



**UNAUDITED
CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
DECEMBER 31, 2021**

SAKRAND SUGAR MILLS LIMITED



COMPANY PROFILE

BOARD OF DIRECTORS	Mr. Saleem Zamindar Mr. Dinshaw H. Anklesaria Mr. Shams Ghani Mr. Muhammad Jamshid Malik Miss. Sadia Moin Mr. Muhammad Saleem Mangrio Mr. Abdul Qayyum Khan Abbasi	Chairman/Director Chief Executive/Director Executive Director Director Director Director Director
AUDIT COMMITTEE	Miss. Sadia Moin Mr. Saleem Zamindar Mr. Muhammad Saleem Mangrio	Chairperson Member Member
HR COMMITTEE	Mr. Abdul Qayyum Khan Abbasi Mr. Muhammad Jamshid Malik Mr. Shams Ghani	Chairman Member Member
CHIEF FINANCIAL OFFICER	Mr. Shams Ghani	
COMPANY SECRETARY	Mr. Ali Mahmood Khan	
BANKERS	Allied Bank Limited Bank Al Habib Limited Bank Alfalah Limited Habib Bank Limited Meezan Bank Limited MCB Bank Limited National Bank Of Pakistan Soneri Bank Limited Sindh Bank Limited Summit Bank Limited United Bank Limited Al-Baraka Bank Pakistan Limited	
AUDITORS	UHY Hassan Naeem & Co. Chartered Accountants	
LEGAL ADVISOR	Mr. Muhammad Jamshid Malik	
REGISTRAR	M/s JWAFS Registrar Services (Pvt.) Ltd. 407-408, Al Aameera Centre Shahrah-e-Iraq, Saddar Karachi-74400	
REGISTERED OFFICE	41-K, Block-6, P.E.C.H.S., Karachi Phone. 0092-21-35303291-2 www.sakrandsugar.com	
FACTORY ADDRESS	Deh Tharo Unar, Taluka Sakrand District Shaheed Benazir Abad, Sindh.	



DIRECTORS' REPORT

The Directors are pleased to present the un-audited condensed interim financial statements for the three months period ended December 31, 2021 to the members of the Company

Operational Result

The operational performance for the period under review as compared with that of last year is tabulated hereunder.

		Season	
		2021-22	2020-21
		Nov 19, 2021	Nov 06, 2020
Start of Season			
Operational Days		43	56
Sugarcane crushed	M. Tons	148,351	122,941
Production			
Sugar	M. Tons	13,115	11,245
Molasses	M. Tons	6,839	5,662
Recovery			
Sugar	%	8.840	9.147
Molasses	%	4.610	4.605

During the period under review, the mill crushed 148,351 M. tons of sugarcane and produced 13,115 M. tons of Sugar as compared to last period crushing of 122,941 M. tons and sugar produced was 11,245 M. tons. The decline in the recovery was due to less sucrose in the cane crop because of shortage of water in the area and most of the crop of being the late maturity. The recovery factor to be improved in the remaining crushing period.

Financial Result

The Financial Result for the period under review is tabulated hereunder.

Description	Rupees in Millions	
	Oct – Dec 2021	Oct – Dec 2020
Sales – net	989.09	759.73
Gross profit / (loss)	(29.67)	63.46
Profit/(loss) before taxation	(92.80)	4.85
Profit/(loss) after taxation	(104.90)	1.64
Earning per Share	Rs. (2.35)	0.04

The main reasons behind the negative bottom line are the lower recovery percentage and increased cost of main input i.e. Sugarcane. Government of Sindh fixed price of Cane at Rupees 250/- per maund as against the price of Rupees 202/- per maund in previous year. In addition to the higher cost of cane, additional transportation cost to be borne for cane procured from far flung areas in order to run the mill at the maximum capacity. On the contrary, Government of Punjab fixed the price of cane for Punjab Province at Rupees 225/- per maund whereas the selling price of Sugar prevails the same throughout the country. Hence, the mills operating in Sindh province had a major disadvantage as to the cost of input. To overcome this disparity various representation were made by the Association – Sindh Zone to the relevant authorities but of no avail.



Acknowledgement

The Directors place on record their appreciation for devotion of duty, loyalty and hard work of the executives, officers, staff members and workers for smooth running of the company's affairs and hope that they will continue for enhancement of productivity with great zeal and spirit under the blessings of Almighty Allah.

For and on behalf of the Board of Directors

Paleem Zamindar

Director

Qamruddin

Director

Dated: September 23, 2022



ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی پہلی سہ ماہی کے غیر آڈٹ شدہ مالیاتی حسابات برائے 31 دسمبر 2021 پیش خدمت ہیں۔ کمپنی کی مجموعی کارکردگی کا تقابلی جائزہ مندرجہ ذیل اعداد و شمار سے لگایا جاسکتا ہے۔

آپریٹنگ نتائج

		Season	
		2021-22	2020-21
Start of Season		Nov 19, 2021	Nov 06, 2020
Operational Days		43	56
Sugarcane crushed	M. Tons	148,351	122,941
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Recovery			
Sugar	%	8.840	9.147
Molasses	%	4.610	4.605

زیر جائزہ مدت کے دوران، مل نے 148,351 میٹرک ٹن گنے کی کرشنگ کی اور 13,115 میٹرک ٹن چینی پیدا کی جبکہ گزشتہ سہ ماہی کی کرشنگ 122,941 میٹرک ٹن تھی اور چینی کی پیداوار 11,245 میٹرک ٹن تھی۔ ریکوری میں کمی گنے کی فصل میں کم سکروز کی وجہ سے ہوئی کیونکہ زیادہ تر فصل دیر سے پکی اور علاقے میں پانی کی کمی تھی۔ بقیہ کرشنگ مدت میں ریکوری کے عنصر کو بہتر بنانے کی کوشش کی گئی۔

مالیاتی نتائج

Description	Rupees in Millions	
	Oct – Dec 2021	Oct – Dec 2020
Sales – net	989.09	759.73
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Profit/(loss) before taxation	(92.80)	4.85
Profit/(loss) after taxation	(104.90)	1.64
Earning per Share	Rs. (2.35)	0.04

منفی نتائج کے پیچھے بنیادی وجوہات میں ریکوری میں کمی اور گنے کی قیمت میں اضافہ ہے۔ حکومت سندھ نے گنے کی قیمت 250 روپے فی من مقرر کی ہے جبکہ پچھلے سال کی قیمت 202 روپے فی من تھی۔ گنے کی زیادہ لاگت کے علاوہ، مل کو زیادہ سے زیادہ صلاحیت پر چلانے کے لیے دور دراز کے علاقوں سے منگوائے جانے والے گنے کے لیے اضافی نقل و حمل کی لاگت برداشت کرنی پڑتی ہے۔ اس کے برعکس حکومت پنجاب نے صوبہ پنجاب کے لیے گنے کی قیمت 225 روپے فی من مقرر کی جبکہ چینی کی فروخت کی قیمت پورے ملک میں یکساں ہے۔ لہذا، صوبہ سندھ میں کام کرنے والی ملوں کو گنے کی لاگت کے حوالے سے ایک بڑا نقصان تھا۔ اس تفاوت کو دور کرنے کے لیے ایسوسی ایشن سندھ زون کی جانب سے متعلقہ حکام سے مختلف پلیٹ فارم پر بات کی گئی لیکن کوئی فائدہ نہیں ہوا۔



آخر میں، میں تمام کمپنی اسٹاف کا ان کی انتھک محنت کے لیے تہ دل سے شکر گزار ہوں اور اللہ رب العزت کے حضور دعا گو ہوں کہ وہ کمپنی کو بہتری اور کامیابی کی طرف گامزن فرمائے۔ آمین

برائے سکریٹری جنرل ملز لمیٹڈ

Qamruddin

ڈائریکٹر

Paleem Zamindar

ڈائریکٹر

بتاریخ: 23 ستمبر 2022



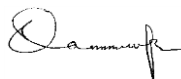
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021**

	Un-audited December 31, 2021 Rupees in '000'	Audited September 30, 2021 Rupees in '000'
ASSETS		
Non-Current Assets		
Property, plant and equipment	3,225,604	3,232,714
Intangible asset	1,356	1,478
Long-term loans	459	503
Long-term deposits	2,098	2,098
	<u>3,229,517</u>	<u>3,236,793</u>
Current Assets		
Stores, spares and loose tools	106,781	79,744
Stock-in-trade	138,323	51,301
Trade debts	179,047	179,047
Loans and advances	35,964	50,834
Prepayments and other receivables	41,642	44,990
Cash and bank balances	25,102	23,867
	<u>526,860</u>	<u>429,783</u>
Total Assets	<u><u>3,756,377</u></u>	<u><u>3,666,576</u></u>
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorized share capital		
60,000,000 ordinary shares of Rs. 10 each	<u>600,000</u>	<u>600,000</u>
Share capital		
Issued, subscribed and paid-up capital	446,160	446,160
Revenue reserves		
Accumulated loss	(1,387,266)	(1,292,292)
Capital reserves		
Surplus on revaluation of property, plant and equipment-net of deferred tax	1,799,582	1,809,512
Directors'/Sponsors' subordinated loan	<u>92,767</u>	<u>92,767</u>
	<u>951,242</u>	<u>1,056,147</u>
Non-Current Liabilities		
Deferred taxation	12,760	12,760
Deferred liabilities	71,692	71,996
	<u>84,452</u>	<u>84,756</u>
Current Liabilities		
Trade and other payables	1,417,024	1,262,534
Unclaimed dividend	6,198	6,198
Unpaid dividend	68	68
Accrued mark-up	298,575	269,311
Current maturity of long-term financing	924,091	924,091
Taxation - net	74,726	63,472
	<u>2,720,682</u>	<u>2,525,674</u>
Total Equity and Liabilities	<u><u>3,756,377</u></u>	<u><u>3,666,576</u></u>

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



Director



Chief Financial Officer



Director



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE PERIOD ENDED DECEMBER 31, 2021
(UN-AUDITED)**

	1st Quarter December 2021	1st Quarter December 2020
Rupees in '000'.....	
Sales - net	989,093	759,726
Cost of sales	(1,018,765)	(696,262)
Gross (loss) / profit	(29,672)	63,464
Operating expenses		
Administrative expenses	(32,493)	(27,890)
Selling and distribution cost	(1,351)	(2,110)
	(33,843)	(30,000)
Operating (loss) / profit	(63,515)	33,465
Finance cost	(29,285)	(28,618)
(Loss) / profit before taxation	(92,800)	4,847
Taxation-net	(12,104)	(3,206)
(Loss) / profit after taxation	(104,904)	1,641
(Loss)/Earning per share - Basic and diluted	(2.35)	0.04

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

Pakeem Zamindar

Director

Qamruddin

Chief Financial Officer

Qamruddin

Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2021
(UN-AUDITED)**

	1st Quarter December 2021	1st Quarter December 2020
Rupees in '000'.....	
(Loss) / Profit after taxation	(104,904)	1,641
Other comprehensive income for the period	-	-
Total comprehensive (loss) / income for the period	(104,904)	1,641

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

Faleem Zamindar

Director

Qamruddin

Chief Financial Officer

Qamruddin

Director



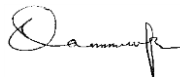
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2021
(UN-AUDITED)

	1st Quarter December 2021	1st Quarter December 2020
Rupees in '000'.....	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(92,800)	4,847
Adjustments for non cash charges and other items :		
Depreciation	25,707	13,836
Amortisation	122	182
Finance cost	29,264	28,618
	55,093	42,636
Working capital changes		
Change in current assets		
Stores, spares and loose tools	(27,037)	(2,482)
Stock-in-trade	(87,022)	(164,294)
Loans and advances	14,869	(5,270)
Prepayments and other receivables	3,348	(4,194)
	(95,842)	(176,239)
Change in current liabilities		
Trade and other payables	154,185	172,038
Cash generated from operations	20,635	43,281
Taxes paid	(850)	(1,415)
Finance cost paid	-	(40)
Net cash generated from operating activities	19,786	41,826
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(18,598)	(45,909)
Long term loans	-	80
Net cash used in investing activities	(18,598)	(45,829)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans to employees	45	-
Net cash generated from / (used in) financing activities	45	-
Net increase / (decrease) in cash and cash equivalents	1,232	(4,003)
Cash and cash equivalents at the beginning of the period	23,870	28,337
Cash and cash equivalents at the end of the period	25,102	24,334

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



Director



Chief Financial Officer



Director



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2021
(UN-AUDITED)

	Share Capital	Capital Reserves	Revenue Reserves	Directors' / sponsors' / subordinated loan	Total
	Issued, subscribed & paid-up capital	Surplus on revaluation of property, plant and equipment	Un-appropriated profit / Accumulated loss		
..... Rupees in '000'.....					
Balance as at October 01, 2020	446,160	1,687,975	(958,473)	92,767	1,268,428
Profit after taxation	-	-	1,641	-	1,641
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	1,641	-	1,641
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation- net of tax	-	(1,679)	1,679	-	-
Balance as at December 31, 2020	446,160	1,686,295	(955,153)	92,767	1,270,069
Balance as at October 01, 2021	446,160	1,809,512	(1,292,292)	92,767	1,056,147
Loss after taxation	-	-	(104,904)	-	(104,904)
Other comprehensive income / (loss) for the period	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	(104,904)	-	(104,904)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation- net of tax	-	(9,930)	9,930	-	-
Balance as at December 31, 2021	446,160	1,799,582	(1,387,266)	92,767	951,242

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

Paleem Zamindar

Director

Samir

Chief Financial Officer

[Signature]

Director



**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2021**

1. These financial statements are unaudited and are being submitted to the shareholders as required by the listing regulation of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.
2. These financial statements have been prepared in compliance with the requirements of International Accounting Standards-34 "Interim financial reporting" as adopted by the Institute of Chartered Accountants of Pakistan which are applicable to the Company.
3. The accounting policies and methods of computation allowed for the preparation of these accounts are same as those applied in the preparation of the preceding annual accounts of the Company for the year ended September 30, 2021.
4. These financial statements were approved on September 23, 2022 by the Board of Directors of the Company.
5. Figures have been rounded off to the nearest thousand rupees.

Pakeem Zamindar

Director

Qammar

Chief Financial Officer

[Signature]

Director