



**UNAUDITED
CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
JUNE 30, 2018**

SAKRAND SUGAR MILLS LIMITED



COMPANY PROFILE

BOARD OF DIRECTORS	Mr. Jamil Akberi Mr. Dinshaw H. Anklesaria Mr. Abdul Naeem Quraishi Mr. Neville Mehta Dr. Jamshed H. Anklesaria	Chairman/Director Chief Executive/Director Director Director Director
AUDIT COMMITTEE	Mr. Abdul Naeem Quraishi Mr. Jamil Akbari Mr. Neville Mehta	Chairman Member Member
HR COMMITTEE	Mr. Jamil Akberi Mr. Neville Mehta	Member Member
CHIEF FINANCIAL OFFICER	Mr. Amad Uddin	
COMPANY SECRETARY	Mr. Amad Uddin	
BANKERS	Allied Bank Limited Bank Al Habib 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	
AUDITORS	Parker Randall - A.J.S. Chartered Accountants	
LEGAL ADVISOR	Barrister Muhammad Jameel Choudhry	
REGISTRAR	M/s JWAFPS Registrar Services (Pvt.) Ltd. 407-408, Al Ameera 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

On behalf of the Board of Directors, it is my privilege to present to you the unaudited condensed interim financial statements of the Company for the Third Quarter and Nine months ended June 30, 2018.

The financial results show an operating profit of Rs. 393.139 million and pre-tax profit of Rs. 507.052 million as compared to operating loss of Rs. 51.794 million and pre-tax loss of Rs. 62.635 million of the corresponding period 2016-17.

The Company's overall performance can be summarized in the following comparative statistics:

OPERATING RESULTS		2017-18	2016-17
Season started		30-Nov-17	15-Nov-16
Season closed		26-April-18	15-Mar-17
Duration of season		148	121
Sugarcane crushed	MT	367,222	459,573
Sugar produced	MT	39,660	42,320
Sugar recovery	%	10.800	9.221
Molasses produced	MT	20,197	19,530
Molasses recovery	%	5.500	4.252

During the season, the price of Sugar Cane was fixed at Rs. 160 per maund in guidelines as per the Suo Moto notice taken by the Honourable Supreme Court of Pakistan.

By the Grace of Almighty Allah, hard work of management and quality focused approach, we succeed to achieve high sugar recovery of 10.800 % which resulted in increasing our gross margins to many folds and a high earning per share value.

In addition, strict internal controls, addition to technical equipments, mechanical improvements and professionally implemented strategies by the management, all responding to optimum results in terms of reduction in costs and maximisation of revenue. We are confident of achieving a higher economies of scale and more profitability in the coming years.

The hard work and serious efforts of the employees of the Company needs to be lauded and I hope they will continue with the same zeal and fervour in the future.

ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے تیسری سہ ماہی اور نو ماہ کے غیر آڈٹ شدہ مالیاتی حسابات برائے 30 جون 2018 پیش خدمت ہیں۔

اس دوران ادارے کے مالیاتی نتائج میں 393.139 ملین کا آپریٹنگ منافع اور ٹیکس سے پہلے کا منافع 507.052 ملین رہا جو کہ گزشتہ سال اسی دوران میں 51.794 ملین خسارہ جبکہ ٹیکس سے پہلے 62.635 ملین کا خسارہ دیکھا گیا تھا۔

دوران سیزن معزز سپریم کورٹ نے از خود نوٹس لیتے ہوئے گنے کی امدادی قیمت 160 فی من مقرر کی۔ اللہ کے کرم سے انتظامیہ کی انتھک محنت اور اعلیٰ معیار کو مدنظر رکھنے کی وجہ سے ہم نے 10.8% کی بہترین ریکوری حاصل کی جس کی وجہ سے ہمارا مجموعی مارجن کئی گنا بڑھ گیا اور بہترین فی حصص آمدنی بھی حاصل ہوئی۔ اس کے ساتھ ساتھ اندرونی کنٹرول پر مزید بہتری، جدید مشینری، تجربہ کار اسٹاف، میکانیکل اصلاحات اور نئی ٹیکنیکی سامان کی بدولت پیداواری لاگت میں واضح کمی اور آمدن کے ذریعہ میں واضح بہتری ہوئی۔

میں کمپنی کے تمام ملازمین کی کاوشوں کو بھرپور سراہتا ہوں اور امید کرتا ہوں کہ ہم مستقبل میں بھی کامیابیوں کا سفر جاری رکھیں گے۔

D. H. Anklesaria

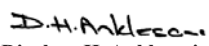
Dinshaw H. Anklesaria
Chief Executive
Dated: July 31, 2018

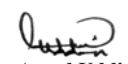


**CONDENSED INTERIM
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018**

	Un-audited June 30, 2018	Audited September 30, 2017
ASSETS		
..... Rupees in '000'		
NON-CURRENT ASSETS		
Property, plant and equipment	2,978,703	2,936,016
Intangible assets	4,670	-
Long-term investments	96,346	178,590
Long-term loans	337	344
Long-term deposits	2,114	1,626
	<u>3,082,171</u>	<u>3,116,576</u>
CURRENT ASSETS		
Stores, spares and loose tools	34,013	28,490
Stock-in-trade	327,904	3,374
Trade debts - secured	33,656	160,287
Loans and advances	29,151	40,803
Prepayments and other receivables	194,224	14,842
Short-term investments	-	86,000
Tax refund due from government	23,994	23,377
Cash and bank balances	153,685	141,775
	<u>796,627</u>	<u>498,948</u>
TOTAL ASSETS	<u>3,878,798</u>	<u>3,615,524</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
Capital reserve		
Surplus on revaluation of fixed assets	1,794,479	1,811,584
Revenue reserve		
Accumulated loss	(401,245)	(824,289)
Directors'/Sponsors' subordinated loan	92,767	92,767
	<u>1,932,160</u>	<u>1,526,222</u>
NON-CURRENT LIABILITIES		
Deferred taxation	348,065	315,048
Long term finance - secured	1,081,239	618,907
Deferred liabilities	76,868	76,070
	<u>1,506,172</u>	<u>1,010,025</u>
CURRENT LIABILITIES		
Trade and other payables	306,414	994,463
Short-term borrowings	65,997	81,247
Accrued mark-up	25,384	1,992
Current tax liability	42,670	1,575
	<u>440,466</u>	<u>1,079,277</u>
TOTAL EQUITY AND LIABILITIES	<u>3,878,798</u>	<u>3,615,524</u>

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


Dinshaw H. Anklesaria
Chief Executive / Director


Amad Uddin
Chief Finance Officer


Jamil Akberi
Director

Dated: July 31, 2018



**CONDENSED INTERIM STATEMENT OF
PROFIT AND LOSS ACCOUNT**
FOR THE NINE MONTHS AND THIRD QUARTER ENDED JUNE 30, 2018 (UNAUDITED)

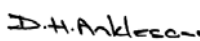
	Nine Months ended		Quarter ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
..... Rupees in '000'				
Sales - net	1,760,641	2,342,933	495,532	211,244
Cost of sales	(1,294,359)	(2,331,200)	(370,223)	(276,266)
Gross profit / (loss)	466,282	11,733	125,309	(65,021)
Operating expenses				
Administrative expenses	(66,646)	(60,356)	(21,007)	(18,134)
Distribution cost	(6,497)	(3,171)	(1,832)	(45)
	(73,143)	(63,527)	(22,840)	(18,179)
Operating profit / (loss)	393,139	(51,794)	102,469	(83,201)
Finance cost				
Other charges	(76,432)	(27,904)	(27,088)	(13,204)
Unrealized gain / (loss) on loan amortisation	(24,915)	-	-	-
Other income	(594)	14,436	-	4,821
	215,855	2,627	89,351	1,890
	113,913	(10,841)	62,263	(6,493)
Profit / (Loss) before tax	507,052	(62,635)	164,733	(89,694)
Income tax	(101,113)	264,640	(529)	93,703
Profit after tax	405,939	202,005	164,204	4,009
Earning per share - Basic and diluted (Rs.)	9.10	9.06	3.68	0.18

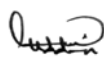
The annexed notes form an integral part of these financial statements.

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME**
FOR THE NINE MONTHS AND THIRD QUARTER ENDED JUNE 30, 2018 (UNAUDITED)

	Nine Months ended		Quarter ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
..... Rupees in '000'				
Net profit for the period	405,939	202,005	287,992	4,009
Other comprehensive income	-	-	-	-
Total Comprehensive Income for the period	405,939	202,005	287,992	4,009

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


Dinshaw H. Anklesaria
Chief Executive / Director


Amad Uddin
Chief Finance Officer


Jamil Akberi
Director


Dated: July 31, 2018

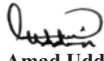


CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED JUNE 30, 2018
(UNAUDITED)

	June 30, 2018	June 30, 2017
..... Rupees in '000'		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	507,052	(62,635)
Adjustments for:		
Depreciation	47,624	98,243
Amortisation	923	-
Finance cost	72,808	24,141
Interest expense-imputed	3,624	3,763
Gain on disposal of property, plant & equipment	-	(307)
Gain on amortisation of investment	594	(14,463)
WPPF	16,049	-
WWF	6,551	-
Export subsidy	130,940	-
Liabilities written back	80,751	-
Effect of increase in KIBOR	-	27
Provision for gratuity	1,053	989
	<u>360,918</u>	<u>112,392</u>
Operating profit before working capital changes	867,970	49,758
(Increase) / decrease in current assets		
Stores, spares and loose tools	(5,523)	(513)
Stock in trade	(324,530)	(8,899)
Trade and other receivables	126,631	(1,983)
Loans and advances	11,652	(6,238)
Prepayments and other receivables	(310,322)	(8,487)
	<u>(502,092)</u>	<u>(26,120)</u>
(Decrease) / Increase in current liabilities		
Trade and other payables	(791,657)	(47,153)
	<u>(1,293,749)</u>	<u>(73,273)</u>
	<u>(425,780)</u>	<u>(23,515)</u>
Taxes paid	(27,615)	(9,837)
Finance cost paid	(49,415)	(19,344)
	<u>(77,030)</u>	<u>(29,181)</u>
Net cash (used in) operating activities	<u>(502,810)</u>	<u>(52,696)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(95,907)	(10,190)
Disposal of property, plant and equipment	-	1,000
Short term investment	86,000	-
Long term investment	81,650	-
Long term loans	7	(63)
Long term deposits	(488)	(195)
Net cash generated from / (used in) investing activities	<u>71,262</u>	<u>(9,448)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Advance against issue of right shares	-	144,294
Long term loans	458,708	(41,667)
Net cash generated from financing activities	<u>458,708</u>	<u>102,627</u>
Net increase in cash and cash equivalents	27,160	40,483
Cash and cash equivalents at the beginning of the period	60,528	(123,665)
Cash and cash equivalents at the end of the period	<u>87,688</u>	<u>(83,182)</u>

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


Dinshaw H. Anklesaria
Chief Executive / Director


Amad Uddin
Chief Finance Officer


Jamil Akberi
Director

Dated: July 31, 2018




**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED JUNE 30, 2018
(UNAUDITED)**

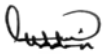
	Issued, subscribed & paid-up capital	Revaluation surplus on property, plant and equipment	Un-appropriated profit / Accumulated loss	Directors' / sponsors subordinated loan	Total
..... Rupees in '000'					
Balance as at October 01, 2016	223,080	1,849,374	(1,045,626)	65,767	1,092,595
Total comprehensive income for the period	-	-	202,005	-	202,005
Transferred from surplus on revaluation of fixed assets - incremental depreciation charged during the period - net of deferred tax	-	(54,322)	54,322	-	-
Balance as at June 30, 2017	223,080	1,795,052	(789,299)	65,767	1,294,599
Balance as at October 01, 2017	446,160	1,811,583	(824,289)	92,767	1,526,221
Total comprehensive income for the period	-	-	405,939	-	405,939
Transferred from surplus on revaluation of fixed assets - incremental depreciation charged during the period - net of deferred tax	-	(17,104)	17,104	-	-
Balance as at June 30, 2018	446,160	1,794,479	(401,245)	92,767	1,932,160

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

**NOTES TO THE
CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2018**

1. These financial statements are unaudited and are being submitted to the shareholders as required by the Securities and Exchange Commission of Pakistan.
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 method 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, 2017.
4. Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.


Dinshaw H. Anklesaria
Chief Executive / Director


Amad Uddin
Chief Finance Officer


Jamil Akberi
Director

Dated: July 31, 2018

CORPORATE

BOOK POST

UNDER POSTAL CERTIFICATE



SAKRAND SUGAR MILLS LIMITED
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