



**QUARTERLY  
UNAUDITED ACCOUNTS  
30TH JUNE, 2016**

**SAKRAND SUGAR MILLS LIMITED**



## COMPANY PROFILE

<b>BOARD OF DIRECTORS</b>	Mr. Dinshaw H. Anklesaria	Chief Executive/ Director
	Mr. Jamil Akberi	Director
	Syed Abid Hussain	Director
	Mr. Abdul Naeem Quraishi	Director
	Mr. Neville Mehta	Director
	Mrs. Fatma Gulamali	Director
	Dr. Jamshed H. Anklesaria	Director

<b>AUDIT COMMITTEE</b>	Mr. Abdul Naeem Quraishi	Chairman
	Mr. Jamil Akberi	Member
	Mr. Neville Mehta	Member

<b>HR &amp; R COMMITTEE</b>	Syed Abid Hussain	Chairman
	Mr. Jamil Akberi	Member
	Mr. Neville Mehta	Member

<b>CHIEF FINANCIAL OFFICER</b>	Mr. Farhaj Badar
--------------------------------	------------------

<b>COMPANY SECRETARY</b>	Mr. Mustafa Kanani
--------------------------	--------------------

<b>BANKERS</b>	Allied Bank Limited
	Habib Bank Limited
	MCB Bank Limited
	National Bank of Pakistan
	Sindh Bank Limited
	Summit Bank Limited
	United Bank Limited

<b>AUDITORS</b>	M/s. Haroon Zakaria & Co.
	Chartered Accountants

<b>LEGAL ADVISOR</b>	Abdul Naeem Quraishi, Adv.
----------------------	----------------------------

<b>REGISTRAR</b>	JWAFFS Registrar Services (Private) Limited
	407-408, Al Ameera Centre
	Shahrah-e-Iraq, Saddar
	Karachi-74400

<b>REGISTERED OFFICE</b>	41-K, Block 6, P.E.C.H.S., Karachi.
	Fax: 021-34546456
	<a href="http://www.sakrandsugar.com">www.sakrandsugar.com</a>

<b>FACTORY</b>	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 third quarter ended June 30, 2016

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

<b>OPERATING RESULTS</b>		<b>2015-2016</b>	<b>2014-2015</b>
Season started		<b>24-11-2015</b>	05-12-2014
Season closed		<b>01-03-2016</b>	12-03-2015
Duration of season		<b>99</b>	98
Sugarcane crushed	Tonnes	<b>296,274</b>	441,621
Sugar produced	Tonnes	<b>29,925</b>	45,100
Sugar recovery	%	<b>10.090</b>	10.210
Molasses produced	Tonnes	<b>12,354</b>	18,700
Molasses recovery	%	<b>4.164</b>	4.236

The Mill started crushing on November 24, 2015 and closed on March 01, 2016. During the current season the mill operated for 99 days and crushed 296,274 metric tons of sugarcane and produced 29,925 metric tons of sugar as compare to last season when it operated 98 days and crushed 441,621 metric tons of sugarcane to produce 45,100 metric tons of sugar. The recovery of sucrose decreased to 10.090% as against 10.210% last season. In current season the production of molasses decreased to 12,354 metric tons as compare to 18,700 metric tons last year.

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 were 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 have procured sugarcane at exorbitant rates which ultimately affects the prices of sugar. Further the company is also under immense pressure due to the liquidity problems to settle the outstanding liabilities of the company.

The management / labour relations remained very cordial and helpful. I take this opportunity to thank and appreciate the spirit of understanding, good will and co-operation shown by all the financial institutions, individuals, all staff members, shareholders and the creditors and wish to place on record appreciation for their continuous support, confidence, devotion, sense of responsibility and loyalty.

**Dinshaw H. Anklesaria**

Chief Executive

Dated: July 29, 2016



**BALANCE SHEET**  
AS AT JUNE 30, 2016

	<b>Un-audited June 30, 2016</b>	<b>Audited September 30, 2015</b>
<b>—————(Rupees)—————</b>		
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	2,378,787,468	2,468,869,990
Long term investments	150,117,621	141,520,264
Long term loans	206,277	318,991
Long term deposits	1,431,283	1,431,282
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	25,150,901	29,109,445
Stock in trade	527,721	8,632,883
Trade debts - unsecured (considered good)	133,801,857	132,548,433
Loans and advances	42,354,457	45,872,861
Prepayments and other receivables	13,083,179	13,009,074
Taxation	44,852,814	39,511,148
Cash and bank balances	1,761,029	7,353,819
	<u>261,531,958</u>	<u>276,037,663</u>
	<u>2,792,074,607</u>	<u>2,888,178,190</u>
<b>EQUITY AND LIABILITES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized capital		
25,000,000 Ordinary shares of Rs. 10/- each	250,000,000	250,000,000
Issued, subscribed and paid-up capital	223,080,000	223,080,000
Accumulated loss	(1,056,588,493)	(881,713,717)
	(833,508,493)	(658,633,717)
<b>SURPLUS ON REVALUATION OF FIXED ASSETS</b>	1,355,681,743	1,402,329,336
<b>LIABILITIES</b>		
<b>NON CURRENT LIABILITIES</b>		
Subordinated Loan from Director	65,766,502	65,766,502
Deferred liabilities	398,532,248	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
<b>PROVISION FOR GRATUITY</b>	11,738,391	11,861,268
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,234,585,757	1,085,767,117
Short term finances	124,996,634	124,996,633
Mark up accrued	36,037,717	29,292,326
Current portion of non current liabilities	162,601,085	156,726,133
	<u>1,558,221,193</u>	<u>1,396,782,209</u>
	<u>2,792,074,607</u>	<u>2,888,178,190</u>

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

**DINSHAW H. ANKLESARIA**  
Chief Executive

**SYED ABID HUSSAIN**  
Director

Dated: July 29, 2016



**PROFIT AND LOSS ACCOUNT**  
**FOR THE THIRD QUARTER ENDED JUNE 30, 2016**  
**(UNAUDITED)**

	2015-2016		2014-2015	
	April-June 3 months	Year to date 9 months	April-June 3 months	Year to date 9 months
( Rupees )				
Sales-net	-	1,528,012,240	540,516,988	2,446,250,221
Cost of sales	(37,889,179)	(1,662,420,051)	(563,539,109)	(2,425,501,098)
Gross profit / (loss)	(37,889,179)	(134,407,811)	(23,022,121)	20,749,123
Operating expenses				
Administrative expenses	(25,677,820)	(95,892,234)	(35,390,080)	(111,625,682)
Distribution cost	(17,400)	(3,765,129)	(632,236)	(4,122,538)
	(25,695,220)	(99,657,363)	(36,022,316)	(115,748,220)
Operating profit / (loss)	(63,584,399)	(234,065,174)	(59,044,437)	(94,999,097)
Finance cost	(5,560,590)	(21,192,934)	(10,660,425)	(28,995,699)
Other charges	-	(164,337)	(110,000)	(250,000)
Other income	-	13,350	5,850	1,774,985
	(5,560,590)	(21,343,921)	(10,764,575)	(27,470,714)
	(69,144,989)	(255,409,095)	(69,809,012)	(122,469,811)
Unrealised gain on amortisation of investments / loans	-	7,910,086	-	398,693
Loss before taxation	(69,144,989)	(247,499,009)	(69,809,012)	(122,071,118)
Taxation				
- Current	-	-	(5,405,170)	(24,462,502)
- Deferred	-	25,976,638	-	(78,949,386)
	-	25,976,638	(5,405,170)	(103,411,888)
Loss after taxation	(69,144,989)	(221,522,371)	(75,214,182)	(225,483,006)
Earning per share - Basic	(3.10)	(9.93)	(3.37)	(10.11)

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

**DINSHAW H. ANKLESARIA**  
Chief Executive

**SYED ABID HUSSAIN**  
Director

Dated: July 29, 2016



**CASH FLOW STATEMENT**  
**FOR THE THIRD QUARTER ENDED JUNE 30, 2016**  
**(UNAUDITED)**

	<b>June 30, 2016</b>	<b>June 30, 2015</b>
<b>(Rupees)</b>		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(247,499,009)	(122,071,118)
Adjustments for:		
Depreciation	90,528,020	97,147,098
Impairment loss on factory building		
Finance cost	21,192,934	28,995,699
Provision for gratuity	989,395	1,533,901
Gain on amortization of investments / loans	(7,910,086)	(398,693)
(Gain) on disposal of property, plant and equipment		(1,731,045)
	<u>104,800,263</u>	<u>125,546,960</u>
Operating profit / (loss) before working capital changes	(142,698,746)	3,475,842
Changes in working capital (Increase) / Decrease in current assets		
Stores, spares and loose tools	3,958,537	264,954
Stock in trade	8,105,162	155,768,507
Trade debts	(1,253,424)	(1,140,949)
Loans and advances	3,518,404	39,744,478
Prepayments and other receivables	(74,105)	3,394,449
	<u>14,254,574</u>	<u>198,031,439</u>
	(128,444,172)	201,507,281
Increase / (Decrease) in current liabilities		
Trade and other payables	148,818,640	(7,385,129)
Cash used in operating activities	<u>20,374,468</u>	<u>194,122,152</u>
Taxes paid	(5,341,666)	(4,639,709)
Finance cost paid	(10,847,201)	(42,399,426)
Gratuity paid	(1,112,272)	(165,872)
	<u>(17,301,139)</u>	<u>(47,205,007)</u>
Net cash used in operating activities	3,073,329	146,917,145
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(445,500)	(5,889,979)
Proceeds from disposal of property, plant and equipment		2,999,906
Long term deposits		165,083
Long term loans	112,714	(54,948)
Net cash used in investing activities	(332,786)	(2,779,938)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of long term finance	(8,333,333)	(24,999,999)
Receipt of long term loan	-	-
Loan from Directors	-	2,100,000
Net cash used in financing activities	(8,333,333)	(22,899,999)
Net decrease in cash and cash equivalents	(5,592,790)	121,237,208
Cash and cash equivalents at the beginning of the period	7,353,819	31,600,756
Cash and cash equivalents at the end of the period	<u>1,761,029</u>	<u>152,837,964</u>
Cash and cash equivalents comprises of:		
Short term finances	-	140,793,916
Cash and bank balances	1,761,029	12,044,048
	<u>1,761,029</u>	<u>152,837,964</u>

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

**DINSHAW H. ANKLESARIA**  
Chief Executive

**SYED ABID HUSSAIN**  
Director

Dated: July 29, 2016



**STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED JUNE 30, 2016  
(UNAUDITED)**

	<b>Issued, subscribed &amp; paid-up capital</b>	<b>Accumulated Loss</b>	<b>Total</b>
		<b>(Rupees)</b>	
Balance as at October 01, 2014	223,080,000	(718,799,054)	(495,719,054)
Total comprehensive income			
-Net loss for the period		(225,483,006)	(225,483,006)
-Other comprehensive income for the period		73,688,290	73,688,290
<b>Balance as at June 30, 2015</b>	<u><u>223,080,000</u></u>	<u><u>(870,593,770)</u></u>	<u><u>(647,513,770)</u></u>
Balance as at October 01, 2015	223,080,000	(881,713,717)	(658,633,717)
Total comprehensive income			
-Net loss for the period		(221,522,371)	(221,522,371)
-Other comprehensive income for the period		46,647,595	46,647,595
<b>Balance as at June 30, 2016</b>	<u><u>223,080,000</u></u>	<u><u>(1,056,588,493)</u></u>	<u><u>(833,508,493)</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED JUNE 30, 2016**

1. These financial statements are unaudited and are being submitted to the shareholders as required by the Securities and Exchange Commission of Pakistan vide circular No.2(52)SE/2001 dated November 05,2001, with reference to SRO No. 764(1) 2001.
2. These financial statements have been prepared in compliance with the requirements of International Accounting Standard -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, 2015.
4. Figures have been rounded off to the nearest rupee.

**DINSHAW H. ANKLESARIA**  
Chief Executive

**SYED ABID HUSSAIN**  
Director

Dated: July 29, 2016

CORPORATE

**BOOK POST**

UNDER POSTAL CERTIFICATE



**SAKRAND SUGAR MILLS LIMITED**  
41-K, BLOCK-6, P.E.C.H.S., KARACHI-75400, PAKISTAN.  
TEL : 34531642, 34531105, UAN: 111-48-48-48, FAX: (92-21) 34546456