



**UNAUDITED
CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
JUNE 30, 2019**

SAKRAND SUGAR MILLS LIMITED



COMPANY PROFILE

BOARD OF DIRECTORS	Mr. Jamil Akberi Mr. Dinshaw H. Anklesaria	Chairman/Director Chief Executive/Director
	Mr. Amad Uddin Mr. Abdul Naeem Quraishi Mr. Neville Mehta Mrs. Fatma Gulamali Dr. Jamshed H. Anklesaria	Director Director Director Director Director
AUDIT COMMITTEE	Mr. Abdul Naeem Quraishi Mr. Jamil Akberi Mr. Neville Mehta	Chairman Member Member
HR COMMITTEE	Mr. Neville Mehta Mr. Jamil Akberi Mr. Amad Uddin	Chairman Member Member
CHIEF FINANCIAL OFFICER	Mr. Amad Uddin	
COMPANY SECRETARY	Mr. Amad Uddin	
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	
AUDITORS	UHY Hassan Naeem & Co. Chartered Accountants	
LEGAL ADVISOR	Mr. Abdul Naeem Quraishi	
REGISTRAR	M/s JWAFS Registrar Services (Pvt.) Ltd. 407-408, Al Ameer 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 our privilege to present to you the unaudited condensed interim financial statements of the Company for the nine months and quarter ended June 30, 2019.

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

OPERATING RESULTS		2018-19	2017-18
Season started		03-Dec-18	30-Nov-17
Season closed		25-March-19	26-April-18
Duration of season	Days	113	148
Sugarcane crushed	MT	335,136	367,222
Sugar produced	MT	36,865	39,660
Sugar recovery	%	11.0	10.8
Molasses produced	MT	19,435	26,047
Molasses recovery	%	5.08	5.50

FINANCIAL SUMMARY		2018-19	2017-18
		(Rupees)	(Rupees)
Sales - net		2,328.628 million	1,760.641 million
Operating profit		332.871 million	393.139 million
Profit before taxation		222.294 million	507.052 million
Profit after taxation		175.089 million	405.939 million
EPS		3.92	9.10

The crushing season commenced on December 03, 2018, however, the Government of Sindh issued notification on December 07, 2018 for fixing the minimum support price of sugarcane for the crushing season 2018-19 at Rs.182 per 40 kgs. In addition, mills were also required to pay Quality Premium at the rate of fifty paise per 40 kg for every 0.1 percent recovery in excess of the benchmark of 8.7%. The Notification for Quality Premium is still being challenged in the court.

This minimum price fixed plus the quality premium issue does not justify as feasible in the light of both local and international prices of sugar, therefore, Pakistan Sugar Mills Association- Sindh Zone (PSMA-SZ) filed petition before the Honourable High Court of Sindh praying that the minimum support price fixed by the Government was totally arbitrary and unjustified as it would result in financial catastrophe and economic disaster to the sugar industry.

The overall yield per acre for sugar cane is significantly less than previous years due to severe shortage of water in irrigation canals. This is resulting in scarce availability of sugar cane by an estimate of 20-30% and that too at much higher rates.

We would like to acknowledge and appreciate the team effort put in by every employee of the Company and pray to Almighty to guide the Company towards more success and betterment in the future.

For and on behalf of the Board of Directors

Jamil Akberi
Chairman / Director

Dated: July 30, 2019



ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی تیسری سہ ماہی اور نو ماہ کے غیر آڈٹ شدہ مالیاتی حسابات برائے 30 جون 2019 پیش خدمت ہیں۔

کمپنی کی مجموعی کارکردگی کا تقابلی جائزہ مندرجہ ذیل اعداد و شمار سے لگایا جاسکتا ہے۔

آپریٹنگ نتائج:

		2018-19	2017-18
Season started		03-Dec-18	30-Nov-17
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Sugarcane crushed	MT	335,136	367,222
Sugar produced	MT	36,865	39,660
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Molasses produced	MT	19,435	26,047
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مالیاتی نتائج:

	2018-19 (Rupees)	2017-18 (Rupees)
Sales - net	2,328.628 million	1,760.641 million
Operating profit	332.871 million	393.139 million
Profit before taxation	222.294 million	507.052 million
Profit after taxation	175.089 million	405.939 million
EPS	3.92	9.10

کرٹنگ سیزن کا آغاز 3 دسمبر 2018 کو ہوا اور حکومت سندھ نے 7 دسمبر 2018 کو گنے کی کم از کم سپورٹ پرائس برائے سیزن 2018-2019 کے نوٹیفکیشن کا اجراء کیا جس میں گنے کی قیمت -182 روپے فی 40 کلوگرام مقرر کی گئی۔ علاوہ ازیں شوگر ملز کو الٹی پریمیمم شکر کی اوسط ریکوری کے بیچ مارک 8.70 فیصد سے زائد ہر 0.10 فیصد پر 0.50 روپے فی 40 کلوگرام ادا کرے گی۔ کو الٹی پریمیمم کے نوٹیفکیشن کو ابھی بھی کورٹ میں چیلنج کیا جا رہا ہے۔

حکومت سندھ نے گنے کی کم از کم قیمت -182 روپے فی 40 کلوگرام مقرر کرتے ہوئے شوگر ملز کے ساتھ نا انصافی کی اور اسکی مطابقت شکر کی قیمتوں میں قومی اور بین الاقوامی منڈیوں کے حساب سے نہیں کی۔ اس لیے "پاکستان شوگر ملز ایسوسی ایشن" سندھ زون (PSMA-Sindh Zone) نے ایک پٹیشن معزز زبانی کورٹ سندھ میں دائر کی ہے کہ حکومت سندھ کی طرف سے مقرر کردہ گنے کی فی من قیمت خرید سراسر غیر منصفانہ ہے اور یہ سندھ کی شوگر ملز کو مالی بحران اور تباہی کے دہانے پر پہنچا دے گی۔

پانی کی قلت کے باعث گنے کی حالیہ فی ایکڑ پیداوار پچھلے سال کی نسبت 20 سے 30 فی صد کم رہی جس کی وجہ سے شوگر ملز کو گنے کی کمی اور زیادہ قیمت خرید کا مسئلہ درپیش رہا۔

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 شوگر ملز لمیٹڈ

جلیل اکبری

ڈائریکٹر / چیئرمین

تاریخ: 30 جولائی، 2019



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019**

	Unaudited June 30, 2019	Audited September 30, 2018
Rupees in '000'	
ASSETS		
Non-Current Assets		
Property, plant and equipment	3,239,364	3,099,364
Intangible assets	3,699	4,915
Long-term loans	874	323
Long-term deposits	2,098	2,098
	<u>3,246,035</u>	<u>3,106,700</u>
Current Assets		
Stores, spares and loose tools	85,233	42,073
Stock-in-trade	908,707	518,655
Trade debts	94	94
Loans and advances	19,995	18,874
Prepayments and other receivables	62,610	150,391
Short-term investments	-	30,000
Tax refund due from government	27,446	27,446
Cash and bank balances	5,260	46,439
	<u>1,109,345</u>	<u>833,972</u>
Total Assets	<u><u>4,355,380</u></u>	<u><u>3,940,672</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 reserve		
Accumulated loss	(375,248)	(566,148)
Capital reserve		
Surplus on revaluation of fixed assets	1,773,621	1,789,432
Directors'/Sponsors' subordinated loan	<u>92,767</u>	<u>92,767</u>
	<u>1,937,300</u>	<u>1,762,211</u>
Non-Current Liabilities		
Deferred taxation	406,317	377,921
Long term financing - secured	762,073	921,937
Deferred liabilities	75,145	76,811
	<u>1,243,535</u>	<u>1,376,669</u>
Current Liabilities		
Trade and other payables	832,549	618,993
Unclaimed dividend	6,427	7,852
Unpaid dividend	297	1,459
Accrued mark-up	36,420	26,466
Current portion of non current liabilities	259,273	124,909
Taxation - net	39,579	22,113
	<u>1,174,545</u>	<u>801,792</u>
Total Equity and Liabilities	<u><u>4,355,380</u></u>	<u><u>3,940,672</u></u>

The annexed notes form an integral part of these financial statements

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

Dated : July 30, 2019



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE NINE MONTHS AND QUARTER ENDED JUNE 30, 2019
(UN-AUDITED)**

	Nine Months ended		Quarter ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Rupees in '000'.....			
Sales - net	2,328,628	1,760,641	192,921	495,532
Cost of sales	<u>(1,906,762)</u>	<u>(1,294,359)</u>	<u>(242,404)</u>	<u>(370,223)</u>
Gross profit / (loss)	421,866	466,282	(49,483)	125,309
Operating expenses				
Administrative expenses	<u>(83,798)</u>	<u>(66,646)</u>	<u>(26,789)</u>	<u>(21,007)</u>
Selling and distribution cost	<u>(5,198)</u>	<u>(6,497)</u>	<u>(112)</u>	<u>(1,832)</u>
	(88,996)	(73,143)	(26,901)	(22,839)
Operating profit / (loss)	332,871	393,139	(76,384)	102,470
Finance cost	<u>(110,967)</u>	<u>(76,432)</u>	<u>(41,365)</u>	<u>(27,088)</u>
Other charges	-	(24,915)	-	-
Penalty	<u>(45)</u>	-	<u>(10)</u>	-
Loss on loan amortisation	-	(594)	-	-
Other income	<u>435</u>	<u>215,854</u>	<u>6</u>	<u>89,351</u>
	(110,577)	113,913	(41,369)	62,263
Profit / (Loss) before taxation	222,294	507,052	(117,753)	164,733
Taxation - net	(47,205)	(101,113)	32,335	(529)
Profit / (Loss) after taxation	175,089	405,939	(85,417)	164,204
Earning per share - Basic and diluted	3.92	9.10	(1.91)	3.68

The annexed notes form an integral part of these financial statements

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

Dated : July 30, 2019



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS AND QUARTER ENDED JUNE 30, 2019
(UN-AUDITED)**

	Nine Months ended		Quarter ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Rupees in '000'.....			
Profit / (Loss) after taxation	175,089	405,939	(85,417)	164,204
Other comprehensive income for the period - net of tax	-	-	-	-
Total comprehensive income / (loss) for the period	<u>175,089</u>	<u>405,939</u>	<u>(85,417)</u>	<u>164,204</u>

The annexed notes form an integral part of these financial statements

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

Dated : July 30, 2019



**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED JUNE 30, 2019
(UN-AUDITED)**

	June 30, 2019	June 30, 2018
Rupees in '000'.....	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	222,294	507,052
Adjustments for :		
Depreciation	52,062	47,624
Amortisation	1,217	923
Finance cost	110,967	72,808
Interest expense-imputed	-	3,624
Amortisation of investment DSC's	-	594
Sindh workers welfare fund	-	6,551
Sindh workers profit participant fund	-	16,049
Export subsidy	-	130,940
Liabilities written back	-	80,751
Provision for gratuity	-	1,053
	164,245	360,917
Working capital changes		
Change in current assets		
Stores, spares and loose tools	(43,161)	(5,523)
Stock in trade	(390,051)	(324,530)
Trade debts	-	126,631
Loans and advances	(1,120)	11,652
Prepayments and other receivables	87,781	(310,322)
	(346,551)	(502,092)
Change in current liabilities		
Trade and other payables	211,868	(791,657)
Cash generated from / (used in) operations	251,856	(425,780)
Taxes paid	(1,343)	(27,615)
Finance cost paid	(101,012)	(49,415)
Net cash generated from / (used in) operating activities	149,500	(502,810)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(198,593)	(95,907)
Capital work-in-progress	6,531	-
Short term investment	30,000	86,000
Long term investment	-	81,650
Long term deposits	-	(488)
Long term loans	(552)	7
Net cash (used in) / generated from investing activities	(162,613)	71,262
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - secured	(25,500)	458,708
Dividend paid	(2,566)	-
Net cash (used in) / generated from financing activities	(28,066)	458,708
Net (decrease) / increase in cash and cash equivalents	(41,179)	27,160
Cash and cash equivalents at the beginning of the period	46,439	60,528
Cash and cash equivalents at the end of the period	5,260	87,688

The annexed notes form an integral part of these financial statements

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

Dated : July 30, 2019



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED JUNE 30, 2019
(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, 2017	446,160	1,811,584	(824,289)	92,767	1,526,222
Profit after taxation	-	-	405,939	-	405,939
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	405,939	-	405,939
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation- net of tax	-	(17,104)	17,104	-	-
Balance as at June 30, 2018	446,160	1,794,480	(401,246)	92,767	1,932,161
Balance as at October 01, 2018	446,160	1,789,432	(566,148)	92,767	1,762,211
Profit after taxation	-	-	175,089	-	175,089
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	175,089	-	175,089
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation- net of tax	-	(15,811)	15,811	-	-
Balance as at June 30, 2019	446,160	1,773,621	(375,248)	92,767	1,937,300

The annexed notes form an integral part of these financial statements

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2019**

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, 2018.
4. Figures have been rounded off to the nearest thousand rupees.

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

Dated : July 30, 2019