



**HALF YEARLY
UNAUDITED ACCOUNTS
31ST MARCH, 2016**

SAKRAND SUGAR MILLS LIMITED



COMPANY PROFILE

BOARD OF DIRECTORS	Mr. Dinshaw H. Anklesaria Mr. Jamil Akberi Syed Abid Hussain Mr. Abdul Naeem Quraishi Mr. Neville Mehta Mrs. Fatma Gulamali Dr. Jamshed H. Anklesaria	Chief Executive/ Director Director Director Director Director Director
AUDIT COMMITTEE	Mr. Abdul Naeem Quraishi Mr. Jamil Akberi Mr. Neville Mehta	Chairman Member Member
HR & R COMMITTEE	Syed Abid Hussain Mr. Jamil Akberi Mr. Neville Mehta	Chairman Member Member
CHIEF FINANCIAL OFFICER	Mr. Farhaj Badar	
COMPANY SECRETARY	Mr. Mustafa Kanani	
BANKERS	Allied Bank Limited Habib Bank Limited MCB Bank Limited National Bank of Pakistan Sindh Bank Limited Summit Bank Limited United Bank Limited	
AUDITORS	M/s. Haroon Zakaria & Co. Chartered Accountants	
LEGAL ADVISOR	Abdul Naeem Quraishi, Adv.	
REGISTRAR	JWAFFS Registrar Services (Private) Limited 407-408, Al Ameera Centre Shahrah-e-Iraq, Saddar Karachi-74400	
REGISTERED OFFICE	41-K, Block 6, P.E.C.H.S., Karachi. Fax: 021-34546456 www.sakrandsugar.com	
FACTORY	Deh Tharo Unar, Taluka Sakrand, District Shaheed Benazirabad, Sindh.	



DIRECTORS' REPORT

On behalf of the Board of Directors, it is my privilege to present to you the unaudited interim condensed financial statements of the Company for the half year ended March 31, 2016.

The company's overall performance can be seen from the following comparative statistics:

		2015-16	2014-15
OPERATING RESULTS			
Season started		24-Nov-15	05-Dec-14
Season Closed		01-Mar-16	12-Mar-15
Duration of season		99	98
Sugarcane crushed	Tonnes	296,274	441,621
Sugar produced	Tonnes	29,925	45,100
Sugar recovery	%	10.09	10.21
Molasses produced	Tonnes	12,354	18,700
Molasses recovery	%	4.164	4.236

The mill started crushing on November 24, 2015 and closed on March 01, 2016. During the current season the mill operated 99 days and crushed 296,274, 614 Metric tons of sugarcane and produced 29, 925 M.T. of sugar with an average recovery rate of 10.09% as compared to last season when it operated 98 days and crushed of 441,621 Metric tons of of sugarcane to produced 45,100 M.T. of sugar with an average recovery of 10.21%. In current season the production of molasses decreased to 12,354 metric tons with average recovery of 4.164% as compare to 18, 700 last year with an average recovery of 4.236%.

The Government of Sindh vide notification No.8/(142)/S.O(Ext)95-XXIII dated January 04, 2016 fixed the minimum sugarcane support price for the season 2015-16 at Rs. 172 per 40 kg (2014-15: Rs. 172 per 40 kg) and Rs. 0.50 per 40 kg for each 0.1 percent of excess sucrose recovery above 8.7 percent as quality premium.

This year, due to the shortage of sugarcane availability and supply, the growers are demanding much higher prices over and above the minimum support price of Rs.172 per 40 kg. This has resulted in a serious price war amongst the sugar mills. All the mills are procuring sugarcane at exorbitant rates which ultimately affects the prices of sugar. Further the company is also under immense pressure of growers regarding their outstanding payments.

Beside heavy losses of the company and all the hardships facing by the industry the management of the company is doing their best efforts to keep smooth operations of the company and to keep going the company.

Dinshaw H. Anklesaria

Chief Executive

Dated: May 30, 2016



INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim balance sheet of Sakrand Sugar Mills Limited as at March 31, 2016, and the related condensed interim profit and loss account, condensed interim statement of other comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and notes to accounts for the six month period then ended (here-in-after referred to as the "Interim financial information"). Management is responsible for the preparation and fair presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Basis for qualified conclusion

- a) The Company has derecognized bank liabilities of Rs.241.815 million in 2009, the waiver of which is dependent on compliance with term of settlement and rescheduling arrangements. This result in understatement of liabilities and losses by Rs.241.815 million.
- b) Markup on IDBP loan liabilities is not recorded since 2010 owing to litigation. Currently its impact could not be determined owing to non availability of accurate mark up rate.
- c) Confirmation from MCB remained un-responded during audit for the year ended September 30, 2015 and relevant facts are still unsubstantiated including non accrual of markup since 2008.
- d) Confirmation from trade debts of Rs.130.138 million remained un-responded during audit for the year ended September 30, 2015 and relevant facts are not substantiated by us.

Qualified conclusion

Except for the effects of adjustments that may arise had we been able to satisfy ourselves regarding matters reported in the paragraphs a) to d) above, nothing has come to our attention that causes us to believe that the accompanying interim financial information for the period ended March 31, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



Emphasis of matter paragraph

Without qualifying our conclusion, we draw attention to the note 1.2 which indicates that the company has incurred continuous losses and its accumulated losses has reached to Rs.1,002.75 million and its current liabilities has exceeded its current assets by Rs.1,256.95 million. These conditions indicate the existence of material uncertainty that may cause significant doubts about the company's ability to continue as a going concern.

We further draw attention to note 2.2 which explains as to why compliance with relevant retirement of IAS 39 will produce misleading results.

Other matter paragraph

The figures of the condensed profit and loss account for the quarters ended March 31, 2016 and March 31, 2015 have not been reviewed as we are required to review only the cumulative figures for the six months period ended March 31, 2016.

Haroon Zakaria & Company
Chartered Accountants
Engagement Partner: Farhan Ahmed Memon

Karachi
Dated: May 30, 2016



**CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2016**

		Unaudited March 31, 2016	Audited September 30, 2015
ASSETS		(Rupees)	
Non-Current Assets			
Property, plant and equipment	5	2,408,463,110	2,468,869,990
Long term investments		150,117,621	141,520,264
Long term loans		232,923	318,991
Long term deposits		1,431,283	1,431,282
Current Assets			
Stores, spares and loose tools		25,369,601	29,109,445
Stock in trade		527,602	8,632,883
Trade debts - Unsecured (Considered good)	7	133,801,857	132,548,433
Loans and advances		42,348,472	45,872,861
Prepayments and other receivables		14,529,737	13,009,074
Taxation refundable		44,831,393	39,511,148
Cash and bank balances	6	5,008,779	7,353,819
		266,417,441	276,037,663
Total Assets		2,826,662,378	2,888,178,190
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital		250,000,000	250,000,000
Issued, subscribed and paid-up capital		223,080,000	223,080,000
Accumulated loss		(1,002,753,541)	(881,713,717)
		(779,673,541)	(658,633,717)
Surplus on revaluation of fixed assets		1,370,991,780	1,402,329,336
Non-Current Liabilities			
Subordinate loan from directors		65,766,502	65,766,502
Deferred taxation		398,532,260	424,508,898
Long term finance - Secured			
Markup bearing		225,938,836	236,326,479
Markup free		9,704,187	9,237,215
		235,643,023	245,563,694
Provision for gratuity		12,027,624	11,861,268
Current Liabilities			
Trade and other payables		1,205,299,534	1,085,767,117
Short term borrowings	8	124,996,633	124,996,633
Mark up accrued		30,477,478	29,292,326
Current portion of non current liabilities		162,601,085	156,726,133
		1,523,374,730	1,396,782,209
Contingencies and Commitments	9	2,826,662,378	2,888,178,190

The annexed notes from 1 to 15 form an integral part of these financial statements.

Dinshaw H. Anklesaria
Chief Executive/Director

Syed Abid Hussain
Director



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR AND QUARTER ENDED MARCH 31, 2016
(UN-AUDITED)**

	Note	For the Half Year ended		For the Quarter ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
(R u p e e s)					
Sales-Net	10	1,528,012,240	1,905,733,233	1,256,774,688	1,180,185,182
Cost of sales	11	(1,624,530,872)	(1,861,961,989)	(1,282,200,049)	(1,110,582,453)
Gross Loss		(96,518,632)	43,771,244	(25,425,361)	69,602,729
Operating expenses					
Administrative expenses		(70,214,414)	(76,235,602)	(37,228,810)	(41,711,207)
Distribution cost		(3,747,729)	(3,490,302)	(2,700,012)	(2,449,502)
		(73,962,143)	(79,725,904)	(39,928,822)	(44,160,709)
Operating loss		(170,480,775)	(35,954,660)	(65,354,183)	(25,442,020)
Finance cost		(15,632,344)	(18,335,274)	(9,972,368)	(6,515,809)
Other charges		(164,337)	(140,000)	-	(59,984)
Unrealised gain on loan amortisation		7,910,086	398,693	3,611,407	(3,434,279)
Other income		13,350	1,769,135	13,350	1,760,136
		(7,873,245)	(16,307,446)	(6,347,611)	(8,249,936)
Loss before taxation		(178,354,020)	(52,262,106)	(71,701,794)	17,192,084
Provision for taxation					
Current		-	(19,057,332)	-	-
Deferred		25,976,638	(78,949,386)	-	(78,949,386)
		25,976,638	(98,006,718)	-	(78,949,386)
Loss after taxation		(152,377,382)	(150,268,824)	(71,701,794)	(61,757,302)
Loss Per Share-Basic and Diluted		(6.83)	(6.74)	(3.21)	(2.77)

The annexed notes from 1 to 15 form an integral part of these financial statements.

Dinshaw H. Anklesaria
Chief Executive/Director

Syed Abid Hussain
Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR AND QUARTER ENDED (UN-AUDITED)
MARCH 31, 2016**

	For the Half Year ended		For the Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(R u p e e s)			
Loss for the period	(152,377,382)	(150,268,824)	(71,701,794)	(61,757,302)
Other comprehensive income				
Transfer from surplus on revaluation of on property, plant and equipment on account of incremental depreciation net of deferred tax	31,337,558	33,259,846	15,547,820	16,629,923
Total comprehensive loss for the period transferred to equity	<u>(121,039,824)</u>	<u>(117,008,978)</u>	<u>(56,153,974)</u>	<u>(45,127,379)</u>

The annexed notes from 1 to 15 form an integral part of these financial statements.

Dinshaw H. Anklesaria
Chief Executive/Director

Syed Abid Hussain
Director



**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED (UN-AUDITED)
MARCH 31, 2016**

	March 31, 2016	March 31, 2015
(Rupees)		
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(178,354,020)	(52,262,106)
Adjustment for:		
Depreciation	60,852,380	65,431,349
Financial cost	15,632,344	18,335,274
Gain on disposal of Property, Plant and Equipment	-	(1,731,045)
Gain on amortisation of investment	(7,910,086)	(398,693)
Provision for gratuity	989,395	1,055,934
	69,564,033	82,692,819
Operating loss before working capital changes	(108,789,987)	30,430,713
Changes in working capital (Increase) / decrease in current assets		
Stores, spares and loose tools	3,739,844	735,290
Stock in trade	8,105,281	(365,092,131)
Trade debts	(1,253,424)	(105,799)
Loans and advances	3,524,389	45,937,188
Prepayments and other receivables	(1,520,663)	(128,372,268)
	12,595,427	(446,897,720)
	(96,194,560)	(416,467,007)
Increase in current liabilities		
Trade and other payables	119,532,417	378,505,972
Cash generated for / (used in) operating activities	23,337,857	(37,961,035)
Taxes paid	(5,320,242)	(22,615,156)
Financial cost paid	(10,846,850)	(31,010,138)
Gratuity paid	(823,039)	(165,872)
	(16,990,131)	(53,791,166)
Net cash generated from / (used in) operating activities	6,347,726	(91,752,201)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(445,500)	(5,788,479)
Proceed from disposal of vehicle	-	2,999,895
Long term loans	86,068	(83,932)
Long term deposits	-	165,083
Net cash used in investing activities	(359,433)	(2,707,433)



	March 31, 2016	March 31, 2015
	(Rupees)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of long term finance	(8,333,333)	(16,666,666)
Net cash (used in) / generated from financing activities	<u>(8,333,333)</u>	<u>(16,666,666)</u>
Net decrease in cash and cash equivalents	(2,345,040)	(111,126,300)
Cash and cash equivalents at the beginning of the period	(117,642,814)	(292,306,143)
Cash and cash equivalents at the end of the period	<u>(119,987,854)</u>	<u>(403,432,443)</u>
Cash and cash equivalents comprises of:		
Short term borrowing	(124,996,633)	(424,945,233)
Cash and bank	5,008,779	21,512,790
	<u>(119,987,854)</u>	<u>(403,432,443)</u>

The annexed notes from 1 to 15 form an integral part of these financial statements.

Dinshaw H. Anklesaria
Chief Executive/Director

Syed Abid Hussain
Director



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED (UN-AUDITED)
MARCH 31, 2016**

	Issued, Subscribed & Paid-up Capital	Accumulated Loss	Total
	(Rupees)		
Balance as at September 30, 2014- Audited	223,080,000	(718,799,054)	(495,719,054)
Total comprehensive loss for the half year	-	(117,008,978)	(117,008,978)
Balance as at March 31, 2015 (Unaudited)	<u>223,080,000</u>	<u>(835,808,032)</u>	<u>(612,728,032)</u>
Total comprehensive loss for the half year	-	(45,905,685)	(45,905,685)
Balance as at September 30, 2015 (Audited)	<u>223,080,000</u>	<u>(881,713,717)</u>	<u>(658,633,717)</u>
Total comprehensive loss for the half year	-	(121,039,824)	(121,039,824)
Balance as at March 31, 2016 (Unaudited)	<u>223,080,000</u>	<u>(1,002,753,541)</u>	<u>(779,673,541)</u>

The annexed notes from 1 to 15 form an integral part of these financial statements.

Dinshaw H. Anklesaria
Chief Executive/Director

Syed Abid Hussain
Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED (UN-AUDITED)
MARCH 31, 2016**

1 THE COMPANY AND ITS OPERATIONS

Sakrand Sugar Mills Limited (the Company) was incorporated in Pakistan on March 02, 1989, as a public limited company. The Company is listed on Karachi and Lahore Stock Exchanges. The principal business of the Company is to manufacture and sell white sugar. The manufacturing facilities of the Company including mill are located at Deh Tharo Unar, Taluka Sakrand, District Shaheed Benazirabad, Sindh.

1.1 Seasonality of operations

Due to the seasonal availability of sugarcane during the period beginning from November 2015 to March 2016, the Company's production facilities operated at 36% capacity during the period covered under this interim financial information. Therefore, costs of production and stock levels are expected to decline in the upcoming half year compared to the period covered under this interim financial information.

- 1.2** The company incurred net loss of Rs.152.377 million. Its accumulated losses amounted to Rs.1,002.753 million and its current liabilities exceeds its current assets by Rs.1,256.957 million and reflecting that company is facing liquidity crunch. These factors reflects the existence of material uncertainties that may cause doubts regarding Company's ability to continue as a going concern and accordingly, the Company may not be able to realize its assets and discharge its liabilities at stated amounts.

However, the company has filed suit against IDBP in 2010 in the High Court of Sindh Karachi for wrong charging of mark up. The amount of unbooked liability is expected to be reversed by the bank as the same is disputed on merit.

Besides these, trade debts of company amounting to Rs.130.38 million represents un-secured and overdue balance. The management expects subsequent recovery of outstanding trade debts in due course of business.

In view of above and expectation of improvement in operating activities, these financial statements have been prepared using going concern assumption.

2 STATEMENT OF COMPLIANCE

- 2.1** The condensed interim financial information are un-audited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi and Lahore Stock Exchange. The condensed interim financial information have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan. The condensed interim financial information do not include all the information and disclosures required in the annual financial statements, and



should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2015. The figures for the half year ended March 31, 2016 have been subject to limited scope review by the auditors as required by the Code of Corporate Governance. Reason for non compliance with IAS 39 is given below.

- 2.2 Had the treatment of IAS 39 been adopted, relevant impact on financial statements would have been as follows:

	Current year Rupees
Increase in transactions with owners in equity-Previous year	28,796,716
Increase in Other Charges & loss for the previous year	10,311,082
Increase in Other Charges, director loan & loss for the period (Net of KIBOR adjustment)	2,390,205
Reduction in carrying value of director loan through amortization by allowance account at the time of year ended September 30 , 2015	16,095,429

The departure as above said is made because compliance will be misleading for the purpose of banking requirements as reduction by way of amortization will decrease the carrying value of subordinate loan.

- 2.3 This condensed interim financial information comprises of the condensed interim balance sheet as at March 31, 2016 and the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and the condensed interim cash flow statement for the half year then ended which have been subject to a review but not audited. This condensed interim financial information also includes the condensed interim profit and loss account for the quarter ended March 31, 2016 which is not subject to a review.
- 2.4 The comparative condensed balance sheet, presented in this condensed interim financial information, as at September 30, 2015 has been extracted from the annual audited financial statements of the Company for the year ended September 30, 2015 whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement for the half year ended March 31, 2015 have been extracted from the condensed interim financial information for the half year ended March 31, 2015 which were subject to a review but not audited. The comparative condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended March 31, 2015 included in this condensed interim financial report was not subject to a review.

3 SIGNIFICANT ACCOUNTING POLICIES

These interim financial information have been prepared using the same accounting convention, basis of preparation and significant accounting policies as those applied in the preparation of the audited financial statements for the year ended September 30, 2015.



4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial information in conformity with approved accounting standards require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing the condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceding published annual financial statements of the Company as at and for the year ended September 30, 2015.

	March 31, 2016	September 30, 2015
	(Rupees)	

5 PROPERTY, PLANT & EQUIPMENT

Opening WDV	2,468,869,990	2,592,051,216
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Additions to property, plant & equipment during the period

Non factory building	-	38,366
Plant and machinery	-	450,000
Office equipment & others	257,500	211,157
Furniture and fixtures	188,000	12,600
Vehicles	-	8,670,255
	445,500	9,382,378
Disposals	-	(4,757,260)
Depreciation for the period	(60,852,380)	(127,806,344)
Closing WDV	2,408,463,110	2,468,869,990

	March 31, 2016	September 30, 2015
	(Rupees)	

6 CASH AND BANK BALANCES

Cash in hand	3,521,511	169,569
Cash at banks		
Current accounts	1,477,268	7,174,250
Deposit accounts	10,000	10,000
	5,008,779	7,343,819



6.1 It includes investment in arrangement permissible under Shariah amounting to Rs. Nil (September 30, 2015 : Nil).

7 TRADE DEBTS

This includes trade debts due from a customer amounting to Rs.130.138 million (September 30, 2015 : Rs.132.538 million) against sale of molasses in the year 2009-10. The terms of sales stipulated payment against delivery based on which the amount is overdue and balance remained outstanding till period end. The management expects to recover the amount in full in due course of time.

		March 31, 2016	September 30, 2015
	Note	(Rupees)	
8 SHORT TERM FINANCES			
National Bank of Pakistan Running Finance	8.1	<u>124,996,633</u>	<u>124,996,633</u>

8.1 Running Finance Facility

Purpose:

To finance the working capital requirements of the Company and for procurement of sugarcane.

Mark up rate:

3 months KIBOR + 2.5% p.a.

Security:

- 1 First pari passu hypothecation charge over plant and machinery and equipment, and First equitable mortgage charge over land and building of the company of Rs.167 Million with 25% margin.
- 2 Personal Guarantees of all the directors of the Company.

Unavailed Facility:

As on March 31, 2016, the company has an unavailed facility amounting to Rs. Nil

- 3 It includes borrowing under Shariah mode of financing amounting to Rs. Nil (September 30, 2015 : Nil).

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

The status of contingencies is same as that disclosed in annual audited financial statements for the year ended September 30, 2015.



9.2 Commitments

During the period, the company has outstanding unlifted delivery orders Nil (2015 : 2,997 M.ton) of Rs. Nil (2015: Rs. 131.812 million).

	March 31, 2016	March 31, 2015
	————— (Rupees) —————	
10 NET SALES		
Sales Gross		
Local	1,645,696,665	2,067,627,626
Export	-	-
	<u>1,645,696,665</u>	<u>2,067,627,626</u>
Less: Sales tax & federal excise duty	(117,684,425)	(161,894,393)
	<u><u>1,528,012,240</u></u>	<u><u>1,905,733,233</u></u>

11 COST OF SALES

Note	Half year ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	————— (Rupees) —————			
Sugarcane consumed	1,455,806,867	1,879,984,416	953,868,922	1,360,952,658
Fertilizer	-	153,537,773	-	-
Manufacturing expenses	160,618,730	193,531,911	81,924,640	111,736,602
	<u>1,616,425,597</u>	<u>2,227,054,100</u>	<u>1,035,793,562</u>	<u>1,472,689,260</u>
Sugar in process				
Opening	1,627,979	2,324,660	31,232,138	21,242,380
Closing	(527,602)	(1,627,269)	(527,602)	(1,627,269)
	1,100,377	697,391	30,704,536	19,615,111
Sugar				
Opening	459,164	226,492,593	212,154,167	187,547,979
Closing	-	(573,988,530)	-	(573,988,530)
	459,164	(347,495,937)	212,154,167	(386,440,551)
Molasses				
Opening	1,970	1,682,030	3,547,784	26,129,600
Closing	-	(19,975,595)	-	(19,975,595)
	1,970	(18,293,565)	3,547,784	6,154,005
Fertilizer				
Opening	6,543,764	-	-	-
Closing	-	-	-	-
	6,543,764	-	-	-
	<u><u>1,624,530,872</u></u>	<u><u>1,861,961,989</u></u>	<u><u>1,282,200,049</u></u>	<u><u>1,112,017,825</u></u>



11.1 The Company has recorded payable and receivable respectively in respect of sugarcane purchases and receivable from Sindh Government and profit and loss account charge considering the notifications issued by Cane Commissioner Sindh and order passed by Honorable High Court of Sindh. However the notifications have been challenged by Pakistan Sugar Mills Association and other sugar mills in Honor'able Supreme Court of Pakistan. The case has been pending with the Honor'able Supreme Court as at March 31, 2016.

11.2 Manufacturing expenses

	Half year ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rupees)			
Stores and spares consumed	24,840,588	40,459,803	14,829,603	28,863,495
Fuel and power	8,900,297	12,439,663	3,158,530	5,056,423
Salaries, wages including bonus and staff amenities	51,334,243	51,491,818	30,094,046	32,638,848
Repair and maintenance	19,070,136	30,197,928	5,093,261	13,158,647
Vehicle maintenance	599,150	707,798	269,149	266,439
Insurance	3,047,590	2,963,152	1,523,795	1,527,062
Depreciation	47,312,699	50,097,747	23,505,949	25,051,686
Others	5,514,027	5,174,002	3,450,307	5,174,002
	160,618,730	193,531,911	81,924,640	111,736,602

11.3 Sugar Stock

Sugar Stock is valued at Cost which is lower of NRV.

12 RELATED PARTY TRANSACTIONS

The related parties comprise of directors, key management personnel and retirement benefits plan established for the benefits of the employees. There have been no transactions with related parties except for the following:

	Half Year Ended	
	March 31, 2016	March 31, 2015
	(Rupees)	
Significant transactions with the related parties during the half year ended are as follows:		
Chief Executive and Directors remuneration	11,762,268	11,216,550
Loan from director	-	20,000,000



13 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management objectives and policies used to meet these objectives were same as being followed as at September 30, 2015.

14 AUTHORIZATION FOR ISSUE

These condensed interim financial information have been authorized for issue on May 30, 2016 by the Board of Directors of the Company.

15 GENERAL

Figures have been rounded off to the nearest rupee.

Dinshaw H. Anklesaria
Chief Executive/Director

Syed Abid Hussain
Director

BOOK POST

UNDER POSTAL CERTIFICATE



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