



Ansari Sugar Mills Limited



**First
Quarter Accounts
December 31, 2015**



COMPANY PROFILE

BOARD OF DIRECTORS

Rashid Ahmed Khan Chairman, Non-Executive Director (Independent)
Khawaja Anver Majid Chief Executive & Executive Director

Khawaja Ali Kamal Majid Executive Director
Khawaja Aleem Majid Non Executive Director
Nihal Anwar Non Executive Director (Independent)
Dawoodi Morkas Executive Director
Aurangzeb Khan Executive Director

AUDIT COMMITTEE

Nihal Anwar Chairman, Non Executive Director (Independent)
Dawoodi Morkas Member, Executive Director
Khawaja Aleem Majid Member, Non Executive Director

HUMAN RESOURCE & RUMENERATION COMMITTEE

Khawaja Aleem Majid Chairman, Non Executive Director
Nihal Anwar Member, Non Executive Director (Independent)
Khawaja Ali Kamal Majid Member Executive Director

CHIEF FINANCIAL OFFICER Kamran Munir Ansari

COMPANY SECRETARY Zafar Ali

BANKERS National Bank Of Pakistan
Sindh Bank Limited
Summit Bank Limited
UBL Bank Limited
MCB Bank Limited

AUDITORS M/s. Moochhala Gangat & Co. Chartered Accountants

COST AUDITOR Siddiqi and Company
Cost and Management Accountants

LEGAL ADVISOR Ahmed & Qazi Advocates & Legal Consultants

REGISTRAR BMF Consultants Pakistan (Pvt) Ltd
Room # 310, 311, 3rd Floor Anum Estate Building
49 Darul Aman Society, Main Sharah-e-Faisal
Karachi

REGISTERED OFFICE Deh Jagsiyani, Taluka Tando Ghulam Hayder,
District Tando Mohammad Khan, Hyderabad, Sindh

FACTORY Deh Jagsiyani,
Taluka Tando Ghulam Hayder
District Tando Muhammad Khan, Sindh



DIRECTOR'S REPORT

The Board of Directors are pleased to present the 1st quarter accounts for the period ended December 31, 2015.

The Company's overall performance for the three months period was as under :

	December 31,	December 31,
	2015	2014
	(Rs. in '000)	
FINANCIAL RESULTS		
Sales	754,228	111,809
Gross profit	20,638	23,565
Pre tax (loss)	(62,686)	(107,158)

OPERATING RESULTS

Season started		25-11-2015	09-12-2014
Duration of season	Days	37	23
Sugar produced	M.Tons	9,985	8,580
Sugar recovery	%	8.55	9.09
Molasses produced	M.Tons	4,925	4,040
Molasses recovery	%	4.53	4.60

During the period gross profit worked out to Rs. 20.638 million of sales against gross profit of Rs. 23.565 million of sales for the corresponding period last year. Loss before Tax worked out to Rs. 62.685 million, compared to the last period loss of Rs. 107.15. During the three months Company posted Net loss after tax Rs.29.975 million compared to a loss Rs. 85.39 million for the corresponding period last year.

On behalf of the Board

Rashid Ahmed Khan
Chairman
Karachi
January 27, 2016



**CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2015**

	Un-Audited December 2015 Rupees	Audited September 2015 Rupees
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	6 3,324,018,234	3,339,049,465
Intangible assets	1,144,189	1,247,072
Long term investment	156,903,328	152,430,614
Long term loans	1,625,293	890,537
Long term deposits	505,600	505,600
	3,484,196,644	3,494,123,288
CURRENT ASSETS		
Biological assets	141,085,000	141,085,000
Stores, spares and loose tools	255,691,905	248,027,455
Stock-in-trade	918,635,300	1,051,848,812
Trade debts	648,612,351	380,850,637
Loans and advances	715,375,005	329,139,531
Short term deposits, prepayments and other receivables	70,148,413	109,052,582
Tax refunds due from the government	6,970,197	6,970,197
Cash and bank balances	15,150,272	11,538,691
	2,771,668,443	2,278,512,905
	6,255,865,086	5,772,636,193
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital 30,000,000 (2015 : 30,000,000) Ordinary shares of Rs.10 each	300,000,000	300,000,000
Issued, subscribed and paid-up capital	244,071,980	244,071,980
General reserves	27,000,000	27,000,000
Accumulated losses	(48,862,633)	(31,840,628)
	222,209,347	239,231,352
Surplus on revaluation of fixed assets	1,062,040,318	1,074,993,570
NON CURRENT LIABILITIES		
Long term finances	1,534,786,206	1,062,761,946
Deferred liabilities	320,586,454	360,582,744
Provision for quality premium	264,108,125	264,108,125
Subordinated loan	168,361,047	168,361,047
	2,287,841,832	1,855,813,862
CURRENT LIABILITIES		
Current portion of long term finances	284,555,966	272,321,429
Short term borrowings	1,987,502,330	1,946,473,883
Trade and other payables	253,081,279	230,270,396
Accrued mark-up	100,136,473	97,256,962
Taxation - net	58,497,541	56,274,739
	2,683,773,589	2,602,597,409
CONTINGENCIES AND COMMITMENTS	7 -	-
	6,255,865,087	5,772,636,193

The annexed notes from 1 to 10 form an integral part of these financial statements.

Director

Director

Due to non-availability of Chief Executive in Pakistan as per the requirement of section 241 of the Companies Ordinance, 1984 Mr. Dawoodi Morkas & Mr. Khawaja Aleem Majid, being the directors of the company, be authorized to sign the un-audited financial statements of the company for the quarter ended 31 December, 2015.



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE 1ST QUARTER ENDED DECEMBER 31, 2015**

	Un-Audited December 31, 2015 Rupees	Un-Audited December 31, 2014 Rupees
Sales - net	754,228,712	111,809,767
Cost of sales	(733,590,270)	(88,244,120)
Gross profit	20,638,442	23,565,647
Operating expenses		
Selling and distribution expenses	(953,765)	(342,319)
Administrative expenses	(15,304,059)	(17,828,526)
	(16,257,824)	(18,170,845)
Operating profit	4,380,618	5,394,802
Finance cost	(71,539,199)	(116,541,339)
Other income	4,472,714	3,987,868
	(67,066,485)	(112,553,471)
Loss before taxation	(62,685,867)	(107,158,669)
Taxation	32,710,611	21,768,544
	(29,975,256)	(85,390,125)
Loss after taxation	(29,975,256)	(85,390,125)
Loss per share - Basic & Diluted	(1.23)	(3.50)

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**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UN-AUDITED)
FOR THE 1ST QUARTER ENDED DECEMBER 31, 2015**

	Un-Audited December 31, 2015 Rupees	Un-Audited December 31, 2014 Rupees
Loss after taxation	(29,975,256)	(85,390,125)
Incremental depreciation arising from revaluation of property, plant and equipment - net of tax	12,953,251	16,894,035
Total comprehensive loss for the year	<u>(17,022,005)</u>	<u>(68,496,090)</u>

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**CONDENSED INTERIM CASH FLOW STATEMENT (UN - AUDITED)
FOR THE 1st QUARTER ENDED 31 DEC, 2015**

	Un-Audited December 31, 2015 Rupees	Un-Audited December 31, 2014 Rupees
Loss before taxation	(62,685,867)	(107,158,669)
Adjustments for :		
Depreciation	15,031,229	36,176,077
Amortization	102,883	28,015
Finance cost	71,075,170	112,342,040
Unrealized profit on investment	(4,472,714)	(3,987,868)
	81,736,568	144,558,264
Operating (loss) / profit before working capital changes	19,050,701	37,399,595
Changes in working capital :		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(7,664,450)	14,095,606
Stock-in-trade	133,213,512	(379,551,455)
Biological Asset	-	(3,000,000)
Trade debts	(267,761,714)	97,108,954
Loans and advances	(386,235,474)	35,837,665
Short term deposits, prepayments and other receivables	38,904,169	(39,785,030)
	(489,543,957)	(275,294,260)
Increase in current liabilities:		
Trade and other payables	22,810,883	70,309,062
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash generated from / (used in) operations	(447,682,373)	(167,585,603)
Taxes paid	(5,319,485)	188,375
Long term staff loans (sanctioned) / received	(734,756)	573,796
Finance cost paid	(68,195,658)	(101,044,337)
Net cash used in operating activities	(521,932,272)	(267,867,769)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure incurred	-	(485,000)
Long term deposits	-	(56,061)
Long term loan to staff	-	573,796
Net cash used in investing activities	-	32,735
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term borrowings obtained during the year net of repayments	484,258,797	23,891,137
Short term Finances to Financial Institutions	41,028,447	100,468,473
Deferred Liabilities	256,608	-
Net cash flow from financing activities	525,543,852	124,359,610
Net decrease in cash and cash equivalents	3,611,580	(143,475,424)
Cash and cash equivalents at the beginning of the year	11,538,691	164,367,559
Cash and cash equivalents at the end of the period	15,150,271	20,892,135

The annexed notes from 1 to 10 form an integral part of these financial statements.

Director

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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(UN-AUDITED)
FOR THE 1ST QUARTER ENDED DEC 31, 2015**

	Issued, subscribed and paid-up capital	General reserve	Unappropriated profit / (Accumulated loss)	Total
	------(Rupees)-----			
Balance as at October 01, 2014	244,071,980	27,000,000	(343,798,111)	(72,726,131)
Profit/(Loss) after taxation	-	-	293,182,273	293,182,273
Other Comprehensive Income				
Remeasurement of define benefit liability	-	-	(720,629)	(720,629)
Incremental depreciation on revalued fixed assets - net of tax	-	-	19,495,839	19,495,839
Balance as at September 30, 2015	244,071,980	27,000,000	(31,840,628)	239,231,352
Balance as at October 01, 2015	244,071,980	27,000,000	(31,840,628)	239,231,352
Loss after taxation	-	-	(29,975,256)	(29,975,256)
Incremental depreciation on revalued fixed assets - net of tax	-	-	12,953,251	12,953,251
Balance as at December 31 2015	244,071,980	27,000,000	(48,862,633)	222,209,347

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**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE 1ST QUARTER ENDED 31 DEC 2015**

1. COMPANY AND ITS OPERATIONS

The company is a Public Limited Company incorporated in Pakistan on 09 July 1989 under the Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange in Pakistan. The registered office of the company is situated at Deh Jagsiyani, Taluka Tando Ghulam Hayder, District Tando Mohammad Khan, Hyderabad, Sindh, and mill is located at Deh Jagsiyani, Taluka Tando Mohammad Khan, District Hyderabad, Sindh. The company is engaged in the manufacturing and sale of white sugar.

2. STATEMENT OF COMPLIANCE

This condensed interim financial report of the company for the 1st Quarter ended 31 Dec 2015 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

3. BASIS OF PREPARATION

This condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standards IAS 34 Interim Financial Reporting as applicable in Pakistan. The condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended September 30, 2015.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended 30 September 2015 .

4.2 The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing the condensed interim financial information, the significant judgments made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements as at and for the year ended 30 September 2015.

5. SEASONAL PRODUCTION

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

Un-audited Dec 31 2015	Un-audited Dec 31 2014
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(Rupees)

6. PROPERTY, PLANT AND EQUIPMENT

Opening book value	3,339,049,464	3,087,434,067
Addition during the period	-	230,018,866
Capital work-in-progress	-	85,125,200
	3,339,049,464	3,402,578,133
Less:		
Disposal during the period	15,031,229	-
Depreciation during the period	15,031,229	63,528,669
	3,324,018,235	3,339,049,464

7. CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies as disclosed in the published annual financial statements for the year ended September 30 2015.

8. RELATED PARTY TRANSACTIONS

The related parties . Amount due from and due to these undertakings are shown under receivables and payables. Transactions with related parties during the period, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	31 DEC 2015	31 DEC 2014
	(Rupees)	
Related parties transactions		
Omni polymer packages pvt ltd (Purchases against polypropylene bags)	6,464,250	5,491,200
Pak Ethanol pvt ltd. (Sale of Molasses)	-	-

9. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on January 27, 2016 by the board of directors.

10. GENERAL

Figures have been rounded off to the nearest rupee.

Director

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ANSARI SUGAR MILLS LIMITED

Deh Jagsiyani, Taluka Tando Ghulam Hayder,
District Tando Muhammad Khan Sindh.