



**CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2014
(UNAUDITED)**

	1st Quarter December 2014	1st Quarter December 2013
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(69,454,190)	(110,606,353)
Adjustments for:		
Depreciation	32,612,605	19,521,150
Finance cost	11,819,465	11,969,906
Gain on amortisation of investment	(3,832,972)	(3,417,719)
	<u>40,599,098</u>	<u>28,073,337</u>
Operating loss before working capital changes	(28,855,092)	(82,533,016)
Changes in working capital (Increase) / Decrease in current assets		
Stores, spares and loose tools	1,540,167	(400,136)
Stock in trade	(4,420,675)	(166,792,038)
Trade debts	(17,498,250)	(710,365)
Loans and advances	(58,830,183)	6,434,532
Prepayments and other receivables	4,041,064	141,841
	<u>(75,167,877)</u>	<u>(161,326,166)</u>
	<u>(104,022,969)</u>	<u>(243,859,182)</u>
Increase / (Decrease) in current liabilities		
Trade and other payables	336,202,633	491,759,822
Cash generated from operations	232,179,664	247,900,640
Taxes paid	(832,010)	(3,367,909)
Finance cost paid	(21,791,933)	(21,244,701)
Gratuity paid	-	(245,899)
	<u>(22,623,943)</u>	<u>(24,858,509)</u>
Net cash generated from operating activities	209,555,721	223,042,131
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(17,700)	(604,468)
Long term deposits	165,083	-
Long term loans	8,928	(175,524)
Net cash used in investing activities	156,311	(779,992)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term finances	(8,333,333)	(8,333,333)
Repayment of short term finances	(198,825,916)	(69,196,945)
Net cash used in financing activities	(207,159,249)	(77,530,278)
Net increase / (decrease) in cash and cash equivalents	2,552,783	144,731,861
Cash and cash equivalents at the beginning of the period	31,600,756	4,959,712
Cash and cash equivalents at the end of the period	<u>34,153,539</u>	<u>149,691,573</u>
Cash and cash equivalents comprises of:		
Cash and bank balances	<u>34,153,539</u>	<u>149,691,573</u>

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

DINSHAW H. ANKLESARIA
Chief Executive/Director

Dated: January 31, 2015

SYED ABID HUSSAIN
Director



**STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2014
(UNAUDITED)**

	Issued, subscribed & paid-up capital	Accumulated Loss	Total
	(Rupees)		
Balance as at October 01, 2013	223,080,000	(569,463,569)	(346,383,569)
Total comprehensive loss			
- Net loss for the period		(186,426,066)	(186,426,066)
- Other comprehensive income		37,090,581	37,090,581
Balance as at September 30, 2014	<u>223,080,000</u>	<u>(718,799,054)</u>	<u>(495,719,054)</u>
Balance as at October 01, 2014	223,080,000	(718,799,054)	(495,719,054)
Total comprehensive loss			
- Net loss for the period		(69,454,190)	(69,454,190)
- Other comprehensive income		24,706,530	24,706,530
Balance as at December 31, 2014	<u>223,080,000</u>	<u>(763,546,714)</u>	<u>(540,466,714)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2014**

- 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.
- 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.
- 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, 2014.
- Figures have been rounded off to the nearest rupee.

DINSHAW H. ANKLESARIA
Chief Executive/Director

Dated: January 31, 2015

SYED ABID HUSSAIN
Director



SAKRAND SUGAR MILLS LIMITED
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**1ST QUARTER
UNAUDITED ACCOUNTS
December 31, 2014**

CORPORATE

SAKRAND SUGAR MILLS LIMITED

COMPANY PROFILE

BOARD OF DIRECTORS	Mr. Dinshaw H. Anklesaria Mr. Jamil Akberi Syed Abid Hussain Mr. Abdul Naem Quraishi Mr. Neville Mehta Mrs. Fatma Gulamali Dr. Jamsheed H. Anklesaria	Chief Executive/ Director Director Director Director Director Director Director
AUDIT COMMITTEE	Mr. Abdul Naem 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 Naem Quraishi, Adv.	
REGISTRAR	M/s Evolution Factor (Private) Limited 407-408, Al Ameer Centre Shahrah-e-Iraq, Saddar Karachi-7400	
REGISTERED OFFICE	41-K, Block 6, P.E.C.H.S., Karachi.	
	Fax: 021-34546456 www.sakrandugar.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 first quarter ended December 31, 2014.

The financial results show an operating loss of Rs. 61.397 million and pre-tax loss of Rs. 69.454 million as compared to operating loss of Rs.101.83 million and pre-tax loss of Rs.110.61 million of the corresponding year 2013-14.

OPERATING RESULTS	2014-15	2013-14
Season started	05-Dec-14	01-Nov-13
Duration of season	27	61
Sugarcane crushed	Tonnes 133,503	315,971
Sugar produced	Tonnes 12,015	25,955
Sugar recovery	% 9.345	8.604
Molasses produced	Tonnes 5,461	13,207
Molasses recovery	% 4.384	4.322

The mill started crushing on December 05, 2014 and till closing date of quarter i.e. December 31, 2014, total crushing was 133,503 M.T. producing 12,015 M.T. of sugar with an average recovery of 9.345% as compared to previous year's crushing of 315,971 M.T. producing 25,955 M.T. of sugar with an average recovery of 8.604%.

Current season - 2014-15 started with lot of controversies, as Sind Government unilaterally fixed the sugarcane price as Rs.182/40kg which was unanimously rejected by most of the sugar mills who demanded to fix the minimum price at Rs.155/40kg. This increase would result in increase in basic raw material of the product. The Government of Sindh promised to fix the minimum sugarcane price at Rs.155/40kg which was further confirmed by notification No.8(142)/ S.O (Ext)95-XXIII dated 03-12-2014. But just after six (06) days this notification was withdrawn 09-12-2014 and inacted the first notification dated 07-11-2014 and fixed the sugarcane support price for the season 2014.15 at Rs.182/40kg plus quality premium.

The majority of sugar mills decided to file the petition before the Hon' able Supreme Court of Pakistan and uptill now is waiting for the decision and as this case in litigation therefore we have purchased and recorded the cost of sugar cane on 155/40kg.

This year, the country is expected to cross the 5.50 million tonne mark in sugar production by keeping in view the good sugarcane crop. The government is however supporting the industry by allowing export of 650,000 M.T; however, due to the depressed international market the industry is not showing eagerness in this venture.

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: January 31, 2015

BALANCE SHEET AS AT DECEMBER 31, 2014

	Unaudited December 31, 2014	Audited September 30, 2014
	(Rupees)	
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	2,559,456,316	2,592,051,216
Long term investments	130,021,347	126,188,376
Long term loans	294,376	303,304
Long term deposits	1,431,283	1,596,366
CURRENT ASSETS		
Stores, spares and loose tools	28,146,527	29,686,694
Stock in trade	234,919,959	230,499,284
Trade debts - unsecured (considered good)	151,816,683	134,318,433
Loans and advances	124,455,888	65,625,705
Prepayments and other receivables	12,971,619	17,012,683
Taxation refundable	33,792,604	32,960,594
Cash and bank balances	34,153,539	31,600,756
	620,256,819	541,704,149
	3,311,460,141	3,261,843,410
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised 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	(763,546,714)	(718,799,054)
	(540,466,714)	(495,719,054)
SURPLUS ON REVALUATION ON FIXED ASSETS	1,451,439,732	1,467,993,107
SUBORDINATED LOAN FROM DIRECTORS	45,998,100	45,998,100
LIABILITIES		
NON CURRENT LIABILITIES		
Deferred taxation	378,970,299	387,123,454
Long term finance - secured		
-Markup bearing	267,185,703	275,519,036
-Markup free	7,799,181	7,799,181
	274,984,884	283,318,217
Provision for Gratuity	9,338,111	9,338,111
CURRENT LIABILITIES		
Trade and other payables	1,396,492,902	1,060,290,269
Short term borrowings	125,080,983	323,906,899
Mark up accrued	30,520,561	40,493,024
Current portion of non current liabilities	139,101,283	139,101,283
	1,691,195,729	1,563,791,475
	3,311,460,141	3,261,843,410

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

DINSHAW H. ANKLESARIA
Chief Executive/Director
Dated: January 31, 2015

SYED ABID HUSSAIN
Director

PROFIT AND LOSS ACCOUNT FOR THE FIRST QUARTER ENDED DECEMBER 31, 2014 (UNAUDITED)

	1st Quarter December 2014	1st Quarter December 2013
	(Rupees)	
Sales -net	725,548,051	1,213,410,544
Cost of sales	(751,379,536)	(1,282,559,521)
Gross (loss) / profit	(25,831,485)	(69,148,977)
Operating expenses		
Administrative expenses	(34,524,395)	(30,811,458)
Distribution cost	(1,040,800)	(1,874,132)
	(35,565,195)	(32,685,590)
Operating loss	(61,396,680)	(101,834,567)
Finance cost	(11,819,465)	(11,969,906)
Other charges	(80,016)	(224,960)
Other income	8,999	5,361
	(11,890,482)	(12,189,505)
	(73,287,162)	(114,024,072)
Unrealised gain on investment	3,832,972	3,417,719
Loss before taxation	(69,454,190)	(110,606,353)
Provision for taxation		
Current	-	-
Deferred	-	-
	(69,454,190)	(110,606,353)
Earning per share-Basic and Diluted	(3.11)	(4.96)

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

DINSHAW H. ANKLESARIA
Chief Executive/Director
Dated: January 31, 2015

SYED ABID HUSSAIN
Director