



**UNAUDITED
CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
JUNE 30, 2020**

**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. 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. Abdul Naeem Quraishi	
REGISTRAR	M/s JWAFS 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 our privilege to present to you the unaudited condensed interim financial statements of the Company for the nine months and quarter ended June 30, 2020.

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

OPERATING RESULTS		2019-20	2018-19
Season started		15-Nov-19	03-Dec-18
Season closed		09-Mar-20	25-Mar-19
Duration of season		116	113
Sugarcane crushed	MT	312,129	335,136
Sugar	MT	30,123	36,865
Sugar recovery	%	9.677	11.00
Molasses	MT	22,040	19,435
Molasses recovery	%	6.484	5.078

	2019-20 (Rupees)	2018-19 (Rupees)
Sales - net	1,965.878 million	2,328.628 million
Operating (loss)/profit	(476.317) million	332.871 million
(Loss)/Profit before taxation	(607.769) million	222.294 million
(Loss)/Profit after taxation	(441.354) million	175.089 million
(Loss)/Earning per Share	(9.89)	3.92

During the period under review the mill crushed 312,129 MT of sugarcane producing 30,123 MT of sugar, as compared to corresponding period's crushing of 335,136 MT of sugarcane and 36,865 MT of sugar. Further, the recovery of sugar also fell to 9.677% as compared to 11.00% in the corresponding periods of last year.

Since the Company had sold out all of its stock of sugar in the first six months of current financial year, therefore, there is no increase in the sales revenue during the quarter ended June 30, 2020. However, loss per share increased due to depreciation, financial and other administrative expenses.

The overall crop condition in the mills area remained poor, both in terms of yield as well as quality of sugarcane. Lesser water supply, unusual stormy rains contributed to inferior quality of sugarcane.

Further, the shortage of sugarcane in lower Sindh triggered a panic buying in central Sindh to upper Sindh by mills of lower Sindh, resulting in exorbitant purchase rates of sugarcane. The government fixed the sugarcane price at rupees 192 per Mounds plus quality premium. However, all mills ended up paying exorbitantly higher rates thus shooting the cost of per kg sugar above the selling price.

The high cost, lower recovery and various technical faults resulted in loss to the Company for the period under review. The management is taking stringent measures both in terms of financial management, technical improvements and supply chain so as to ensure much better profitable results in the coming season and pray to Almighty Allah for success in our future operations.

For and on behalf of the Board of Directors

Amad Uddin
Executive Director

Dated: September 18, 2020



ڈائریکٹرز کی رپورٹ

یورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی تیسری سہ ماہی اور نو ماہ کے غیر آڈٹ شدہ مالیاتی حسابات برائے 30 جون 2020 پیش خدمت ہیں۔ کمپنی کی مجموعی کارکردگی کا تقابلی جائزہ مندرجہ ذیل اعداد و شمار سے لگایا جاسکتا ہے۔

آپریٹنگ نتائج:

		2019-20	2018-19
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Sugarcane crushed	MT	312,129	335,136
Sugar	MT	30,123	36,865
Sugar recovery	%	9.677	11.00
Molasses	MT	22,040	19,435
Molasses recovery	%	6.484	5.078

مالیاتی نتائج:

	2019-20 (Rupees)	2018-19 (Rupees)
Sales - net	1,965.878 million	2,328.628 million
Operating (loss)/profit	(476.317) million	332.871 million
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(Loss)/Earning per Share	(9.89)	3.92

زیر غور دورانیہ کے درمیان کمپنی نے 312129 میٹرک ٹن گنا کرش کر کے 30123 میٹرک ٹن چینی کی پیداوار کی جبکہ سابقہ دورانیہ میں کمپنی نے 335136 میٹرک ٹن گنا کرش کر کے 36865 میٹرک ٹن چینی کی پیداوار کی تھی۔ مزید یہ کہ زیر غور دورانیہ میں چینی کی اوسط ریکوری بھی سابقہ دورانیہ سے نسبتاً کم رہی۔ اس دورانیہ میں چینی کی اوسط ریکوری 9.667 فیصد رہی جبکہ سابقہ دورانیہ میں چینی کی اوسط ریکوری 11.00 فیصد تھی۔

چونکہ کمپنی نے چینی کا تمام تر اسٹاک اس مالیاتی سال کے ابتدائی چھ ماہ میں ہی فروخت کر دیا تھا اس لیے زیر غور سہ ماہی میں کمپنی کی سیلز میں کوئی اضافہ دیکھنے میں نہیں آیا۔ جب کے مختلف انتظامی اور مارک اپ کے اخراجات کی وجہ سے کمپنی کے فی شیئر نقصان میں اضافہ ہوا ہے۔

فیکٹری کے گرد و نواح میں گنے کی فصل کی حالت، کوالٹی اور ریکوری دونوں ہی لحاظ سے خراب رہی۔ پانی کی قلت اور غیر متوقع طوفانی بارشیں بھی خراب کوالٹی کی وجہ بنی۔

مزید یہ کہ لورسندھ میں گنے کی قلت نے لورسندھ کی شوگر ملز کو مجبور کیا کہ وہ اضافی قیمت میں سینٹرل سندھ اور اپر سندھ سے گنا خریدیں جس کی وجہ سے گنے کی اوسط قیمت خرید میں بھی بوجہ اضافہ ہوا۔ گورنمنٹ نے گنے کی کم از کم قیمت خرید -/192 روپے فی 40 کلوگرام (علاوہ کوالٹی پریمیم) مقرر کی تھی، جبکہ تمام شوگر ملز نے اوپر بیان کردہ وجوہات کے پیش نظر اضافی قیمت دے کر گنا خریداجس کی وجہ سے گنے کی اوسط قیمت خرید گورنمنٹ کی مقرر کردہ قیمت خرید سے بہت زیادہ رہی۔

گنے کی اضافی قیمت خرید، کم اوسط ریکوری اور مختلف ٹیکنیکل فالٹس کی وجہ سے کمپنی کو زیر غور نو ماہ میں نقصان کا سامنا کرنا پڑا۔ مگر کمپنی مینجمنٹ کے حوصلے ابھی بھی بلند ہیں اور کمپنی مینجمنٹ مالیاتی ٹیکنیکل، سپلائی چین اور دیگر شعبہ جات میں اہم فیصلے اور اقدامات کر رہی ہے تاکہ آنے والے وقتوں میں کمپنی کے زیادہ سے زیادہ مالیاتی مفاد اور ترقی کو یقینی بنایا جاسکے۔

آخر میں ہم اللہ رب العزت سے کمپنی کے لیے ایک کامیاب اور شاندار مستقبل کی دعا کرتے ہیں، آمین۔

برائے سکریٹری شوگر ملز لمیٹڈ،

عماد الدین

ایگزیکٹو ڈائریکٹر


بتاریخ: 18 ستمبر 2020





**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020**

	Unaudited June 30, 2020	Audited September 30, 2019
Rupees in '000'	
ASSETS		
Non-Current Assets		
Property, plant and equipment	3,212,002	3,250,459
Intangible asset	2,750	3,293
Long-term loans	553	745
Long-term deposits	2,098	2,098
	<u>3,217,403</u>	<u>3,256,595</u>
Current Assets		
Stores, spares and loose tools	79,092	61,579
Stock-in-trade	83,374	49,192
Trade debts	366,011	845,561
Loans and advances	27,992	27,498
Prepayments and other receivables	48,800	46,410
Tax refund	8,017	8,017
Cash and bank balances	2,879	4,478
	<u>616,164</u>	<u>1,042,735</u>
Total Assets	<u><u>3,833,566</u></u>	<u><u>4,299,330</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	(818,995)	(387,383)
Capital reserves		
Surplus on revaluation of property, plant and equipment-net of deferred tax	1,758,929	1,768,672
Directors'/Sponsors' subordinated loan	<u>92,767</u>	<u>92,767</u>
	<u>1,478,861</u>	<u>1,920,216</u>
Non-Current Liabilities		
Deferred taxation	225,626	417,538
Long term financing - secured	628,817	763,849
Deferred liabilities	78,666	79,001
	<u>933,109</u>	<u>1,260,388</u>
Current Liabilities		
Trade and other payables	951,760	837,179
Unclaimed dividend	6,348	6,427
Unpaid dividend	46	204
Accrued mark-up	124,966	41,155
Current maturity of long-term financing	287,727	205,319
Taxation - net	50,748	28,442
	<u>1,421,596</u>	<u>1,118,726</u>
Total Equity and Liabilities	<u><u>3,833,566</u></u>	<u><u>4,299,330</u></u>

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


Abdul Naeem Qureshi
Director


Amad Uddin
Chief Financial Officer


Jamil Akberi
Director

Dated: September 18, 2020



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE NINE MONTHS AND QUARTER ENDED JUNE 30, 2020
(UN-AUDITED)

	Nine Months ended		Quarter ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Rupees in '000'.....			
Sales - net	1,965,878	2,328,628	-	192,921
Cost of sales	<u>(2,349,764)</u>	<u>(1,906,762)</u>	<u>(27,744)</u>	<u>(242,404)</u>
Gross (loss) / profit	(383,886)	421,866	(27,744)	(49,483)
Operating expenses				
Administrative expenses	<u>(86,475)</u>	<u>(83,798)</u>	<u>(20,093)</u>	<u>(26,789)</u>
Selling and distribution cost	<u>(5,955)</u>	<u>(5,198)</u>	<u>-</u>	<u>(112)</u>
	(92,430)	(88,996)	(20,093)	(26,901)
Operating (loss) / profit	(476,317)	332,871	(47,837)	(76,384)
Finance cost	<u>(131,452)</u>	<u>(110,967)</u>	<u>(38,263)</u>	<u>(41,365)</u>
Penalty	<u>-</u>	<u>(45)</u>	<u>-</u>	<u>(10)</u>
Other income	<u>-</u>	<u>435</u>	<u>-</u>	<u>6</u>
	(131,452)	(110,577)	(38,263)	(41,369)
(Loss) / profit before taxation	(607,769)	222,294	(86,100)	(117,753)
Taxation-net	166,415	(47,205)	24,969	32,335
(Loss) / profit after taxation	(441,354)	175,089	(61,130)	(85,417)
(Loss)/Earning per share - Basic and diluted	(9.89)	3.92	(1.37)	(1.91)

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

Abdul Naeem Qureshi
Director

Amad Uddin
Chief Financial Officer

Jamil Akberi
Director

Dated: September 18, 2020



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS AND QUARTER ENDED JUNE 30, 2020
(UN-AUDITED)**

	Nine Months ended		Quarter ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Rupees in '000'.....			
(Loss) / Profit after taxation	(441,354)	175,089	(61,130)	(85,417)
Other comprehensive income for the period - net of tax	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(441,354)</u>	<u>175,089</u>	<u>(61,130)</u>	<u>(85,417)</u>

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

Abdul Naeem Qureshi
Director

Amad Uddin
Chief Financial Officer

Jamil Akberi
Director

Dated: September 18, 2020



CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED JUNE 30, 2020
(UN-AUDITED)

	June 30, 2020	June 30, 2019
Rupees in '000'.....	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(607,769)	222,294
Adjustments for non cash charges and other items :		
Depreciation	46,798	52,062
Amortisation	543	1,217
Finance cost	131,452	110,966
	178,794	164,245
Working capital changes		
Change in current assets		
Stores, spares and loose tools	(17,513)	(43,161)
Stock-in-trade	(34,182)	(390,051)
Trade debts	479,550	-
Loans and advances	1,450	(1,120)
Prepayments and other receivables	(2,389)	87,781
	426,916	(346,551)
Change in current liabilities		
Trade and other payables	114,246	211,868
Cash generated from operations	112,187	251,856
Taxes paid	(3,192)	(1,343)
Finance cost paid	(46,309)	(101,012)
Net cash generated from operating activities	62,686	149,500
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(10,285)	(198,593)
Capital work-in-progress	-	6,531
Short term investment	-	30,000
Long term loans	192	(552)
Net cash used in investing activities	(10,093)	(162,613)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - secured	(53,955)	(25,500)
Dividend paid	(238)	(2,566)
Net cash used in financing activities	(54,193)	(28,066)
Net decrease in cash and cash equivalents	(1,599)	(41,179)
Cash and cash equivalents at the beginning of the period	4,478	46,439
Cash and cash equivalents at the end of the period	2,879	5,260

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

Abdul Naeem Qureshi
Director

Amad Uddin
Chief Financial Officer

Jamil Akberi
Director

Dated: September 18, 2020



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED JUNE 30, 2020
(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, 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
Balance as at October 01, 2019	446,160	1,768,672	(387,383)	92,767	1,920,216
Loss after taxation	-	-	(441,354)	-	(441,354)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	(441,354)	-	(441,354)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation- net of tax	-	(9,742)	9,742	-	-
Balance as at June 30, 2020	446,160	1,758,929	(818,995)	92,767	1,478,861

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

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2020**

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, 2019.
4. Figures have been rounded off to the nearest thousand rupees.

Abdul Naem Qureshi
Director

Amad Uddin
Chief Financial Officer

Jamil Akberi
Director

Dated: September 18, 2020