ Share(s) as per Register Folio No. _____ hereby opt for e-voting through Intermediary and hereby consent to the appointment of Execution Officer _____ 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 detail, password and electronic signature through email.

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

Signed in the presence of:

Signature of Witness

Signature of Witness

The proxy e-voting form shall be required to be witnessed by two persons whose names, address and CNIC number shall be mentioned on the form."

"Resolved Further that the Chief Executive Officer/Executive Director or Company Secretary be and is hereby authorized to do all acts, deed and things, take all steps and action necessary, ancillary and incidental for altering the Articles of Association of the Company including filing of all requisite documents/ statutory forms as may be required to be filed with the Registrar of Companies and complying with all other regulatory requirements so as to effectuate the alterations in the Articles of Association and implementing the aforesaid resolution."

By Order of the Board

Zuhair Abbas
Company Secretary
Karachi: January 07, 2017

Notes:

1. Share Transfer Books will be closed from January 23, 2017 to January 30, 2017(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.

6. 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.

7. Valid copies of National Tax Number (NTN), Both for Individuals and Corporate Entities.

Pursuant to the provisions of Finance Act, 2016 effective 1 July 2016, 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	12.5%
2	Non - filer of income tax return	20%

8. Withholding tax on Dividend in case of Joint Account Holders

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 Electronically (Optional)

The SECP has initiated e-dividend mechanism through its Notification 8(4) SM/CDC/2008 dated April 05, 2013. In order to avail benefits of e-dividend shareholders are hereby advised to provide details of their bank mandate specifying: (i) title of account, (ii) account number, (iii) bank name, (iv) branch name, code and address to Company's Share Registrar - M/s. Central Depository Company Limited. Shareholders who hold shares with Participants / Central Depository Company of Pakistan (CDC) are advised to provide the mandate to the concerned Broker / CDC.

10. Audited Financial Statements through Email

Pursuant to SRO No. 787(1)/2014, dated September 08, 2014, the SECP has allowed circulation of Audited Financial Statements along with the notice of Annual General Meeting to the members via email. Therefore, all members who wish to receive a soft copy of Annual Report may send their email addresses to the Company Secretary. A consent form for electronic transmission may be downloaded from Company's website: www.aasml.com. A hard



copy of the Audited Financial statements will be provided to members on request, free of cost, within seven days.

Statement under Section 160 (1)(b) of the Companies Ordinance, 1984

This statement set out the material facts concerning the special business to be transacted at the annual general meeting of the Company to be held on January 30, 2017.

Circulations of Annual Reports through CD/DVD/USB

Securities and Exchange Commission of Pakistan has vide S.R.O 470(I)/2016 dated 31 May 2016 allowed the companies to circulate the annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company to its members through CD/DVD/USB subject to consent of the shareholders in the general meeting. This will save time and expenses incurred on printing of the annual report.

The Company shall supply the hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. After approval of the shareholders, the Company will place a Standard Request Form on its website to communicate their need of hard copies of the documents along with postal and email address of the Company Secretary/Share Registrar to whom such requests shall be made.

Accordingly, the directors have placed the matter before the shareholders for their approval and to pass the ordinary resolution as proposed in the notice of meeting.

The directors are not interested, directly or indirectly, in the above business except to the extent of their shareholding as has been detailed in the pattern of shareholding annexed to the Directors Report.

Statement under Section 160 (1)(b) of the Companies Ordinance, 1984

This statement set out the material facts concerning the special business to be transacted at the annual general meeting of the Company to be held on January 30, 2017.

Alteration in the Articles of Association

Securities and Exchange Commission of Pakistan has issued Companies (E-Voting) Regulation 2016 on January 22, 2016 vide S.R.O 43(1)/2016. The directors have recommended alteration in the Articles of Association by inserting three new Articles 56A, 57A and 59A therein which will give the members option to be part of the decision making in the general meeting of the Company through electronic means. Accordingly, it has been proposed to pass the resolution as a Special Resolution for alteration in the Articles of Association of the Company as specified in the notice of meeting.

The directors are not interested, directly or indirectly, in the above business except to the extent of their shareholding as has been detailed in the pattern of shareholding annexed to the Directors Report.



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, 2016.

FINANCIAL RESULTS:

	2016 (Rupees in thousand)	2015
Profit before taxation	524,570	553,599
Taxation	<u>(66,687)</u>	<u>(58,664)</u>
Net profit for the year	<u>457,883</u>	<u>494,935</u>
Earnings per share in rupees	<u>26.37</u>	<u>28.51</u>

SUBSEQUENT EVENT AND DIVIDEND

The Board of Directors in their meeting held on January 03, 2017 has proposed 40% final cash dividend for the year ended September 30, 2016. The approval of the members for the final dividend shall be obtained at the Annual General Meeting to be held on January 30, 2017. 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	457,883
Un-appropriated profit brought forward	601,791
Interim dividend 2015 @ Rs. 6.5/share	(112,855)
Final dividend 2015 @ Rs. 3.5/share	(60,768)
Interim dividend 2016 @ Rs. 5/share	(86,812)
Interim dividend 2016 @ Rs. 10/share	(173,623)
Available for appropriation and Un-appropriated profit carried forward	625,616

OPERATING RESULTS

Details of operation in respect of Sugar, Ethanol, Storage Tank Terminal, Power, Chemical and alloys Division are given as under:

SUGAR UNIT

Operating Data

Operational performance	2016 November 23, 2015	2015 December 08, 2014
Date of start of season	93	106
No. of days worked	560,786	564,555
Crushing (M.T)	58,730	60,534
Production from sugarcane (M.T)	67,529	64,653
Sales	10.47	10.72
Recovery (%)		



Financial Data

	2016	2015
	(Rupees in thousand)	
Sales	3,385,000	3,020,149
Cost of sales	(3,099,376)	(2,712,112)
Gross profit	285,624	308,037
Distribution cost	(11,318)	(10,803)
Administrative expenses	(68,777)	(65,671)
Operating segment profit	205,529	231,563

Crushing operations for 2015-16 seasons started on November 23, 2015 and the plant operated for 93 days ending on February 23, 2016 as against 106 days of preceding season. The Sugarcane crushed during the current season was 560,786 metric tons with average sucrose recovery of 10.47% and sugar production of 58.730 metric tons as compared with crushing of 564,555 metric tons with average sucrose recovery of 10.72% and sugar production of 60,534 metric tons of same period of last year.

ETHANOL UNIT:

Operating Data

	2016	2015
Production (metric tons) - Unit - I and II	36,402	36,946
Sales (metric tons)	33,894	39,521

Financial Data

	2016	2015
	(Rupees in thousand)	
Sales	2,408,851	2,847,149
Cost of sales	(1,930,814)	(2,330,382)
Gross profit	478,037	516,767
Distribution cost	(104,641)	(103,447)
Administrative expenses	(45,492)	(43,303)
Operating segment profit	327,904	370,017

The production of ethanol during the year ended September 30, 2016 was 36,402 metric tons as compared with 36,946 metric tons during previous year registering slight decrease of 544 metric tons. The operating segment profit of this segment is Rs. 327.904 million during the year under review as against segment results of Rs. 370.017 million in the corresponding period of last year evidencing decrease of Rs. 42.113 million. The main reason for decrease in profit is due to decline in ethanol selling price.

POWER, CHEMICAL AND ALLOYS DIVISION

During the year under review, the chemical and power division has incurred segment loss of Rs. 53.601 million as compared to the segment loss of Rs. 58.344 million for the last year. The loss is mainly due to fixed cost.

STORAGE TANK TERMINAL

By the Grace of Almighty Allah, our Storage Tank Terminal successfully contributing profit of Rs. 91.661 million during the year as compare to last year of Rs. 86.989 million. Our existing customers are 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 per month 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 Terminal 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 including sugarcane and molasses prices, average sucrose recovery, selling prices of sugar and ethanol, interest rate, inflation and stability of Pakistani rupees.

Sugar Segment

The ensuing season was started from November 15, 2016. The sugar millers wanted to start their crushing season from December 15, 2016. However, with the consent of growers and Pakistan Sugar Mills Association (PSMA) the Government of Sindh decided the sugarcane price of Rs. 182 per maund with a condition to start crushing season from November 15, 2016.

Despite most sugar mills started their crushing within the notified date, the dismal activity of harvesting sugarcane by growers in wake of increase in sugarcane price has put the sugar mills into severe financial losses. The Company has raised her voice on all available forums because production of sugar at this price could not be feasible.

The majority of members of PSMA (Sindh zone) decided to stop sugarcane crushing from December 15, 2016 until the issue of sugarcane supply is resolved. Due to shortage of supply the growers are demanding Rs. 250 to Rs. 300 per maund which is in any way not feasible for the sugar mills to produce sugar. Sixteen sugar mills in the Sindh have stopped crushing including your Company. However, after a meeting held between growers, millers and Minister Agriculture Sindh, crushing was resumed by your Company on December 22, 2016 with the assurance of grower to start full swing harvesting of sugarcane. However, the Company still faces shortage of sugarcane supply.

Due to good crop condition in Punjab region, overall Pakistan's sugar production is forecast to be 5.4 million metric tons, up 5.5 percent from the current year production. Sugar exports are forecast at zero given the high price of sugar and the absence of an announced quota and subsidy.

Consumption continues to grow modestly in Pakistan, largely as a result of growing population and a slowly developing domestic food processing sector. Despite modest growth in demand, sugar stocks are accumulating as robust production in recent years has led to an increase in domestic supply. During the current year selling price of sugar, which have risen steadily could remain firm and discourage a larger increase in consumption in the next year.

International analysis reveals that the sugar production in 2016-17 is forecast to up by 5 million metric tons to 171 million as gains in Brazil and the European Union and the most of the 25 producers more than offset declines in India and Thailand. Despite production gains in 2016/17, low stock levels portend another year of rebuilding supplies amid strong prices. Your Company is well aware of all these challenges and trying to combat in the best interest of the Company.

Ethanol Segment

The future outlook of distillery entirely depends on continuous availability of good quality of molasses at reasonable prices. The Management is striving hard to acquire molasses at reasonable cost. In the past few years, due to worldwide doldrums the prices of ethanol showed a declining trend and it may continue to further decline in the future. However, Your Company is targeting growth industries to capture high prices.

Tank Terminal

The company expects stable earnings from this segment.

Power, Chemical and Alloys Division

The production facilities of chemical, alloys and power segment has been suspended since 2011 in view of present business



conditions and the matter of its recommencement will be reviewed when these conditions are improved.

Overall

The Company is putting more efforts to increase cost efficiencies, improve processes and seeking alternate course of actions to contest the foreseen risks and boost-up 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 the election of Directors were made and the names of the current members of the Board of Directors are appearing in the Company Information. During the year ended September 30, 2016, 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	5/6
Miss. Darakshan Ghani	Non-Executive Director	5/6
Mr. Duraid Qureshi	Non-Executive Director	2/6
Mr. Suleman Lalani	Non-Executive Director	6/6
Sayyed Rafay Akber Rashdi	Independent Director	1/6
Mr. Irfan Nasir Cheema	Non-Executive Director	3/3
Mr. Ali Jehangir Siddiqui	Retired	0/3

AUDIT COMMITTEE

The Board of Directors has established an Audit Committee in compliance with the Code of Corporate Governance. During the year new Audit Committee was established and four meetings were held out of which two meetings were held before elections. The meetings attended by members are as follows:

Name of Members	Status	Category	Number of meetings attended
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	2/2

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. During the year new committee was setup and two meetings were held out of which one meeting was held before establishing the new committee. The meetings attended by members are as follows:



Name of Members	Status	Category	Number of meetings attended
Mr. Muhammad Iqbal Usman	Chairman	Non-Executive Director	1/1
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	1/1
Mr. Duraid Qureshi	Member	Retired	1/1
Sayyed Rafay Akber Rashdi	Member	Retired	1/1

INVESTMENT COMMITTEE

The Board of Directors has established an Investment Committee consisting high experienced personnel's for evaluating the position of investments on half yearly basis and determining the future strategies regarding the investments held or further investment. The investment committee held (2) meetings during the year. Attendance by each member was as follows:

Name of Members	Status	Category	Number of meetings attended
Mr. Muhammad 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

BOARD EVALUATION COMMITTEE

The Board of Directors has formed a Board Evaluation Committee for appraisal of Board of Directors' performance and effectiveness of the Board. The committee held one meeting during the year. Attendance by each member was as follows:

Name of Members	Status	Category	Number of meetings attended
Mr. Muhammad Iqbal Usman	Chairman	Non-Executive Director	1/1
Miss. Darakshan Ghani	Member	Non-Executive Director	1/1
Mr. Duraid Qureshi	Member	Non-Executive Director	1/1

AUDITORS

The retiring auditors, M/s. 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 2016-2017 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.

CONTRIBUTION TO THE NATIONAL EXCHEQUER

The Company contributed a total amount of Rs. 264.270 million (2015: Rs. 218.130 million) to the Government Treasury in shape of taxes, levies, excise duty and sales tax.

**PATTERN OF SHAREHOLDING AND SHARES TRADED**

The Pattern of shareholding as on September 30, 2016, 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, Directors, Chief Financial Officer and Company Secretary and 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 Accounting 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 in the accounts for such liability of Rs. 74.116 million.
- j) Four (4) Directors have already passed Directors' Training Program, In addition, two (2) of the Directors are exempted from the requirement of Directors' training program under clause 5.19.7 of PSX Rule Book and rest of the Director will be trained within the prescribed time period. All the Directors are fully conversant with their duties and responsibilities as Directors of Corporate Bodies.
- k) The Company maintains Gratuity Fund for its employees. The value of fund is Rs. 129.340 million in the shape of investment as on September 30, 2016.

ACKNOWLEDGEMENT

The Company strongly believes that its success is driven by the commitment and dedication of its employees. We acknowledge the contribution of each and every staff member of the Company for significant contribution, continued dedication and hard work in delivering such a strong performance. We would also like to express our thanks to the customers for their trust in our products and look forward 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**

SHUNAIQ QURESHI
Chief Executive Officer

Karachi: January 03, 2017



PATTERN OF SHAREHOLDINGS

AS ON SEPTEMBER 30, 2016

Number of Shares	Shareholdings' slab		Total Number of Shares Held
	From	To	
200	1	100	8,188
492	101	500	230,366
47	501	1,000	45,600
41	1,001	5,000	101,070
7	5,001	10,000	54,600
1	10,001	15,000	11,500
2	15,001	20,000	38,500
1	20,001	25,000	25,000
2	25,001	30,000	56,900
1	30,001	105,000	100,027
2	105,001	135,000	263,979
1	135,001	195,000	194,600
1	195,001	370,000	368,500
1	370,001	380,000	379,098
1	380,001	420,000	417,500
1	420,001	425,000	421,802
1	425,001	730,000	728,087
1	730,001	830,000	829,583
1	830,001	1,010,000	1,006,182
1	1,010,001	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	1,730,000	1,725,968
1	1,730,001	1,900,000	1,873,250
1	1,900,001	4,325,000	4,321,600
810			17,362,300

CATAGORIES OF SHAREHOLDERS

AS ON SEPTEMBER 30, 2016

Shareholders Catagories	Number of Shares Held	Percentage
Associated Companies, undertaking and related parties	9,150,182	52.7014
Mutual Fund	513,198	2.9558
Directors, Chief Executive Officer, and their spouse and minor children.	2,353,497	13.5552
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%	13,087,400	75.3783
General Public		
a. Local	1,526,550	8.7923
b. Foreign	NIL	NIL
Others	2,125,446	12.2417



DETAIL OF SHAREHOLDERS CATAGORIES

AS ON SEPTEMBER 30, 2016

	No. of Shares	Percentage
1 Associated Companies , Undertakings and Related Parties		
Trustee Al-Abbas Sugar Mills Limited-Employees Gratuity Fund	194,600	1.1208
Mahvash and Jahangir Siddiqui Foundation	1,414,500	8.1470
Haji Abdul Ghani	4,321,600	24.8907
Muhammad Ayub Younus Adhi	1,873,250	10.7892
Noor Jahan Hajiani	1,346,232	7.7538
	9,150,182	52.7014
2 Mutual funds		
Prodenial Stocks Fund Limited	600	0.0035
MCBFSL-Trustee JS Value Fund	379,098	2.1835
MCFSL - Trustee JS Growth Fund	133,500	0.7689
	513,198	2.9558
3 Directors, CEO and their spouses and minor children		
Muhammad Iqbal Usman	500	0.0029
Shunaid Qureshi	1,399,668	8.0615
Asim Ghani	417,500	2.4046
Asma Aves Cochinwala	100,027	0.5761
Darakshan Ghani	421,802	2.4294
Duraid Qureshi	1,000	0.0058
Sayyed Rafey Akbar Rashdi	500	0.0029
Suleman Lalani	500	0.0029
Irfan Nasir Cheema	500	0.0029
Hira Asim	11,500	0.0662
	2,353,497	13.5552
4 Executives	NIL	NIL
5 Public Sector Companies and corporations	NIL	NIL
6 NIT and ICP		
Investment Corporation of Pakistan	500	0.0029
CDC - Trustee National Investment (Uuit) Trust	829,583	4.7781
	830,083	4.7810



DETAIL OF SHAREHOLDERS CATAGORIES

AS ON SEPTEMBER 30, 2016

	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
Trustee National Bank of Pakistan Employees Pension Fund	130,479	0.7515
Trustee National Bank of Pakistan Emp Bevevolent Fund Trust	4,578	0.0264
The Bank of Khyber	200	0.0012
	<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
Muhammad Ayub Younus Adhi	1,873,250	10.7892
Jahangir Siddiqui & Sons Limited	1,725,968	9.9409
Mahvash and Jahangir Siddiqui Foundation	1,414,500	8.1470
Shunaid Qureshi	1,399,668	8.0615
Noor Jahan Hajiani	1,346,232	7.7538
Jahangir Siddiqui	1,006,182	5.7952
	<u>13,087,400</u>	<u>75.3783</u>



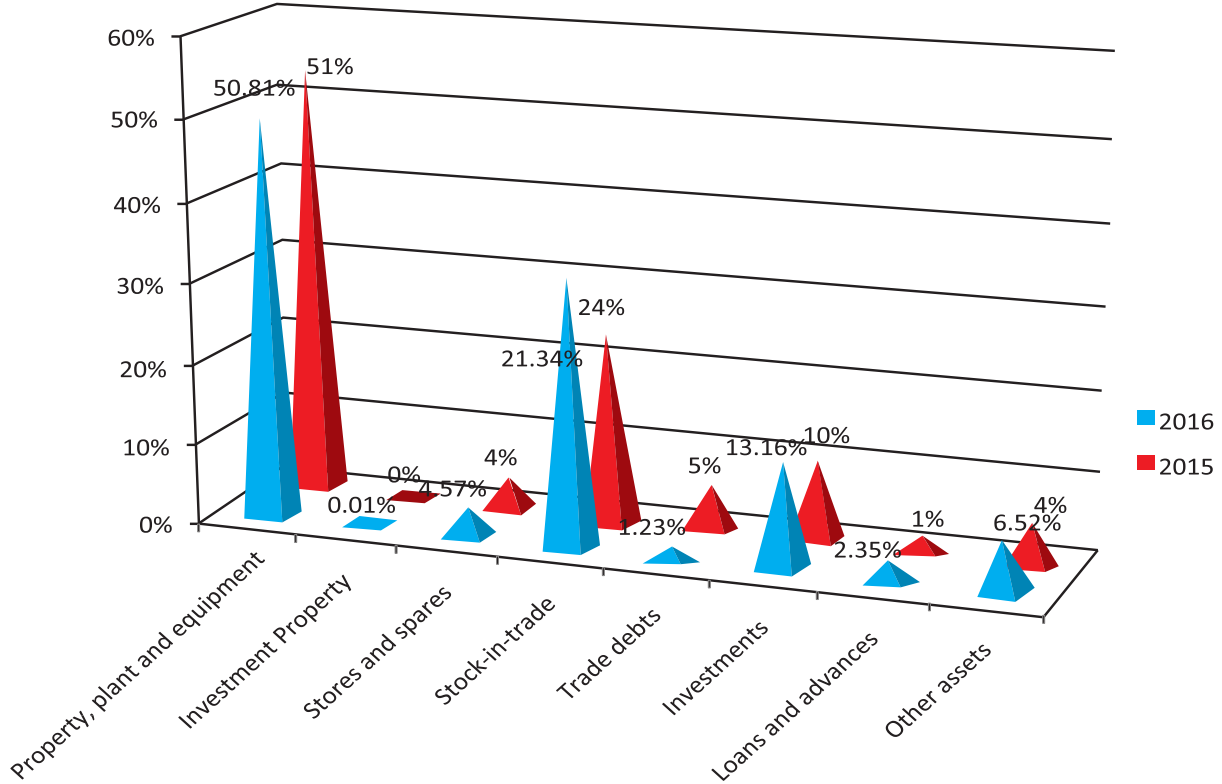
KEY FINANCIAL DATA

		2016	2015	2014	2013	2012	2011
Investment Measure							
Ordinary Share Capital	Rs. in ' 000 '	173,623	173,623	173,623	173,623	173,623	173,623
Reserves	Rs. in ' 000 '	2,161,485	2,054,425	2,052,615	1,808,825	1,553,757	1,207,480
Ordinary Shareholder's Equity	Rs. in ' 000 '	2,335,108	2,228,048	2,226,238	1,982,448	1,727,380	1,381,103
Dividend on Ordinary Shares	Rs. in ' 000 '	329,884	434,058	173,623	86,812	138,898	86,812
Dividend per Ordinary Share	Rs.	19.00	25.00	10.00	5.00	8.00	5.00
Profit Before Taxation	Rs. in ' 000 '	524,570	553,599	388,119	330,998	539,337	324,463
Profit After Taxation	Rs. in ' 000 '	457,883	494,935	298,153	287,545	490,546	226,863
Earnings per share of Rs. 10	Rs.	26.37	28.51	17.17	16.56	28.25	13.07
Measure of Financial Status							
Current Ratio	x:1	1.57	1.29	1.07	0.93	0.96	0.95
Debt Equity Ratio	x:1	-	-	-	0.08	0.25	0.47
Total Debt Ratio	x:1	0.00	0.13	0.27	0.38	0.41	0.41
Number of Days Stock	In days	56.45	82.69	93.42	89.47	150.55	118
Measure of Performance							
Sales	Rs. in ' 000 '	5,793,851	5,867,298	5,520,740	5,849,700	5,950,464	6,217,989
Cost of Goods Sold as % of Sales	%	86.82	85.94	85.85	85.85	79.50	84.92
Profit Before Taxation as % of Sales	%	9.05	9.44	7.03	5.66	9.06	5.22
Profit After Taxation as % of Sales	%	7.90	8.44	5.40	4.92	8.24	3.65
Quantity of sugar cane crushed	M.Tons	560,786	564,555	621,679	503,178	402,317	594,000
Quantity of sugar production	M.Tons	58,730	60,534	63,650	52,727	39,479	60,395
Recovery of sugar production	%	10.47	10.72	10.24	10.48	9.83	10.17
Quantity of Ethanol produced	M.Tons	36,402	36,946	36,875	34,735	39,282	38,800
Recovery of ethanol produced	%	5.54	5.65	5.73	5.96	5.59	5.39

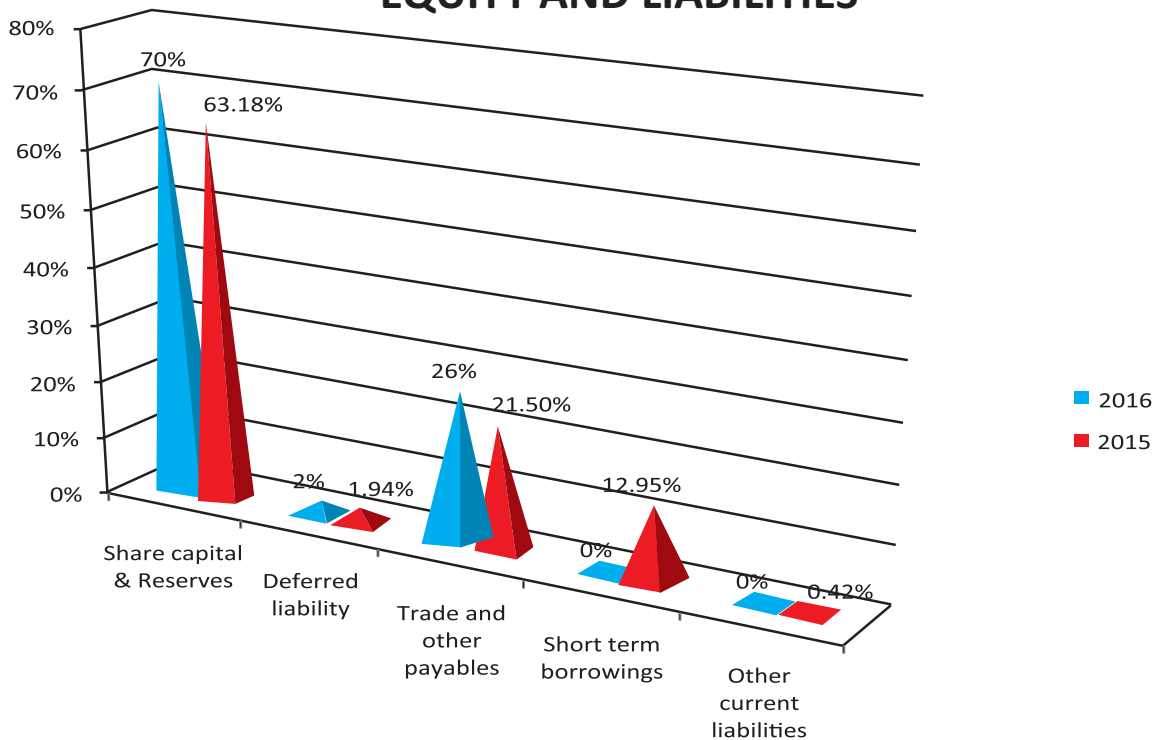


COMPOSITION OF BALANCE SHEET

ASSETS



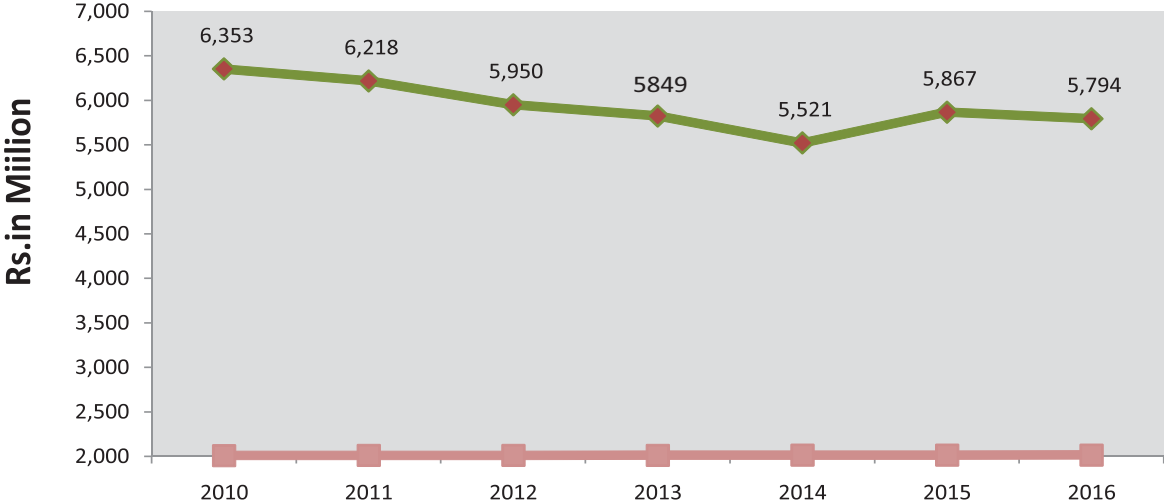
EQUITY AND LIABILITIES



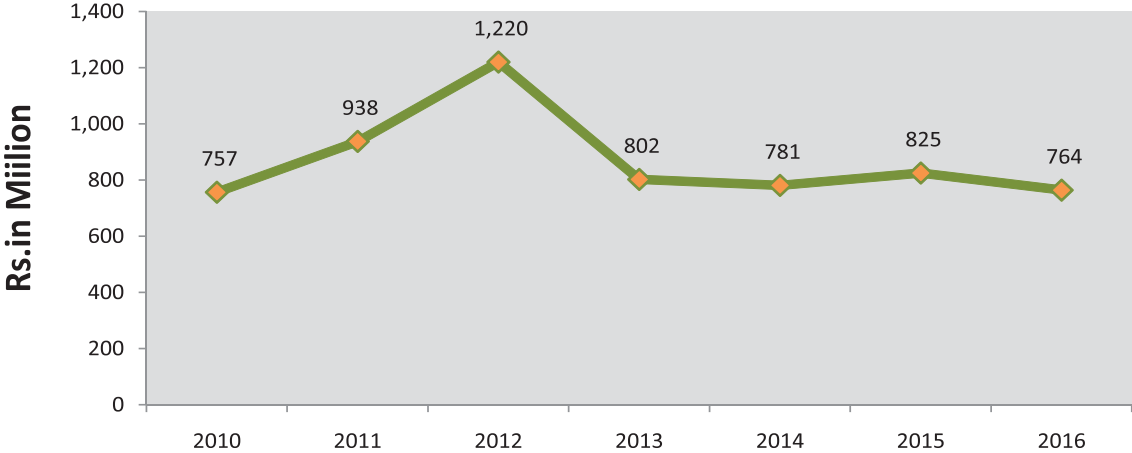


FINANCIAL INDICATORS

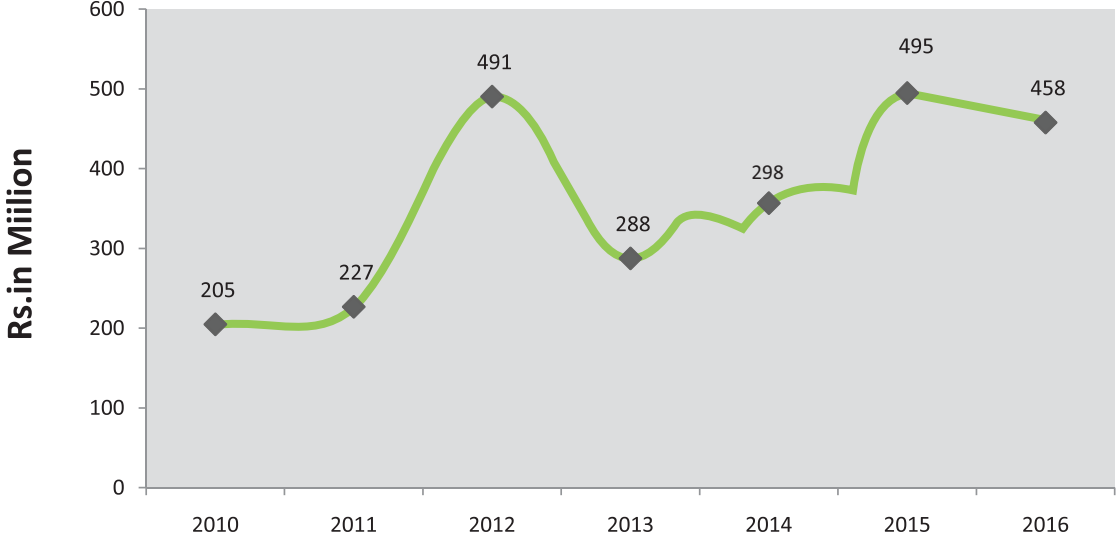
Sales Revenue



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, 2016 to comply with the requirements of the Listing Regulations of the Pakistan Stock Exchange Limited (formerly Karachi 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, 2016.

Haroon Zakaria

Haroon Zakaria & Co.
Chartered Accountants

Engagement Partner
Mohammad Iqbal Abdul Aziz

Dated:
Karachi: January 03, 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
Executive Director	Mr. Asim Ghani
Chief Executive Officer	Mr. Shunaid Qureshi

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 NBFIs or, being a Broker of a stock exchange, has been declared as a defaulter by that Stock Exchange.
4. The three years term of office of the previous Board of Directors was completed and new Board comprising of eight Directors were elected with one change from previous Board for next term of three years during this financial 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. Governance, risk management and compliance issues, Succession plan, Investor relations, Fixed Assets, Determination and delegation of financial powers, Transactions or contracts with associated companies and related parties, Corporate social responsibility, Health, safety and environment, Whistleblower policies has been approved in the Board of Directors' meeting held on January 03, 2017. 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, as determined by the CEO. However, no new appointment was made during the year.
 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 Limited.
 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.

SHUNAIQ QURESHI
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, 2016 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 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 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 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 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, 2016 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.

Haroon Zakaria

Haroon Zakaria & Co.
Chartered Accountants

Engagement Partner
Mohammad Iqbal Abdul Aziz

Karachi
Dated: Karachi: January 03, 2017



BALANCE SHEET

AS AT SEPTEMBER 30, 2016

	Note	2016 (Rupees in thousand)	2015
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	1,683,380	1,793,347
Investment property	5	342	380
Long term investments	6	200,420	133,987
Long term loans	7	1,249	905
Long term deposits		11,406	11,403
Deferred taxation	8	-	-
		1,896,797	1,940,022
Current Assets			
Stores and spares	9	151,437	139,241
Stock-in-trade	10	707,135	848,785
Trade debts	11	40,769	189,018
Loans and advances	12	77,910	39,978
Trade deposits and short term prepayments	13	7,931	10,109
Interest accrued	14	2,542	1,380
Other receivables	15	97,022	57,904
Short term investments	16	235,500	227,911
Income tax refunds due from the Government	17	37,523	30,315
Cash and bank balances	18	58,365	41,740
		1,416,134	1,586,381
Total Assets		3,312,931	3,526,403
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital		400,000	400,000
Issued, subscribed and paid-up capital	19	173,623	173,623
Reserves	20	2,161,485	2,054,425
Shareholders' equity		2,335,108	2,228,048
Non - Current Liabilities			
Deferred liability	21	74,116	68,507
Current Liabilities			
Trade and other payables	22	874,194	758,280
Accrued mark-up	23	1,030	2,121
Short term borrowings	24	15,637	456,601
Provision for taxation	25	12,846	12,846
		903,707	1,229,848
Contingencies and Commitments	26		
Total Equity and Liabilities		3,312,931	3,526,403

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

Shunaid Qureshi
Chief Executive Officer

Asim Ghani
Director



PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Note	2016 (Rupees in thousand)	2015
Sales	27	5,793,851	5,867,298
Cost of Sales	28	(5,030,190)	(5,042,494)
Gross profit		763,661	824,804
Profit from other reportable segments - net	29	38,060	28,645
		801,721	853,449
Distribution cost	30	(115,959)	(114,250)
Administrative expenses	31	(114,269)	(108,974)
Other operating expenses	32	(26,885)	(79,340)
Operating profit		(257,113)	(302,564)
		544,608	550,885
Finance cost	33	(85,390)	(125,083)
Other income	34	65,352	127,797
Profit before taxation		524,570	553,599
Taxation	35	(66,687)	(58,664)
Profit after taxation		457,883	494,935
Earnings per share - Basic and diluted	36	26.37	28.51

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

Shunaid Qureshi
Chief Executive Officer

Asim Ghani
Director



STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Note	2016 (Rupees in thousand)	2015
	457,883	494,935
Profit after taxation		
Other comprehensive income for the year		
(a) Items to be classified to profit and loss account in subsequent period		
Unrealized gain / (loss) on remeasurement of available for sale investments	66,433	(39,054)
Reclassification adjustment		
Reclassification of gain (net) to profit and loss account on sale of available for sale investments	-	(32,166)
	66,433	(71,220)
(b) Items that will not be reclassified to profit and loss account in subsequent period		
Remeasurement of defined benefit plan	16,802	12,153
	83,235	(59,067)
Total comprehensive income for the year	<u>541,118</u>	<u>435,868</u>

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

Shunaid Qureshi
Chief Executive Officer

Asim Ghani
Director



CASH FLOW STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Note	2016 (Rupees in thousand)	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flows from operating activities			
Cash generated from operations	37	1,059,737	1,225,413
Finance cost paid		(86,481)	(139,915)
Income tax paid		(73,895)	(45,013)
Income tax refunded		-	9,652
Long term loans (disbursed) / recovered		(344)	448
Long term deposits paid		(3)	(10)
Net cash generated from operating activities		899,014	1,050,575
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(16,750)	(14,800)
Proceeds from disposal of property, plant and equipment		3,906	550
Long term investments made		-	(168,116)
Proceeds from disposal of long term investments		-	275,645
Proceeds from disposal of short term investments		-	14,519
Interest / markup received		3,471	3,014
Dividend received		9,512	5,565
Net cash generated from investing activities		139	116,377
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		-	(36,364)
Dividend paid		(441,564)	(419,616)
Repayment of short term borrowings		(440,964)	(686,626)
Net cash used in financing activities		(882,528)	(1,142,606)
Net increase in cash and cash equivalents		16,625	24,346
Cash and cash equivalents at beginning of the year		41,740	17,394
Cash and cash equivalents at the end of the year	18	58,365	41,740

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

Shunaid Qureshi
Chief Executive Officer

Asim Ghani
Director



STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Issued, subscribed and paid-up	RESERVES							Total Share holder's Equity
	Revenue reserves			Capital reserves				
	General reserve	Unappropriated profit	Sub total	Gain/(loss) on remeasurement of		Sub total	Total reserves	
				Retirement benefit obligation	Available for Sale investment			

Balance as at October 1, 2014	173,623	1,458,000	540,914	1,998,914	23,621	30,080	53,701	2,052,615	2,226,238
Total comprehensive income for the year Profit for the year	-	-	494,935	494,935	-	-	-	494,935	494,935
Other comprehensive income for the year									
Unrealized loss on remeasurement of available for sale investments	-	-	-	-	-	(39,054)	(39,054)	(39,054)	(39,054)
Reclassification to profit and loss account for gain realized on sale of available for sale investments	-	-	-	-	-	(32,166)	(32,166)	(32,166)	(32,166)
Remeasurement of defined benefit plan	-	-	-	-	12,153	-	12,153	12,153	12,153
	-	-	-	-	12,153	(71,220)	(59,067)	(59,067)	(59,067)
	-	-	494,935	494,935	12,153	(71,220)	(59,067)	435,868	435,868
Transactions with owners									
Final Dividend 2014: Rs. 10.00 per share	-	-	(173,623)	(173,623)	-	-	-	(173,623)	(173,623)
Interim Dividend 2015: Rs. 2.50 per share	-	-	(43,406)	(43,406)	-	-	-	(43,406)	(43,406)
Interim Dividend 2015: Rs. 12.50 per share	-	-	(217,029)	(217,029)	-	-	-	(217,029)	(217,029)
	-	-	(434,058)	(434,058)	-	-	-	(434,058)	(434,058)
Balance as at September 30, 2015	<u>173,623</u>	<u>1,458,000</u>	<u>601,791</u>	<u>2,059,791</u>	<u>35,774</u>	<u>(41,140)</u>	<u>(5,366)</u>	<u>2,054,425</u>	<u>2,228,048</u>
Balance as at October 1, 2015	173,623	1,458,000	601,791	2,059,791	35,774	(41,140)	(5,366)	2,054,425	2,228,048
Total comprehensive income for the year Profit for the year	-	-	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	66,433
Remeasurement of defined benefit plan	-	-	-	-	16,802	-	16,802	16,802	16,802
	-	-	-	-	16,802	66,433	83,235	83,235	83,235
	-	-	457,883	457,883	16,802	66,433	83,235	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>625,616</u>	<u>2,083,616</u>	<u>52,576</u>	<u>25,293</u>	<u>77,869</u>	<u>2,161,485</u>	<u>2,335,108</u>

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

Shunaid Qureshi
Chief Executive Officer

Asim Ghani
Director



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

1 THE COMPANY AND ITS OPERATIONS

Al-Abbas Sugar Mills Limited - AASML ("the Company") was incorporated in Pakistan on May 2, 1991 as a public limited company under the Companies Ordinance, 1984. The Company is listed on the Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited). 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 The Company has also entered into agreement for supply of CO₂ gas at its ethanol division. The same is not a reportable segment as per criteria defined in IFRS-8.

1.2 The production facilities of chemical, alloys and power segment have been suspended in view of present business conditions 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 Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives of the Companies Ordinance, 1984 shall prevail.

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
- Assumptions and estimates used in writing down items of stock in trade to their net realisable value - 3.4
- Assumptions and estimates used in calculating the provision for doubtful trade debts - 3.5
- Assumptions and estimates used in calculating the provision for doubtful loans and advances - 3.6
- Assumptions and estimates used in the recognition of current and deferred taxation - 3.8, 8 and 35
- Assumptions and estimates used in accounting for staff retirement benefits 3.9 - 15.1
- Assumptions and estimates used in disclosure and assessment of provision for contingencies - 26

2.5 New Standards, Interpretations and Amendments to Published Approved Accounting and Financial Reporting Standards

a) New / revised standards that became effective for the year

The following new / revised standards are effective for the year ended June 30, 2016. 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 | 11 | 'Joint Arrangements' |
| - | IFRS | 12 | 'Disclosure of Interests in Other Entities' |
| - | IAS | 27 | '(Revised 2011) 'Separate Financial Statements'' |
| - | IAS | 28 | '(Revised 2011) 'Investments in Associates and Joint Ventures'' |

IFRS 13 'Fair Value Measurement' also became effective in the current year. IFRS 13 consolidates the guidance on how to measure fair value, which was spread across various IFRSs, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 did not have an impact on the financial statements of the company, except for certain additional disclosures.



b) Amendments to published approved accounting standards that are not yet effective

The following amendments to approved accounting standards are effective for accounting periods beginning on or after the date mentioned against each of them. These amendments 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:

	Effective Date (accounting periods beginning on or after)
- Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions	January 1, 2018
- Amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures' - Applying the consolidation exception	January 1, 2016
- Amendments to IFRS 11 'Joint Arrangements' - Amendments regarding the accounting for acquisitions for an interest in a joint venture	January 1, 2016
- Amendments to IAS 1 'Presentation of Financial Statements' - Amendments as a result of the disclosure initiative	January 1, 2016
- Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative	January 1, 2017
- Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealized losses	January 1, 2017
- Amendments to IAS 16 'Property, Plant and Equipment' and IAS 38 'Intangible Assets' - Clarification of acceptable methods of depreciation and amortization	January 1, 2016
- Amendments to IAS 16 'Property, Plant and Equipment' and IAS 41 'Agriculture' - Bearer plants	January 1, 2016
- Amendments to IAS 27 'Separate Financial Statements' - equity method in separate financial statements	January 1, 2016

c) In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

- IFRS 1	- First Time Adoption of International Financial Reporting Standards
- IFRS 9	- Financial Instruments
- IFRS 14	- Regulatory Deferral Accounts
- IFRS 15	- Revenue from Contracts with Customers
- IFRS 16	- Leases



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, 2015.

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 upto 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

These are stated at the lower of weighted average cost and net realizable value.

Cost in relation to semi finished and finished goods represents cost of raw material and an appropriate portion of manufacturing overheads. Cost in respect of semi finished goods 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, deposits, prepayments 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. Loans, advances, deposits, prepayment and other receivables considered irrecoverable are written off.

3.7 Cash and cash equivalents

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

3.8 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.

3.9 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, 2016, 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.

3.10 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.

3.11 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.

3.12 Financial instruments

3.12.1 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.

3.12.2 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.

3.12.3 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.

3.12.4 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.

3.13 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.

3.14 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.

3.15 Inter-segment pricing

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

3.16 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.

3.17 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.

3.18 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. Segment liabilities comprise of operating liabilities and exclude items such as taxation and corporate.

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

3.19 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.



AL-ABBAS SUGAR Mills Limited

	Note	2016 (Rupees in thousand)	2015
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	<u>1,683,380</u>	<u>1,793,347</u>

4.1 OPERATING FIXED ASSETS

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 / (Adjustment)			As at September 30, 2016
----- Rupees in '000 -----									
Owned									
Free-hold land	26,557	-	-	26,534	-	-	-	26,534	
Lease-hold land	73,694	(23)	-	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
	3,441,296	16,750	-	3,448,361	1,647,949	125,135	1,764,981	1,683,380	
	-	(9,685)	-	-	-	(8,103)	-	-	

As at September 30, 2015									
	Cost			Accumulated depreciation			Written down value as at September 30, 2015	Rate of depreciation %	
	As at October 01, 2014	Additions / (Deletions)	Transferred from CWIP	As at September 30, 2015	As at October 01, 2014	Charge for the year / (Adjustment)			As at September 30, 2015
----- Rupees in '000 -----									
Owned									
Free-hold land	26,557	-	-	26,557	-	-	-	26,557	
Lease-hold land	73,694	-	-	73,694	-	-	-	73,694	
Main factory building									
- on free-hold land	214,661	-	-	214,661	149,209	6,545	155,754	58,907	10
- on lease-hold land	168,317	-	-	168,317	87,710	8,061	95,771	72,546	10
Non-factory building									
- on free-hold land	147,109	-	-	147,109	86,614	6,050	92,664	54,445	10
- on lease-hold land	73,666	-	-	73,666	30,328	4,334	34,662	39,004	10
Plant and machinery	2,599,369	-	12,310	2,611,679	1,082,256	101,000	1,183,256	1,428,423	5 to 10
Furniture and fittings	10,654	-	-	10,654	6,001	465	6,466	4,188	10
Vehicles	68,915	1,923	-	70,315	42,814	5,422	47,944	22,371	20
	-	(523)	-	-	-	(292)	-	-	
Office equipment	31,636	326	-	31,962	19,705	1,211	20,916	11,046	10
	-	-	-	-	-	-	-	-	
Computers	8,173	241	-	8,414	5,834	725	6,559	1,855	30
Tools and tackles	4,268	-	-	4,268	3,879	78	3,957	311	20
	3,427,019	2,490	12,310	3,441,296	1,514,350	133,891	1,647,949	1,793,347	
	-	(523)	-	-	-	(292)	-	-	



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

	Note	2016 (Rupees in thousand)	2015
Cost of sales	28	73,568	78,648
Storage Tank Terminal	29.1	17,461	19,458
Chemical and alloys	29.2.1	15,036	16,313
Power	29.2.2	11,084	11,728
Administrative expenses	31	7,986	7,744
		125,135	133,891

4.1.2 The following assets were disposed off during the year:

Description	Cost	Accumulated depreciation	Witten down value	Sales Proceeds	Gain	Mode of Disposal	Particular of Buyers
----- Rupees in '000 -----							
Suzuki Cultus ALR-529	606	504	102	175	73	Negotiation	Muhammad Ali
Suzuki Bolan CN-4053	409	374	35	80	45	Negotiation	Muhammad Urs
Suzuki Cultus ARJ-807	754	573	181	275	94	Negotiation	Nabi Bux
Toyota Corolla ALR-646	1,729	1,355	374	600	226	Negotiation	Muhammad Nafees Sarwar
Mercedez Bens AHZ-282	5,109	5,004	105	1,400	1,295	Negotiation	Yameen Khan
Suzuki Cultus BCT-651	1,055	293	762	1,026	264	Insurance Claim	EFU General Insurance
Free hold land	23	-	23	350	327	Tender	Ideal Construction Company
2016	9,685	8,103	1,582	3,906	2,324		
2015	523	292	231	550	319		

5 INVESTMENT PROPERTY

Description	Cost		As on September 30	Depreciation		As on September 30	Written down value as on September 30	Rate of Depreciation
	As on October 01	Additions		As on October 01	Charge for the year			
----- (Rupees in thousand) -----								
Former office premises - 2016	1,600	-	1,600	1,220	38	1,258	342	10%
Former office premises - 2015	1,600	-	1,600	1,178	42	1,220	380	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	2016 (Rupees in thousand)	2015
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6 LONG TERM INVESTMENTS

Available for sale investments - in Quoted shares at fair value

- Related Party	6.1	54	73
- Others	6.2	200,366	133,914
		200,420	133,987



AL-ABBAS SUGAR Mills Limited

		Note	2016 (Rupees in thousand)	2015
6.1 Related party - associated company				
	2016			2015
	Number of shares at par value of Rs. 1 each			
	<u>4,500</u>	HUM Network Limited 6.1.1	<u>54</u>	<u>73</u>
6.2 Others				
	2016			2015
	Number of shares at par value of Rs. 10 each			
	949,000	Power Cement Limited	10,543	9,348
	16,994,000	Aisha Steel Mills Limited 6.2.1	189,823	124,566
			<u>200,366</u>	<u>133,914</u>

6.2.1 The Company has purchased 16,994,000 Cumulative preference shares of Aisha Steel Mills Limited (ASLPS) on March 24, 2015 amounting to Rs. 168,114,776. 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, 2016, the dividend accrued on these preference shares amounts to Rs. 120.783 (2015: 103.750) million which has not been recorded in these financial statements as the investee company is facing operational losses and also have not recorded the same in its books of account.

	2016	2015
	(Rupees)	
The market value of each quoted security is as follows:		
HUM Network Limited (HUMNL)	12.11	16.32
Power Cement Limited (POWER)	11.11	9.85
Aisha Steel Mills Limited (ASLPS)	11.17	7.33



	Note	2016 (Rupees in thousand)	2015
7 LONG TERM LOANS			
- Considered good and secured			
Due from executives	7.1	2,142	856
Due from other employees		467	689
	7.2 & 7.3	2,609	1,545
Less: current portion of long term loans	12	(1,360)	(640)
		1,249	905

7.1 Reconciliation of carrying amount of loans to executives

Balance at beginning of the year	856	1,407
Add: disbursements	1,600	64
	2,456	1,471
Less: recoveries during the year	(314)	(615)
Balance at end of the year	2,142	856

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 year 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. 2.732 million (2015: Rs. 2.433 million).

	Note	2016 (Rupees in thousand)	2015
8 DEFERRED TAXATION			
Deferred Tax Assets arising in respect of Deductible temporary differences			
Available tax losses		163,849	290,555
Minimum tax		133,471	125,612
Provisions		37,698	39,426
		335,018	455,593
Taxable temporary differences			
Accelerated tax depreciation		(252,739)	(270,294)
Less: Unrecognised deferred tax asset	8.1	(82,279)	(185,299)
		-	-

8.1 The Company has not recognised its entire deferred tax asset relating to tax losses upto the year ended September 30, 2016 as the Management expects that major portion of taxes of the Company in foreseeable future will fall under minimum tax and final tax regime.



8.2 Movement in deferred tax asset

	September 30, 2014	Recognized in profit and loss account	September 30, 2015	Recognize in profit and loss account	September 30, 2016
----- Rupees in '000' -----					
Deferred tax liabilities arising in respect of:					
Accelerated tax depreciation	(288,010)	17,716	(270,291)	17,555	(252,739)
Less: deferred tax assets arising in respect of:					
Assessed tax losses	260,869	25,686	290,555	(126,706)	163,849
Minimum tax	92,861	32,751	125,612	7,859	133,471
Provisions	32,937	6,489	39,426	(1,728)	37,698
	386,667	68,926	455,593	(120,575)	335,018
Less: Deferred tax not recognized	(98,657)	(86,642)	(185,299)	103,020	(82,279)
	-	-	-	-	-

	Note	2016 (Rupees in thousand)	2015
9 STORES AND SPARES			
Stores and spares		181,375	169,179
Provision for slow moving items and obsolescence	9.1	(29,938)	(29,938)
		151,437	139,241

9.1 Movement in provision for slow moving items and obsolescence during the year is as follows

Balance at beginning of the year	29,938	22,805
Provision made during the year	-	7,133
Balance at end of the year	29,938	29,938

10 STOCK-IN-TRADE

Raw materials	10.1	219,108	145,437
Work-in-process		2,972	3,312
Finished goods			
Sugar		256,097	603,164
Ethanol	10.2	225,658	92,777
Ferro Silicon		580	2,180
		482,335	698,121
Stock of bagasse in hand		3,300	4,095
		707,715	850,965
Provision against finished goods - Ferro Silicon	10.3	(580)	(2,180)
		707,135	848,785

10.1 Value of stock pledged as on the balance sheet date amounts to Rs. 100 million (2015: Rs. Nil).

10.2 Finished goods includes stock items valued at net realizable value (NRV) at Rs. 16.033 million (2015: Rs. 18.653 million)

	Cost	NRV
	(Rupees in thousand)	
Summary of related Cost and NRV is as under:		
Ethanol - Grade	18,179	16,033



10.3 Movements in provision for finished goods during the year is as follows

	Note	2016 (Rupees in thousand)	2015
Balance at the beginning of the year		2,180	-
Provision (reversed against) / made for write down in value of stock in trade		(1,600)	2,180
Balance at end of the year		<u>580</u>	<u>2,180</u>

11 TRADE DEBTS

Considered good

Export		28,650	170,156
Local		12,119	18,862
		<u>40,769</u>	<u>189,018</u>

Considered doubtful - Local

		15,432	15,432
Provision for doubtful debts		(15,432)	(15,432)
		<u>40,769</u>	<u>189,018</u>

12 LOANS AND ADVANCES

Loans

Considered good

- Interest based:

Loans to growers	12.1	35,406	24,734
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- Non - Interest Based:

Loans to growers

Considered good		6,119	1,072
Considered doubtful		301	301
		<u>6,420</u>	<u>1,373</u>
Provision for loans considered doubtful		(301)	(301)
		<u>6,119</u>	<u>1,072</u>

Current portion of long term loans	7	1,360	640
		<u>42,885</u>	<u>26,446</u>

Advances

Considered good

To employees against salary		94	319
To employees against expenses		1,057	991
To suppliers and contractors		12,159	9,104
Against letter of credit for stores and spares parts		21,715	3,118
		<u>35,025</u>	<u>13,532</u>

Considered doubtful - To suppliers and contractors		75,355	75,355
		<u>110,380</u>	<u>88,887</u>

Provision for doubtful advances	12.2	(75,355)	(75,355)
		<u>35,025</u>	<u>13,532</u>
		<u>77,910</u>	<u>39,978</u>

12.1 The rate of mark-up on such loans ranges up to 14.96% (2015: Rs 14.96%) 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	2016 (Rupees in thousand)	2015
12.2 Movement in provision for advances considered doubtful during the year is as follows			
Balance at the beginning of the year		75,355	46,838
Provision made during the year	32	-	28,517
Balance at the end of the year		<u>75,355</u>	<u>75,355</u>
13 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Deposit	13.1	141	-
Prepayments	13.2	7,790	10,109
		<u>7,931</u>	<u>10,109</u>
13.1 This security deposit is interest free.			
13.2 Prepayments			
Rent		1,245	3,892
Establishment charges		3,098	3,009
Insurance		2,251	2,149
Software license fees		1,196	1,059
		<u>7,790</u>	<u>10,109</u>
14 INTEREST ACCRUED			
- On			
Growers loan		2,542	1,365
Term deposit receipts		-	15
		<u>2,542</u>	<u>1,380</u>
15 OTHER RECEIVABLES			
- Considered good			
Sales tax and excise duty		39,391	1,705
Defined benefit plan (funded staff retirement gratuity)			
- related party	15.1.1	14,676	13,632
Freight subsidy on sugar export		42,343	42,343
Others		612	224
		<u>97,022</u>	<u>57,904</u>

15.1 Defined benefit plan (funded staff retirement gratuity)

As stated in note 3.9, 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, 2016 using projected unit credit method. The disclosures made in notes 15.1.1 to 15.1.12 are based on the information included in that actuarial report.



	Note	2016 (Rupees in thousand)	2015
15.1.1 The asset recognised in the balance sheet is as follows			
Present value of defined benefit obligation	15.1.2	(93,265)	(77,746)
Fair value of plan assets	15.1.3	129,340	106,596
Payables		(2,396)	(1,942)
Receivable from employees gratuity fund	15.1.7	33,679	26,908
Other liability - Payable to gratuity fund	15.1.8	(19,003)	(13,276)
Net receivable at the balance sheet		14,676	13,632

15.1.2 Changes in present value of defined benefit obligation

Present value of defined benefit obligation at the beginning of the year		77,746	68,105
Current service cost		12,721	11,634
Interest cost on defined benefit obligation		6,797	8,599
Benefits due but not paid (payables)		(454)	(80)
Benefits paid		(8,075)	(8,675)
Remeasurements: Experience adjustments		4,530	(1,837)
Present value of defined benefit obligation at the end of the year		93,265	77,746

15.1.3 Changes in fair value of plan assets

Fair value of plan assets as at the beginning of the year		106,596	93,039
Contributions during the year		-	-
Interest income on plan asse		9,487	11,971
Benefit paid during the year - defined benefit obligation		(8,075)	(8,675)
Benefit paid during the year - Payable		-	(55)
Return on plan assets, excluding interest income		21,332	10,316
Fair value of plan assets at the end of the year		129,340	106,596

15.1.4 Plan assets comprises of

	2016		2015	
	Rupees in '000	%	Rupees in '000	%
Equity	84,640	65.4%	59,267	55.6%
Cash and/or deposits	44,700	34.6%	47,329	44.4%
	129,340	100%	106,596	100%

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

	2016 (Rupees in thousand)	2015
Current service cost	12,721	11,634
Interest cost on defined benefit obligation	6,797	8,599
Interest income on plan assets	(9,487)	(11,971)
	10,031	8,262



	2016 (Rupees in thousand)	2015
15.1.6 Total Remeasurements Chargeable in Other Comprehensive Income		
Remeasurement of plan obligation:		
Experience adjustments	4,530	(1,837)
Return on plan assets, excluding interest income	<u>(21,332)</u>	<u>(10,316)</u>
	<u>(16,802)</u>	<u>(12,153)</u>
15.1.7 Movement in net asset recognised in the balance sheet		
Asset at the beginning of the year	26,908	23,017
Charge for the year	<u>(10,031)</u>	<u>(8,262)</u>
Remeasurements chargeable in other comprehensive income	16,802	12,153
Contributions	-	-
Asset at the end of the year	<u>33,679</u>	<u>26,908</u>

15.1.8 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 will recover these loans from employees through monthly deductions from their salary and will pay the same to the fund only when net obligation arises.

15.1.9 Principal actuarial assumptions

The latest actuarial valuation for gratuity fund was carried out as at September 30, 2016 using the Projected Unit Credit Method (PUCM). The following significant assumptions used for the actuarial valuation:

	2016	2015
Discount rate	<u>7.25%</u>	<u>9.25%</u>
Expected rate of increase in salary	<u>6.25%</u>	<u>8.25%</u>
Expected rate of return on plan assets	<u>9.25%</u>	<u>13.50%</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>

15.1.10 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	1	6,155	(6,957)
Salary increase	1	(6,775)	6,096



15.1.11 Expected charge for the year 2016-17 will be Rs. 12.726 million.

15.1.12 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 macroeconomic 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	2016 (Rupees in thousand)	2015
16 SHORT TERM INVESTMENTS			
Held to Maturity			
Term Deposit Receipts (TDR)	16.1	600	600
At fair value through profit and loss			
Quoted securities	16.2	<u>234,900</u>	<u>227,311</u>
		<u>235,500</u>	<u>227,911</u>

16.1 These term deposit receipts are under banks lien against bank guarantees issued on behalf of Company. It carry profit ranging from 3.99% to 4.34% (2015: 7.27%) per annum.

16.2 At fair value through profit and loss - in quoted shares

2016 (Number of shares)	2015		2016 (Rupees in thousand)	2015
Par value of Rs. 10/- each		Name of Companies		
1,000,000	1,000,000	Fauji Cement Company Limited	35,270	33,480
253,000	253,000	Mehran Sugar Mills Limited	45,553	27,860
759,000	759,000	IGI Insurance Limited	<u>154,077</u>	<u>165,971</u>
			<u>234,900</u>	<u>227,311</u>

The market value of each listed security is as follows

	Note	2016 (Rupees)	2015
Fauji Cement Company Limited (FCCL)		<u>35.27</u>	<u>33.48</u>
Mehran Sugar Mills Limited (MRNS)		<u>180.05</u>	<u>110.12</u>
IGI Insurance Limited (IGIIL)		<u>203.00</u>	<u>218.67</u>



	Note	2016 (Rupees)	2015
17	INCOME TAX REFUNDS DUE FROM THE GOVERNMENT		
Income tax		<u>37,523</u>	<u>30,315</u>
Balance at the beginning of the year		30,315	76,016
Advance tax paid / deducted during the year		73,895	45,013
Refunds during the year		-	(9,652)
Adjusted against Workers Welfare Fund		-	(10,787)
Provision for taxation for the year		(65,560)	(59,555)
Prior year tax		(1,127)	891
Advance tax written off		-	(11,611)
		<u>37,523</u>	<u>30,315</u>
18	CASH AND BANK BALANCES		
Cash in hand		1,173	1,039
Cash at banks			
Current accounts		20,983	32,935
Saving accounts	18.1	36,209	7,766
	18.2	57,192	40,701
		<u>58,365</u>	<u>41,740</u>

18.1 These carry profit ranging from 3.44% to 6% (2015: 3.29% to 6.10%).

18.2 This includes an amount of Rs. 29.727 million under an arrangement permissible under Shariah.

19 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2016 (Number of shares)	2015	2016 (Rupees in thousand)	2015
<u>17,362,300</u>	<u>17,362,300</u>	<u>173,623</u>	<u>173,623</u>
		Fully paid in cash Ordinary shares of par value of Rs.10 each.	

19.1 Number of shares held by associates as on the balance sheet date are 7,082,332 (2015: 6,427,232)

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	2016 (Rupees in thousand)	2015
20 RESERVES			
Capital reserves			
Unrealized gain on remeasurement of retirement benefit obligation		52,576	35,774
Unrealized gain / (loss) on remeasurement of available for sale investment		25,293	(41,140)
	20.1	77,869	(5,366)
Revenue reserves			
General reserve		1,458,000	1,458,000
Unappropriated profit		625,616	601,791
	20.2	2,083,616	2,059,791
		2,161,485	2,054,425

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.

21 DEFERRED LIABILITY

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	2016 (Rupees in thousand)	2015
22 TRADE AND OTHER PAYABLES			
Creditors	22.1 & 22.2	384,727	374,834
Accrued liabilities		68,223	71,787
Advances from customers		364,820	187,735
Advance against rent		4,442	11,202
Sales tax payable		-	30,471
Workers' profit participation fund	22.3	26,718	23,144
Workers' welfare fund		-	25,913
Unclaimed / withheld dividend		12,053	19,559
Retention money		2,059	2,053
Special Excise duty payable		9,696	9,696
Others		1,456	1,886
		874,194	758,280



22.1 The Company, as the matter of prudence, has recorded liability amounting to Rs. 140.203 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, 2016.

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	2016 (Rupees in thousand)	2015
22.3 Workers' profit participation fund			
Balance at beginning of the year		23,144	20,872
Interest for the year	33	3,504	7,291
		26,648	28,163
Charge for the year	32	26,718	23,144
		53,366	51,307
Paid during the year		(26,648)	(28,163)
Balance at end of the year		26,718	23,144

23 ACCRUED MARK-UP

Mark-up on short term borrowings		1,030	2,121
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24 SHORT TERM BORROWINGS

**From banking companies - secured
Under Mark up arrangements**

Cash / running finances	24.1	15,637	101,601
Export refinance	24.1	-	355,000
		15,637	456,601

24.1 The available aggregate finance facilities (short term funded) amounted to Rs. 3.810 billion (2015: Rs. 3.910 billion) which have been arranged from various commercial banks out of which Rs. 2.885 billion (2015: 3.110 billion) are with export refinance and FE 25, out of total export refinance limit Rs. 2.600 billion (2015: 2.460 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 1% to 1.5% (2015: 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% (2015 : SBP rate plus 1%). At the year end, facilities amounting to Rs. 3.794 billion (2015: Rs. 3.453 billion) remained unutilized. These facilities are expiring on various dates latest by October 31, 2017 and are renewable.

24.2 The available facilities for opening letters of credit as at September 30, 2016 aggregate Rs. 300 million (2015: Rs. 200 million) of which the amount unutilized as at September 30, 2016 was Rs. 287.862 million (2015: Rs. 190.020 million).



25 PROVISION FOR TAXATION

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. Which has stayed 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. In view of the above, the Company has not recorded any aggregate liability of Rs. 153.115 million (2015: Rs. 106.832 million).
- 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 has availed the facility effective from 10th January 2013, however as per contention of the department the relief is applicable from the date of SRO, accordingly the demand amounting to Rs. 85.450 millions relating to period prior to date of SRO has been created. During the current financial year, the same has been contested before the Appellate Tribunal who have made decision in favour of the Company. Miscellaneous application for rectification has been filed by the Commissioner Inland Revenue before the Appellate Tribunal Inland Revenue which is pending for decision at year end.
- f) During the current year various growers associations have 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 at year end. 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. 12.138 (September 30, 2015: 9.984) million.
- b) Bank guarantees of Rs. 54.6 million (2015: Rs. 54.6 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. 55 (2015: Rs. 55) million and Rs. 0.4 (2015: 0.4) million respectively.



Note	Sugar		Ethanol		Total	
	2016	2015	2016	2015	2016	2015
	----- (Rupees in thousand) -----					
27 SALES						
Gross sales						
Local	3,662,417	3,197,454	172,847	153,280	3,835,264	3,350,734
Export	-	59,543	2,261,260	2,712,234	2,261,260	2,771,777
	3,662,417	3,256,997	2,434,107	2,865,514	6,096,524	6,122,511
Less:						
Sales tax	-	-	(25,256)	(18,365)	(25,256)	(18,365)
Federal excise duty	(277,417)	(236,848)	-	-	(277,417)	(236,848)
	(277,417)	(236,848)	(25,256)	(18,365)	(302,673)	(255,213)
	3,385,000	3,020,149	2,408,851	2,847,149	5,793,851	5,867,298

27.1 It includes exchange gain of Rs. 8.484 (2015: Rs. 10.336) million on ethanol.

28 COST OF SALES

Cost of raw materials consumed	2,631,791	2,422,075	1,807,794	1,911,181	4,439,585	4,333,256
Stores and spare parts consumed	90,879	74,900	85,679	65,989	176,558	140,889
Packing materials	21,907	31,146	15,826	-	37,733	31,146
Salaries, wages and other benefits	213,571	192,054	45,638	39,244	259,209	231,298
Fuel, electricity and water charges	4,158	3,239	81,835	98,961	85,993	102,200
Other manufacturing expenses	38,013	38,167	20,894	22,294	58,907	60,461
Repairs and maintenance	9,013	6,994	5,249	4,560	14,262	11,554
Depreciation	39,671	42,239	33,897	36,409	73,568	78,648
	3,049,003	2,810,814	2,096,812	2,178,638	5,145,815	4,989,452
Work-in-process						
Opening	3,312	3,485	-	-	3,312	3,485
Closing	(2,972)	(3,312)	-	-	(2,972)	(3,312)
	340	173	-	-	340	173
	3,049,343	2,810,987	2,096,812	2,178,638	5,146,155	4,989,625
Less:						
Transfer price of molasses	(200,410)	(193,338)	-	-	(200,410)	(193,338)
Sale of fusel oil, CO2 gas and electricity income - net	-	-	(33,117)	(28,680)	(33,117)	(28,680)
Transfer price of bagasse	(81,360)	(98,764)	-	-	(81,360)	(98,764)
Stock adjustment of bagasse in hand	795	10,063	-	-	795	10,063
Sale of bagasse - net	(16,059)	(28,906)	-	-	(16,059)	(28,906)
	(297,034)	(310,945)	(33,117)	(28,680)	(330,151)	(339,625)
Cost of goods manufactured	2,752,309	2,500,042	2,063,695	2,149,958	4,816,004	4,650,000
Finished goods						
Opening	603,164	815,234	92,777	273,201	695,941	1,088,435
Closing	(256,097)	(603,164)	(225,658)	(92,777)	(481,755)	(695,941)
	347,067	212,070	(132,881)	180,424	214,186	392,494
	3,099,376	2,712,112	1,930,814	2,330,382	5,030,190	5,042,494

28.1 Salaries, wages and other benefits include Rs. 4.709 (2015: Rs. 3.947) million in respect of defined benefit plan.

Note	Sugar		Ethanol		Total	
	2016	2015	2016	2015	2016	2015
	----- (Rupees in thousand) -----					
28.2 Other Manufacturing Expenses						
Security services	9,214	9,128	6,142	6,086	15,356	15,214
Printing and stationery	151	177	100	117	251	294
Vehicle running	5,560	5,908	3,707	3,938	9,267	9,846
Insurance	8,284	9,919	5,523	6,613	13,807	16,532
Travelling and conveyance	564	624	376	416	940	1,040
Others	14,240	12,411	5,046	5,124	19,286	17,535
	38,013	38,167	20,894	22,294	58,907	60,461



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	Note	2016 (Rupees in thousand)	2015
29 PROFIT FROM OTHER REPORTABLE SEGMENTS - NET			
Net profit from storage tank terminal	29.1	91,661	86,989
Net loss from chemical, alloys and power segment and fixed expenses due to suspension	29.2	(53,601)	(58,344)
		<u>38,060</u>	<u>28,645</u>
29.1 Net profit from storage tank terminal			
Storage service income		126,641	120,289
Inter-segment services		17,100	17,100
		<u>143,741</u>	<u>137,389</u>
Less: direct expenses			
Salaries, wages and other benefits	29.1.1	12,530	10,757
Water, fuel and power		2,309	3,323
Repairs and maintenance		3,970	2,028
Depreciation	4.1.1	17,461	19,458
Security services		1,904	1,894
Printing and stationery		46	65
Lease charges		2,486	2,341
Vehicle running		550	609
Insurance		1,445	734
Shipment expenses		3,581	3,947
Fees and subscription		672	531
Establishment charges		2,723	2,723
Others		2,403	1,990
		<u>52,080</u>	<u>50,400</u>
		<u>91,661</u>	<u>86,989</u>

29.1.1 Salaries, wages and other benefits include Rs. 0.241 (2015: Rs. 0.173) million in respect of defined benefit plan.

	Note	2016 (Rupees in thousand)	2015
29.2 Net loss from chemical, alloys and power segment and fixed expenses due to suspension			
Fixed expenses due to suspension			
Chemical and alloys	29.2.1	30,374	34,226
Power	29.2.2	23,227	24,118
		<u>53,601</u>	<u>58,344</u>
		<u>(53,601)</u>	<u>(58,344)</u>
29.2.1 Chemical and alloys			
Salaries, wages and other benefits	29.2.1.1	6,942	6,098
Water, fuel and power		950	1,813
Security services		5,050	5,037
Printing and stationery		1	1
Vehicle running		416	461
Insurance		1,107	1,234
Travelling and conveyance		155	110
Repairs and maintenance		530	760
Depreciation	4.1.1	15,036	16,313
Provision for write down in value of finished goods		-	2,180
Others		281	224
		<u>30,468</u>	<u>34,231</u>
Gain from sale of carried over stock	29.2.1.2	(94)	(5)
		<u>30,374</u>	<u>34,226</u>

29.2.1.1 Salaries, wages and other benefits include Rs. 0.201 (2015: Rs. 0.126) million in respect of defined benefit plan.



	Note	2016 (Rupees in thousand)	2015
29.2.1.2 Gain from sale of stock			
Sales		2,020	87
Less: sales tax		(326)	(13)
		1,694	74
Stock adjustment			
Opening		-	2,249
Closing		-	-
Provision reversed against / (made for) written down in value of finished goods		1,600	(2,180)
		1,600	69
		94	5

29.2.2 Power

Salaries, wages and other benefits	29.2.2.1	5,463	4,800
Water, fuel and power		747	1,427
Security services		3,974	3,965
Printing and stationery		-	-
Vehicle running expenses		327	363
Insurance Expenses		871	972
Travelling and conveyance		122	87
Repairs and maintenance		417	598
Depreciation	4.1.1	11,084	11,728
Others		222	178
		23,227	24,118

29.2.2.1 Salaries, wages and other benefits include Rs. 0.157 million (2015: Rs. 0.099 million) in respect of defined benefit plan.

Note	Sugar		Ethanol		Total	
	2016	2015	2016	2015	2016	2015
	(Rupees in thousand)					

30 DISTRIBUTION COST

Sugar bags handling expenses	7,526	7,162	-	-	7,526	7,162
Export transportation and other expenses	-	384	104,641	103,447	104,641	103,831
Local transportation	130	-	-	-	130	-
Marking fees	3,662	3,257	-	-	3,662	3,257
	11,318	10,803	104,641	103,447	115,959	114,250



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Note	Sugar		Ethanol		Total	
	2016	2015	2016	2015	2016	2015
----- (Rupees in thousand) -----						
31 ADMINISTRATIVE EXPENSES						
Salaries, wages and other benefits 31.1	33,760	32,637	22,507	21,758	56,267	54,395
Rent, rates and taxes	3,389	3,192	2,259	2,128	5,648	5,320
Communication charges	2,030	1,874	1,353	1,249	3,383	3,123
Traveling and conveyance	1,376	1,044	917	696	2,293	1,740
Printing and stationery	634	616	423	411	1,057	1,027
Entertainment	939	1,102	626	735	1,565	1,837
Vehicle running	5,577	4,907	3,718	3,271	9,295	8,178
Repairs and maintenance	1,694	1,612	1,129	1,075	2,823	2,687
Insurance	1,735	1,401	1,157	934	2,892	2,335
Fees and subscription	3,683	3,720	2,455	2,480	6,138	6,200
Legal and professional	2,956	2,994	1,971	1,996	4,927	4,990
Auditors' remuneration 31.2	950	854	633	570	1,583	1,424
Charity and donations 31.3	500	675	-	-	500	675
Newspaper and periodicals	61	43	41	29	102	72
Utilities	2,320	1,937	1,547	1,291	3,867	3,228
Depreciation on property plant and equipments 4.1.1	4,792	4,646	3,194	3,098	7,986	7,744
Depreciation on investment property	38	42	-	-	38	42
Security charges	820	953	547	635	1,367	1,588
Miscellaneous expenses	1,523	1,422	1,015	947	2,538	2,369
	68,777	65,671	45,492	43,303	114,269	108,974

31.1 Salaries, wages and other benefits include Rs. 4.723 (2015: Rs. 3.917) million in respect of defined benefit plan.

Note	Sugar		Ethanol		Total	
	2016	2015	2016	2015	2016	2015
----- (Rupees in thousand) -----						
31.2 Auditors' remuneration						
Statutory Auditors						
Annual audit fee	600	600	400	400	1,000	1,000
Half yearly review fee	63	63	42	42	105	105
Out of pocket expenses	144	93	109	76	253	169
	807	756	551	518	1,358	1,274
Cost Auditors						
Audit fee	78	78	52	52	130	130
Out of pocket expenses	65	20	30	-	95	20
	143	98	82	52	225	150
	950	854	633	570	1,583	1,424

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

Note 2016 2015
(Rupees in thousand)

32 OTHER OPERATING EXPENSES

Provision for slow moving items and obsolescence	-	7,133
Advance tax written off	-	11,611
Provision for doubtful advances 12.2	-	28,517
Loss from farming - net 32.1	167	140
Workers' profit participation fund 22.3	26,718	23,144
Workers' welfare fund	-	8,795
	26,885	79,340

32.1 Loss from farming - net

Sales	2,066	1,713
Farming cost	(2,233)	(1,853)
	(167)	(140)



32.1.1 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, farm operation is not classified as reportable segment.

	Note	2016 (Rupees in thousand)	2015
33 FINANCE COST			
Mark-up on long term financing		-	2,396
Mark-up on short term borrowings		77,039	109,473
Interest on workers profit participation fund	22.3	3,504	7,291
Bank charges and guarantee commission		4,847	5,923
		85,390	125,083
34 OTHER INCOME			
Income from financial assets			
Mark - up on loan to growers		2,966	2,089
Income from TDR / PLS deposits		1,667	1,005
Dividend		9,512	5,565
Capital gain on sale of long term investments - available for sale		-	100,465
Capital gain on sale of short term investments		-	4,774
Unrealized gain on short term investments carried at fair value through profit and loss		7,589	11,989
		21,734	125,887
Income from other than financial assets			
Scrap sales		944	1,365
Export freight subsidy		13,000	-
Liability against workers welfare fund written back	34.1	25,913	-
Gain on disposal of property, plant and equipment		2,324	319
Income from Bio-chemical lab		1,243	-
Miscellaneous		194	226
		43,618	1,910
		65,352	127,797

34.1 Considering the provisions of The Sindh Workers Welfare Fund (WWF) Act, 2014, and the decision of Honourable Supreme Court of Pakistan, the provisions against WWF made in financial years 2013, 2014 and 2015 are reversed during the current year as the declared income as per tax returns of these years are nil on account of assessed tax losses.

	Note	2016 (Rupees in thousand)	2015
35 TAXATION			
Current		65,560	59,555
Prior		1,127	(891)
Deferred		-	-
		66,687	58,664



- 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 assessments of the Company have been finalized up to tax year 2015. 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 has 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 appeal with 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	2016 (Rupees in thousand)	2015
36 EARNINGS PER SHARE - BASIC AND DILUTED			
Net profit for the year		<u>457,883</u>	<u>494,935</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>26.37</u>	<u>28.51</u>

- 36.1** Diluted earnings per share is same as basic as the Company does not have any convertible instruments in issue as at September 30, 2016 and September 30, 2015 which would have any effect on the earnings per share if the option to convert is exercised.



	Note	2016 (Rupees in thousand)	2015
37 CASH GENERATED FROM OPERATIONS			
Profit before taxation		524,570	553,599
Adjustment for:			
Depreciation on property, plant and equipment		125,135	133,891
Depreciation on investment property		38	42
Provision for slow moving items and obsolescence		-	7,133
Provision for doubtful advances		-	28,517
Provision (reversed against) / made for write down in value of stock in trade		(1,600)	2,180
Advance tax written off		-	11,611
Mark - up on loan to growers		(2,966)	(2,089)
Staff retirement benefits - gratuity		10,031	8,262
Income from TDR / PLS deposits		(1,667)	(1,005)
Unrealized gain on short term investments carried at fair value through profit and loss		(7,589)	(11,989)
Capital gain on sale of short term investments		-	(4,774)
Dividend income		(9,512)	(5,565)
Gain on disposal of property, plant and equipment - net		(2,324)	(319)
Finance cost		85,390	125,083
- available for sale		-	(100,465)
Increase in market committee fee		5,609	5,645
Workers Profit Participation Fund		26,718	23,144
Workers Welfare Fund		-	8,795
		227,263	228,097
Working capital changes	37.1	307,904	443,717
Cash generated from operations		1,059,737	1,225,413
37.1 Working capital changes			
Decrease / (increase) in current assets			
Stores and spare parts		(12,196)	(5,624)
Stock-in-trade		143,250	584,961
Trade debts		148,249	(147,021)
Loans and advances		(37,932)	162,658
Trade deposits and short term prepayments		2,178	2,484
Other receivables		(32,347)	7,381
Short term investments		-	6,812
		211,202	611,651
(Decrease) / increase in trade and other payables		96,702	(167,934)
Cash generated from working capital		307,904	443,717



38 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	Chief Executive		Director		Executive		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	----- (Rupees in thousand) -----							
Managerial remuneration	9,818	9,818	5,455	5,455	48,081	42,191	63,354	57,464
Medical allowances	982	982	545	545	4,229	3,680	5,756	5,207
Other perquisites	1,022	1,993	645	366	4,691	4,644	6,358	7,003
Retirement benefits	2,477	2,108	816	675	2,705	1,878	5,998	4,661
Total	14,299	14,901	7,461	7,041	59,706	52,393	81,466	74,335
No. of persons	1	1	1	1	41	38	43	40

38.1 Chairman, Chief Executive and an executive director are provided with company maintained cars for business and personal use. The aggregate amount of perquisites on chairman's vehicle is Rs. 0.422 million (September 30, 2015: Rs. 0.459 million)

38.2 The Company has not paid any fees / benefit to its non executive directors during the year except Chairman.

38.3 Twenty (2015: Sixteen) executives of the company are also provided with company maintained cars for the business and personal use.

Note
2016 **2015**
(Rupees in thousand)

39 FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets

- Loans and receivables at amortized cost

Long term loans	1,249	905
Long term deposits	11,406	11,403
Trade debts - Gross	56,201	204,450
Loans and advances	1,454	959
Trade deposits	141	-
Accrued income	2,542	1,380
Other receivables	612	224
Cash and bank balances	58,365	41,740
	131,970	261,061

- Held to maturity

Short term investments	600	600
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- Fair value through profit and loss

Short term investments	234,900	227,311
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- Available for sale

Long term investments	200,420	133,987
	567,890	622,959

Financial Liabilities

- Financial liabilities at amortized cost

Trade and other payables	468,518	470,119
Accrued mark-up	1,030	2,121
Short term borrowings	15,637	456,601
	485,185	928,841



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 fund is limited because the counter parties are banks with reasonably high credit rating. Out of the total financial assets of Rs. 567.890 million (2015: Rs. 622.959 million), the financial assets which are subject to credit risk amounted to Rs. 130.797 million (2015: Rs. 260.022 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	2016 (Rupees in thousand)	2015
Long term loans	1,249	905
Long term deposits	11,406	11,403
Trade debts	56,201	204,450
Loans and advances	1,454	959
Trade deposits	141	-
Interest accrued	2,542	1,380
Other receivables	612	224
Bank balances	<u>57,192</u>	<u>40,701</u>
	<u>130,797</u>	<u>260,022</u>

Long term 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:

	Note	2016 (Rupees in thousand)	2015
Ethanol division		28,674	170,154
Chemical and alloys		9,636	9,636
Bagasse		6,377	6,526
Others		11,514	18,134
		56,201	204,450

The aging of trade receivable at the reporting date is:

Past due 1-30 days	35,603	173,339
Past due 30-150 days	4,570	12,550
Past due 150 days	16,028	18,561
	56,201	204,450

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.

Loan and advances

These represent balances due from employees for which the Company is actively pursuing for the recovery and the Company does not expect these loans and advances will fail to meet their obligations. Loans to growers are adjustable against supply of sugarcane in the forthcoming season.

Other receivables

The Company believes that no impairment allowance is necessary in respect of receivable because these are not impaired. The Company is actively pursuing for the recovery and the Company expect that the recovery will be made soon.

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.

	Note	2016 (Rupees in thousand)	2015
Bank balances			
With external credit rating			
A1+		47,023	40,552
A1		93	72
A2		10,075	77
		57,192	40,701

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:

Carrying amount	Contractual cash flows	2016				
		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	468,518	468,518	104,135	364,383	-	-
Accrued mark-up	1,030	1,030	1,030	-	-	-
Short term borrowings	15,637	15,637	15,637	-	-	-
	485,185	485,185	120,802	364,383	-	-
2015						
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	470,119	470,119	247,010	223,109	-	-
Accrued markup	2,121	2,121	2,121	-	-	-
Short term borrowings	456,601	456,601	228,301	228,300	-	-
	928,841	928,841	477,432	451,409	-	-

The Company manages liquidity risk by maintaining sufficient cash and ensuring the fund availability through adequate credit facilities. At September 30, 2016 the Company has PKR 3.794 billion (2015: Rs. 3.453 billion) available unutilized short term borrowing limit from financial institutions and also has PKR 57.196 million (2015: PKR 40.701 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 raw sugar, stores and spares, export of refined sugar and export of ethanol mainly denominated in US dollars. Approximately 92.9% of the Company's revenue from ethanol segment is denominated in currencies other than Pak rupees which form 37.09% of the total gross revenue of



the Company. The Company's exposure to foreign currency risk for US Dollars is as follows:

	Note	2016 (Rupees in thousand)	2015
Foreign debtors		<u>28,650</u>	<u>170,156</u>

The following significant exchange rate has been applied:

	Average rate		Spot rate at reporting date	
	2016	2015	2016	2015
USD to PKR	<u>104.70</u>	102.91	<u>104.61</u>	<u>104.50</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	2016 (Rupees in thousand)	2015
Effect on profit or loss			
US Dollars		<u>(2,865)</u>	<u>(17,016)</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:

	2016 Effective interest rate (In percent)	2015	2016 Carrying amount (Rupees in thousand)	2015
Financial Assets				
Fixed rate instruments				
Loans to growers	14.96	14.96	35,406	24,734
Term deposit receipts (TDR)	3.99 and 4.34	7.27	<u>600</u>	<u>600</u>
			<u>36,006</u>	<u>25,334</u>
Variable rate instruments				
Bank balances	3.44 to 6	3.29 to 6.10	<u>36,209</u>	<u>7,766</u>
Financial liabilities				
Variable rate instruments				
Short term borrowings	3 to 8.07	4.5 to 11.87	<u>15,637</u>	<u>456,601</u>



Fair value sensitivity analysis

The Company hold short term investments of Rs. 235.500 million at fair value through profit and loss and the related gain is reported in note 34.

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 2015.

	Profit and loss 100 bp	
	increase	decrease
	(Rupees in thousand)	
Financial assets		
As at September 30, 2016		
Cash flow sensitivity	362	(362)
As at September 30, 2015		
Cash flow sensitivity	78	(78)

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, 2016		
Cash flow sensitivity	(156)	156
As at September 30, 2015		
Cash flow sensitivity	(4,566)	4,566

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 and OCI 10%	
	increase	(decrease)
	(Rupees in thousand)	
As at September 30, 2016		
Investment at fair value through profit or loss	23,490	(23,490)
Available for sale investment	20,042	(20,042)
	43,532	(43,532)
As at September 30, 2015		
Investment at fair value through profit or loss	22,731	(22,731)
Available for sale investment through OCI	13,399	(13,399)
	36,130	(36,130)

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, 2016 is as follows:

	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>
	2015		
	Level 1	Level 2	Level 3
	----- (Rupees in thousand) -----		
Assets measured at fair value			
Long term investments	133,987	-	-
Short term investments	227,311	-	-
	<u>361,298</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 maximise 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:

	Note	2016 (Rupees in thousand)	2015
Accrued mark-up		1,030	2,121
Short term borrowings		15,637	456,601
Current maturity of long term financing		-	-
Total debt		16,667	458,722
Less: cash and bank balances		58,365	41,740
Net debt	A	(41,698)	416,982
Total capital and reserves		2,335,108	2,228,048
Capital and net debt	B	2,293,410	2,645,030
Gearing ratio	(C=A/B)	-	15.76%

Company has sufficient funds exceeding its net debt, therefore the gearing is shown as nil in these financial statements

41 PLANT CAPACITY AND ACTUAL PRODUCTION

Sugar Unit

	2016	2015
Sugarcane crushing capacity per day in M.T	7,500	7,500
Actual no. of days season operated	93	106
Sugar cane crushed during the year in M .T	560,786	564,555
Sugarcane yield	10.47%	10.72%
Capacity in M.T based on number of days operated and sugarcane yield	73,028	85,224
Actual production in M. T	58,730	60,534

Ethanol Unit

Unit - I

	2016	2015
Capacity in liters per day	85,000	85,000
Actual no. of days operated	266	271
Capacity in liters based on number of days operated	22,610,000	23,035,000
Actual production in liters	22,316,492	22,344,203

Unit - II

	2016	2015
Capacity in liters per day	87,500	87,500
Actual no. of days operated	286	284
Capacity in liters based on number of days operated	25,025,000	24,850,000
Actual production in Liters	23,186,313	23,837,046

Chemical alloys and others

	2016	2015
Capacity in M.T based on 320 days	27,220	27,220
Actual production in M.T	-	-

Power

	2016	2015
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

	2016	2015
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	2016					2015
	Sugar	Ethanol	Chemical, alloys and power	Storage tank terminal	Total	
----- (Rupees in thousand) -----						
Segment assets and liabilities						
Segment assets	1,110,428	856,679	483,052	183,982	2,634,141	2,992,001
Unallocated segment assets					678,790	534,402
					<u>3,312,931</u>	<u>3,526,403</u>
Segment liabilities	738,897	56,335	104	26,823	822,159	1,109,333
Unallocated segment liabilities					155,664	189,022
					<u>977,823</u>	<u>1,298,355</u>
Addition in capital work in progress	4.2	-	-	-	-	12,310
Unallocated additions in operating fixed assets					16,750	2,490
					<u>16,750</u>	<u>14,800</u>
Segment profit and loss account						
Sales	27	3,385,000	2,408,851	-	5,793,851	5,867,298
Cost of sales	28	(3,099,376)	(1,930,814)	-	(5,030,190)	(5,042,494)
Gross profit		285,624	478,037	-	763,661	824,804
Profit from other reportable segments - net	29	-	-	(53,601)	91,661	28,645
		285,624	478,037	(53,601)	91,661	853,449
Distribution cost	30	(11,318)	(104,641)	-	(115,959)	(114,250)
Administrative expenses	31	(68,777)	(45,492)	-	(114,269)	(108,974)
Operating segment results		205,529	327,904	(53,601)	91,661	630,225
Other operating expenses	32				(26,885)	(79,340)
Other income	34				65,352	127,797
Finance cost	33				(85,390)	(125,083)
Profit before taxation					524,570	553,599
Taxation	35				(66,687)	(58,664)
Profit after taxation					<u>457,883</u>	<u>494,935</u>
Depreciation		44,463	37,091	26,120	17,461	125,135
Non cash items other than depreciation						
Provision (reversed)/made for finished goods - allocated	10.3	-	-	(1,600)	-	(1,600)
Provision for advances - unallocated	32				-	28,517
Provision for slow moving items and obsolescence - unallocated					-	7,133
Unrealized gain on short term investments - unallocated	34				7,589	11,989



42.1 Revenue reported in note number 27 and 29 generated from external customers. The inter transfer of molasses and bagasse from sugar segment to ethanol segment is accounted 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. Financial charges on cash and running financing is allocated to sugar where as mark up on export refinance is allocated to ethanol. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

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 of the financial statements.

42.4 Information about major customers

Revenue from major customers (5% or above of segment's gross sales) of sugar segment represent Rs. 2,348 million (2015: Rs. 2,162 million) of total sugar segment gross revenue of Rs. 3,662 million (2015: Rs. 3,257 million), ethanol segment of Rs. 1,856 million (2015: Rs. 2,475 million) of total ethanol segment revenue of Rs. 2,434 million (2015: Rs. 2,866 million) and power segment of Rs. nil (2015: Rs. nil). Revenue from chemical and alloys segment is none due to suspension.

43 RELATED PARTY TRANSACTIONS

The related parties comprise associated undertakings, other related group companies, directors of the company, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Amounts due to / from related parties are shown in under respective note to the financial statement. Remuneration of directors, chief executive and executives being the key management personnel are disclosed in note 38 to the financial statements. Transactions with related parties are as follows:

	2016	2015
	(Rupees in thousand)	
- associated company		
Dividend received	1	1,150
Sale of ethanol	37,027	8,704
- other related party		
Installment recovered from employees on behalf of Employees' Gratuity Fund	5,727	13,164
Paid to Employee's Gratuity Fund on account of installment recovered from employees	-	8,000
Commission on purchase and sale of shares	-	1,266

43.1 During the year the Company has paid dividend to Directors and Associates amounting to Rs. 279.141 million (2015: Rs. 362.944 million) There were no 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 1,050 (2015: 978) and 1,159 (2015: 1,064) respectively.



45 CORRESPONDING FIGURES

Corresponding figures have been re-arranged / reclassified, whenever necessary, for the purpose of compliance, comparison and better presentation. Major changes made during the year are as follows:

Reclassification from the caption component	Reclassification to the caption component	Note	Amount in million
Other Income - Loss from farming - net	Other Operating Expenses - Loss from farming - net	32	(167)

46 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on January 03, 2017 by the Board of Directors of the Company.

47 NON ADJUSTING SUBSEQUENT EVENT

The Board of Directors of the Company in their meeting held on January 03, 2017 has proposed a final cash dividend of Rs. 4 per share i-e 40% for the year ended September 30, 2016 amounting to Rs. 69.449 million. The financial statements for the year ended September 30, 2016 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, 2017.

48 GENERAL

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

Shunaid Qureshi
Chief Executive Officer

Asim Ghani
Director



9. کمپنی نے مارکیٹ کمیٹی کی فیس کی ادائیگی اس وقت سے نہیں کی ہے جب سے یہ لاکھ ہوئی ہے۔ کیونکہ کمپنی نے اس کے اطلاق کو سندھ ہائی کورٹ میں چیلنج کیا ہوا ہے۔ بہر حال کھاتوں میں پوری رقم مبلغ 74.116 ملین مہیا کی ہوئی ہے۔
10. چارڈائریکٹر صاحبان نے ڈائریکٹر تربیتی پروگرام پہلے ہی مکمل کر لیا ہے۔ مزید برآں دو ڈائریکٹر زپی ایس ایکس رول بک کی دفعہ 5.19.7 کے تحت تربیتی پروگرام سے مستثنیٰ ہیں۔ باقی ماندہ ڈائریکٹر مقرر کردہ وقت کے اندر تربیت حاصل کر لیں گے۔ تمام ڈائریکٹر ز کاروباری انتظام کے حوالے سے تازہ ترین پیش رفت سے بطور کارپوریٹ باڈی کے ڈائریکٹر کے اپنے آپ کو آگاہ رکھتے ہیں۔
11. کمپنی نے اپنے ملازمین کے لیے گریجویٹ فنڈ قائم کیا ہوا ہے۔ اس فنڈ کی مالیت 30 ستمبر 2016 کو سرمایہ کاری کی صورت میں مبلغ 129.340 ملین 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 بینکنگس 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 ڈائریکٹر ز

شونید قریشی

چیف ایگزیکٹو آفیسر

کراچی: 03 جنوری 2017ء



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 ہذا کمپنی نے صحت کے شعبہ میں حصہ لیا ہے۔

قومی خزانہ میں حصہ

دوران سال کمپنی نے ٹیکسز، ایکسائز ڈیوٹی اور سیلز ٹیکس کی مد میں 264.27 ملین روپے (218.30 روپے: 2015) قومی خزانہ میں جمع کرائے۔

حصہ داران 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 فنانشل 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 ایویٹی 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 لاکو 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 مؤثر 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. گذشتہ چھ سال کے کلیدی آپریشننگ اور مالیات ڈیٹا کا خلاصہ اس رپورٹ کے ساتھ منسلک کر دیا گیا ہے۔
8. کمپنی میں ”ضابطہ برائے کاروباری نظم و نسق“ میں بیان کردہ ضابطوں کی کوئی واضح خلاف ورزی سامنے نہیں آئی ہے۔



ڈائریکٹرز کا اسمائے گرامی	حیثیت	زمرہ	اجلاسوں میں شرکت کی تعداد
جناب محمد اقبال عثمان	چیئر مین	غیر ایگزیکٹو ڈائریکٹر	1/1
جناب عاصم غنی	ممبر	ایگزیکٹو ڈائریکٹر	2/2
مسماں درخشاں غنی	ممبر	غیر ایگزیکٹو ڈائریکٹر	2/2
مسماں اسماء اولیس کوچن والا	ممبر	غیر ایگزیکٹو ڈائریکٹر	1/1
جناب درید قریشی	ممبر	ریٹائرڈ	1/1
سید رافع اکبر راشدی	ممبر	ریٹائرڈ	1/1

سرمایہ کاری کمیٹی

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

ڈائریکٹرز کا اسمائے گرامی	حیثیت	زمرہ	اجلاسوں میں شرکت کی تعداد
جناب محمد اقبال عثمان	چیئر مین	غیر ایگزیکٹو ڈائریکٹر	2/2
جناب عاصم غنی	ممبر	ایگزیکٹو ڈائریکٹر	2/2
مسماں درخشاں غنی	ممبر	غیر ایگزیکٹو ڈائریکٹر	2/2

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 ایک اجلاس منعقد ہوا۔ اجلاس میں ممبران کی شرکت کی تفصیل حسب ذیل ہے:

ڈائریکٹرز کا اسمائے گرامی	حیثیت	زمرہ	اجلاسوں میں شرکت کی تعداد
جناب محمد اقبال عثمان	چیئر مین	غیر ایگزیکٹو ڈائریکٹر	1/1
مسماں درخشاں غنی	ممبر	ایگزیکٹو ڈائریکٹر	1/1
جناب درید قریشی	ممبر	غیر ایگزیکٹو ڈائریکٹر	1/1

آڈیٹرز

سبکدوش ہونے والے آڈیٹرز میسرز 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 2016-17 ان کے تقرری کے لیے حصص یافتگان کو سالانہ اجلاس میں سفارش کی ہے۔



5/6	نان ایگزیکٹیو ڈائریکٹر	مسماں درخشاں غنی
2/6	نان ایگزیکٹیو ڈائریکٹر	جناب درید قریشی
6/6	نان ایگزیکٹیو ڈائریکٹر	جناب سلیمان لالانی
1/6	انڈیپنڈنٹ ڈائریکٹر	سید رافع اکبر راشدی
3/3	نان ایگزیکٹیو ڈائریکٹر	جناب عرفان ناصر چیمہ
0/3	ریٹائرڈ	جناب علی جہانگیر صدیقی

آڈٹ کمیٹی

بورڈ آف ڈائریکٹرز نے کارپوریٹ گورننس کے کوڈ کے تحت ایک آڈٹ کمیٹی قائم کی ہے۔ دوران سال نئی آڈٹ کمیٹی قائم کی گئی تھی اور کے چار اجلاس منعقد ہوئے جن میں سے دو اجلاس ڈائریکٹرز کے انتخاب سے قبل ہوئے۔ ارکان آڈٹ کمیٹی کی اجلاس میں شرکت حسب ذیل ہیں:

اجلاس میں شرکت کی تعداد	زمرہ	حیثیت	ڈائریکٹرز کا سائے گرامی
4/4	خود مختار ڈائریکٹر	چیئر مین	سید رافع اکبر راشدی
4/4	نان ایگزیکٹیو ڈائریکٹر	ممبر	مسماں درخشاں غنی
4/4	نان ایگزیکٹیو ڈائریکٹر	ممبر	جناب درید قریشی
2/2	نان ایگزیکٹیو ڈائریکٹر	ممبر	مسماں اسماء اولیس کوچن والا

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 اور بیرونی آڈیٹرز کی رپورٹس کا بھی کوڈ آف کارپوریٹ گورننس کے تحت جائزہ لیا۔

انسانی وسائل کی کمیٹی

انسانی وسائل کی منصوبہ بندی اور انتظام بہترین انتظامیہ کے لیے بہت اہم ہیں۔ کمیٹی کی انسانی وسائل اور معاوضہ کمیٹی ہے جو کہ ہم عہدوں پر افراد کی تعیناتی کا جائزہ لیتی ہے۔ یہ کمیٹی انسانی وسائل اور طریقہ کار کی بہتری کے لیے کوشاں رہتی ہے۔ دوران سال ایک نئی کمیٹی کا قیام عمل میں آیا اور اس کے دو اجلاس ہوئے جن میں سے ایک نئی کمیٹی کی تشکیل سے قبل منعقد ہوا۔ اجلاس میں شرکت کی تفصیل حسب ذیل ہے:



بین الاقوامی تجزیہ سے پتہ چلتا ہے کہ 17-2016 میں شکر کی پیداوار کی 5 ملین میٹرک ٹن سے 171 ملین جیسا کہ برازیل اور یورپی یونین اور 25 زیادہ تر شکر ساز نے پیش کوئی کے مطابق جبکہ انڈیا اور تھائی لینڈ کی پیداوار میں کمی واقع ہوئی۔ 17-2016 میں پیداواری کامیابی کے باوجود ذخیرہ کی کم سطح قیمتوں میں استحکام کے لیے ایک لمبی امید ہے۔ آپ کی کمپنی بخوبی ان تمام چیلنجز سے آگاہ ہے اور کمپنی کے بہترین مفاد میں مقابلہ کی کوشش کر رہی ہے۔

استھانول سیکٹ

مستقبل کا نقطہ نگاہ مکمل طور پر مولاسیز کے اچھے معیار، مسلسل دستیابی اور معقول قیمتوں پر منحصر ہے۔ انتظامیہ مناسب قیمت پر مولاسیز کے حصول کے لیے انتھک کوششیں کر رہی ہے۔ گزشتہ چند سالوں کے دوران سکونی کیفیت کے باعث دنیا بھر میں استھانول کی قیمتوں میں گرنا ہوا۔ رحمان 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 بنا رکھا ہے۔

ٹیکسٹائل

کمپنی اس سیکٹ سے مستحکم آمدن کی توقع رکھتا ہے۔

پاور، کیمیکل اور بھرت ڈویژن

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

دوران سال ڈائریکٹرز کا انتخاب عمل میں آیا اور موجودہ بورڈ آف ڈائریکٹرز کے ممبرز کے نام کمپنی کی معلومات میں شامل ہیں۔

سال مختتمہ 30 ستمبر 2016 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	اجلاس میں شرکت کی تعداد
جناب محمد اقبال	چیئر مین	5/6
جناب شہید قریشی	چیف ایگزیکٹو	4/6
جناب عاصم غنی	ایگزیکٹو ڈائریکٹر	6/6
مسماں اسماء اولیس کوچین والا	نان ایگزیکٹو ڈائریکٹر	5/6



آڈیٹر کی رپورٹ پر تبصرہ

جیسا کہ مالیاتی کوٹھاؤں کے نوٹ 26.1.c میں بتایا گیا ہے کہ ایک سوٹ نمبر 281 سندھ ہائی کورٹ کراچی میں کمپنی اور 9 دوسروں 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 دارومدار مکمل طور پر گنے اور مولاسیز کی قیمتوں، جیسے عوامل پر اوسط سکروسی وصولی، شکر اور اچھا نول، شرح سود، افراط زر کی قیمتوں اور پاکستان میں روپیہ کی قیمت میں استحکام پر منحصر ہے۔

شکر کارپورگرم

موجودہ موسم 15 نومبر 2016 سے شروع کیا گیا تھا جبکہ ملز مالکان کرشنک کے موسم کا آغاز 15 دسمبر 2016 سے کرنا چاہتے تھے۔ تاہم کاشتکاروں اور پاکستان شوگر ملز ایسوسی ایشن (PSMA) کی مرضی سے حکومت سندھ نے اس شرط پر کہ کرشنک موسم 15 نومبر 2016 سے شروع کیا جائے گئے کی قیمت 182 روپے فی من مقرر کی۔

باوجود اس کے کہ زیادہ تر شوگر ملز نے بیان کردہ تاریخ پر اپنی کرشنک شروع کر دی مگر کاشتکاروں کی جانب سے افسوسناک کارکردگی کی بنا پر کاشت کیے گئے کی قیمت بڑھ جانے پر شوگر ملز کو شدید مالی خسارے میں ڈال دیا ہے۔ کمپنی اس جانب تمام دستیاب فورمز پر اپنی آواز اٹھا چکی ہے کہ اس قیمت پر شکر کی پیداوار ناقابل عمل ہے۔

PSMA (سندھ زون) کے ارکان کی اکثریت نے فیصلہ کیا ہے کہ 15 دسمبر 2016 سے گنے کی کرشنک کو روک دیا جائے یہاں تک کہ گنے کی فراہمی کا مسئلہ حل کیا جائے۔ رسد کی کمی کی وجہ سے کاشتکار 250 روپے سے 300 روپے فی من مطالبہ کر رہے ہیں جو شکر پیدا کرنے کے لئے شوگر ملز کے لیے کسی بھی طرح ممکن نہیں ہے۔ سندھ میں سولہ شوگر ملز کی کرشنک بشمول آپ کی کمپنی عارضی طور پر بند ہو گئی ہیں۔ تاہم کاشتکاروں، ملز مالکان اور وزیر زراعت سندھ کے مابین ایک اجلاس کے بعد اس یقین دہانی پر کہ کاشتکار کی تمام فصل گنے پر مشتمل ہوگی 22 دسمبر 2016 کو آپ کی کمپنی نے کرشنک دوبارہ شروع کر دی تاہم کمپنی گنے کی رسد کی کمی کے مسئلہ کا حال سامنا کر رہی ہے۔

خطہ پنجاب میں اچھی فصل کی وجہ سے مجموعی طور پر پاکستان میں شکر کی پیداوار 5.4 ملین میٹرک ٹن ہو جو وہ سال سے 5.5 فیصد پیداواری اضافہ کے پیش کوئی کی گئی ہے۔ شکر کی بلند قیمتوں کی بنا پر شکر کی برآمدات کے لیے صفر پر اور ایک اعلان شدہ کوٹا اور سیسڈی کی عدم موجودگی کی پیش کوئی کی ہے۔

پاکستان میں آبادی کے بڑھنے کے ساتھ ساتھ ایشیائی خوردونوش کے شعبے میں کم ترقی کے باعث شکر کی کھپت میں مسلسل اضافہ ہو رہا ہے شکر کی کھپت میں اضافہ کے ساتھ ساتھ بہتر پیداوار کی وجہ سے شکر کے ذخیرہ میں مسلسل اضافہ ہو رہا ہے۔

رواں سال کے دوران شکر کی قیمت میں اضافہ اگلے سال میں کھپت میں ایک بڑا اضافہ کی نسبت حوصلہ شکنی کی گئی ہے۔



۱۔ تھانول یونٹ
سرگرم کوائف

2015	2016	
36,946	36,402	پیداوار (M.T.) یونٹ ۱ اور ۱۱
39,521	33,894	فروخت میٹرک ٹن

مالیاتی کوائف

2015	2016	
روپے ہزار میں	روپے ہزار میں	
2,847,149	2,408,851	فروخت
(2,330,382)	(1,930,814)	لاگت فروخت
516,767	478,037	خام منافع
(103,447)	(104,641)	لاگت منقسمہ
(43,303)	(45,492)	انتظامی اخراجات
370,017	327,904	رواں حصہ منافع

۱۔ تھانول کی پیداوار 30 ستمبر 2016 میں ختم ہونے والے سال کے دوران 36,402 میٹرک ٹن سابقہ سال 36,946 میٹرک ٹن کی نسبت معمولی 544 میٹرک ٹن کم تھا۔ اس حصہ کا آپریٹنگ منافع 327.904 ملین روپے گذشتہ سال کے اسی دور میں 370.017 ملین روپے کی نسبت 42.113 ملین روپے کی علامتی کمی واقع ہوئی۔ منافع میں کمی کی وجہ تھانول کی قیمت میں کمی تھی۔

پاور، کیمیکل اور بھرت ڈویژن

زیر جائزہ سال کے دوران کیمیکل اور پاور ڈویژن کی مد میں مقرر کردہ لاگت کے باعث 53.601 ملین روپے گذشتہ سال 58.344 ملین روپے کے مقابلہ میں نقصان برداشت کرنا پڑا۔ یہ نقصان فکس خرچ کی وجہ سے ہوا۔

اسٹوریج ٹینک ٹریٹمنٹ

الحمد للہ ہمارا اسٹوریج ٹینک ٹریٹمنٹ نے دوران سال 91.661 ملین روپے گذشتہ سال 86.989 ملین روپے کے مقابلہ میں کامیابی کے ساتھ منافع کمایا۔ ہمارے موجودہ صارفین ہماری سروسز سے بہت مطمئن ہیں۔ آپ کی کمپنی کی طرف سے تیار شدہ تھانول کا ذخیرہ برآمدی آرڈرز کی بروقت ترسیل کے لیے ٹریٹمنٹ ٹینک میں محفوظ رکھا جاتا ہے۔ ٹریٹمنٹ ٹینک انسٹنس شدہ اور بلک مائع کارکو سے نمٹنے کے لئے پبلک بوئڈ ڈویژن ہاؤس کے تحت اس کی گنجائش 22,850 میٹرک ٹن فی ماہ ہے۔ ٹریٹمنٹ میں تھانول کے ساتھ ساتھ دوسرے پٹرولیم مصنوعات پر مشتمل خطرناک سامان ذخیرہ کرنے کی اجازت ہے۔ آج تک ذخیرہ ٹریٹمنٹ مکمل طور پر مقبوض حالت میں ہے۔



عمل کے نتائج

آپریشن کے حق میں شکر، ادھما نول، اسٹوریج ٹینک ٹریٹمنٹ، پاور، کیمیکل اور بھرت ڈویژن کی تفصیلات نیچے دی گئی ہیں:

شکر پینٹ:

سرگرم کوانٹ

2015	2016	آپریشنل کارکردگی
08 دسمبر 2014	23 نومبر 2015	موسم کے آغاز کے کوانٹ
106	93	کام کئے گئے دنوں کی تعداد
564,555	560,786	کرشنگ (M.T.)
60,534	58,730	گنے سے پیداوار (M.T.)
64,653	67,529	فروخت
10.72	10.47	بحالی (%)

مالیاتی کوانٹ

2015	2016	
روپے ہزار میں	روپے ہزار میں	
3,020,149	3,385,000	فروخت
(2,712,112)	(3,099,376)	لاگت فروخت
308,037	285,624	خام منافع
(10,803)	(11,318)	لاگت منقسمہ
(65,671)	(68,777)	انتظامی اخراجات
231,563	205,529	رواں حصہ منافع

2015-16 کیلئے کرشنگ موسم کا آغاز 23 نومبر 2015 کو ہوا اور گذشتہ موسم 106 دنوں کے مقابلہ میں 93 دن کیلئے 23 فروری 2016 تک پلانٹ چلایا گیا۔ موجودہ موسم کے دوران ہمراہ اوسط % 10.47 خام شکر 560,786 میٹرک ٹن گذشتہ سال 564,555 میٹرک ٹن ہمراہ اوسط % 10.72 خام شکر کے مقابلہ میں گنا کرش کیا گیا جبکہ پیداوار 58,798 میٹرک ٹن گذشتہ سال 60,534 میٹرک ٹن کے اسی دور میں کی گئی۔



ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز اپنی سالانہ رپورٹ کے ساتھ کمپنی کے آڈٹ شدہ مالیاتی کوشوارے بشمول آڈٹ رپورٹ برائے سال اختتام سال 30 ستمبر 2016 پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی دور

2015	2016	
روپے ہزار میں	روپے ہزار میں	
553,599	524,570	منافع قبل از ٹیکس
(58,664)	(66,687)	ٹیکس
494,935	457,883	خالص منافع
28.51	26.37	فی حصص آمدن روپے

ڈیویڈنڈ اور بعد کے واقعات

بورڈ آف ڈائریکٹرز نے اپنی میٹنگ منعقدہ 03 جنوری 2017 کو اختتام سال 30 ستمبر 2016 کے لیے 40% فائل کیش ڈیویڈنڈ تجویز کیا ہے۔ 30 جنوری 2017 کو ہونے والے سالانہ اجلاس عام میں اراکین کی منظوری کے بعد فائل ڈیویڈنڈ حاصل کیا جاسکے گا۔ ان مالیاتی کوشواروں میں فائل کیش ڈیویڈنڈ کا اثر شامل نہیں ہے۔ بورڈ کے منظور شدہ وقف حسابات درج ذیل ہیں:

روپے ہزار میں	
457,883	منافع بعد از ٹیکس
601,791	غیر مختص منافع برائے فارورڈ
(112,855)	عبوری منافع 2015 @ 6.5 روپے فی شیئر
(60,768)	فائل منافع 2015 @ 3.5 روپے فی شیئر
(86,812)	عبوری منافع 2016 @ 5 روپے فی شیئر
(173,623)	عبوری منافع 2016 @ 10 روپے فی شیئر
625,616	دستیاب مختص وغیر مختص منافع کیرڈ فارورڈ

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FORM OF PROXY

I/We.....of
..... in the district of being a
member of **AL-ABBAS SUGAR MILLS LIMITED**, holding
shares, hereby appoint Mr./Mrs./Miss
.....of
as my proxy to vote for me, and on my behalf at the 26th Annual General Meeting of the Company to be held at Beach
Luxury Hotel, Karachi on Monday, January 30, 2017 at 10:30 a.m. and at any adjournment thereof.

As witness given under my/our hand(s)..... day of2017

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

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

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

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

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

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 حق راؤمہراپنی جگہ کسی اور ممبر کو اپنی جانب سے شرکت کرنے اور ووٹ دینے کے لئے نیا نیا 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- نیا نیا فارم اجلاس کی مقررہ تاریخ سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہونی چاہیں۔
- 3- نیا نیا مقررہ ووٹ ڈسٹنڈ، کمپنی کے ریکارڈ میں موجود دستخط کے نمونے کے ذریعے سے تصدیق کرنا کی جائے گی۔
- 4- سی ڈی سی اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ رول نمبر 1 تاریخ 26 جنوری 2000 میں مقرر کردہ گائڈ 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 مع پارٹنرسپٹ آئی ڈی نمبر اور اکاؤنٹ نمبر پیش کریں۔
- (ii) کارپوریٹ انٹیلیٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/اجتہاد/مذمت مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کئے گئے ہوں) اجلاس کے موقع پر پیش کرنا ہوگا۔

ب۔ برائے نیا نیا مقررہ:

- (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 نیا نیا فارم جمع کرنا ہوگا۔
- (ii) نیا نیا 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) نیا نیا مقررہ کے پیشگی اوزر کی سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں نیا نیا فارم کے ہمراہ منسلک ہونی چاہئیں۔
- (iv) نیا نیا مقررہ کے موقع پر اپنا اصل سی این آئی سی یا پاسپورٹ پیش کرنا ہوگا۔
- (v) کارپوریٹ انٹیلیٹیٹی 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 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



Form for Dividend Mandate (Optional)

Payment of Cash Dividend Electronically (Optional)

As per the directions to all Listed Companies by SECP vide Letter No.SM/CDC 2008 dated April 05, 2013, all shareholders and the Company are encouraged to put in place an effective arrangement for Payment of Cash Dividend Electronically (e-Dividend) through mutual co-operation. For this purpose, the members are requested to provide Dividend Mandate including Name, Bank Account Number, Bank and Respective Branch Address to the Company in order to adhere the envisaged guidelines.

S.No.	Shareholder / Member Detail	
1	Shareholder' Name	
2	Father's / Husband Name	
3	Folio Number	
4	Name of Bank, Branch and Address	
5	Title of Bank Account	
6	Bank Account Number	
7	Branch Code	
8	Cell Number	
9	Telephone Number	
10	CNIC Number (attach Copy)	

Signature of Member / Share holder

