



**CASH FLOW STATEMENT**  
FOR THE THIRD QUARTER ENDED JUNE 30, 2014  
(UNAUDITED)

	June 30, 2014	June 30, 2013
(Rupees)		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(333,960,776)	(251,740,581)
Adjustments for:		
Depreciation	59,479,681	62,329,961
Impairment loss on factory building		
Finance cost	60,021,789	62,448,267
Provision for gratuity	902,775	902,775
Gain on amortization of investments / loans	(7,368,712)	(7,874,896)
(Gain) on disposal of property, plant and equipment	(1,196,484)	(456,897)
	111,839,049	117,349,210
Operating profit / (loss) before working capital changes	(222,121,727)	(134,391,371)
Changes in working capital		
(Increase) / Decrease in current assets		
Stores, spares and loose tools	(4,796,172)	3,866,522
Stock in trade	(288,650,040)	(63,527,511)
Trade debts	36,712,779	(2,421,925)
Loans and advances	(6,958,137)	6,535,111
Prepayments and other receivables	229,602	2,259,110
	(263,461,968)	(53,288,693)
	(485,583,695)	(187,680,064)
Increase / (Decrease) in current liabilities		
Trade and other payables	451,553,608	184,944,531
Cash used in operating activities	(34,030,087)	(2,735,533)
Taxes paid	(8,587,527)	(12,790,539)
Finance cost paid	(53,799,215)	(62,910,922)
Gratuity paid	(925,033)	(708,156)
	(63,311,775)	(76,409,617)
Net cash used in operating activities	(97,341,862)	(79,145,150)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(12,775,673)	(5,059,432)
Proceeds from disposal of property, plant and equipment	2,368,880	755,000
Long term deposits		(59,100)
Long term loans	(134,788)	(144,661)
Net cash used in investing activities	(10,541,581)	(4,508,193)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of long term finance	(24,999,999)	(24,999,999)
Receipt of long term loan	32,700,000	
Net cash used in financing activities	7,700,001	(24,999,999)
Net decrease in cash and cash equivalents	(100,183,442)	(108,653,342)
Cash and cash equivalents at the beginning of the period	4,959,712	(414,660,806)
Cash and cash equivalents at the end of the period	(95,223,730)	(523,314,148)
Cash and cash equivalents comprises of:		
Short term finances	(110,441,683)	(528,707,319)
Cash and bank balances	15,217,953	5,393,171
	(95,223,730)	(523,314,148)

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

**DINSHAW H. ANKLESARIA**  
Chief Executive / Director

Dated: July 26, 2014

**SYED ABID HUSSAIN**  
Director



**STATEMENT OF CHANGES IN EQUITY**  
FOR THE THIRD QUARTER ENDED JUNE 30, 2014  
(UNAUDITED)

	Issued, subscribed & paid-up capital	Accumulated Loss	Total
(Rupees)			
Balance as at October 01, 2012	223,080,000	(291,516,430)	(68,436,430)
Total comprehensive income			
-Net loss for the period		(253,380,069)	(253,380,069)
-Other comprehensive income for the period		36,917,643	36,917,643
Balance as at June 30, 2013	223,080,000	(507,978,856)	(284,898,856)
Balance as at October 01, 2013	223,080,000	(569,463,570)	(346,383,570)
Total comprehensive income			
-Net loss for the period		(333,960,776)	(333,960,776)
-Other comprehensive income for the period		34,413,372	34,413,372
Balance as at June 30, 2014	223,080,000	(869,010,974)	(645,930,974)

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

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE THIRD QUARTER ENDED JUNE 30, 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 Standard-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, 2013.
- Figures have been rounded off to the nearest rupee.

**DINSHAW H. ANKLESARIA**  
Chief Executive / Director

Dated: July 26, 2014

**SYED ABID HUSSAIN**  
Director



**SAKRAND SUGAR MILLS LIMITED**  
41-K, BLOCK-6, P.E.C.H.S., KARACHI-75400, PAKISTAN.  
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**QUARTERLY  
UNAUDITED ACCOUNTS  
30TH JUNE, 2014**

CORPORATE

**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

**CHIEF FINANCIAL OFFICER** Mr. Farhaj Badar

**COMPANY SECRETARY** 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

**AUDITORS** M/s. Haroon Zakaria & Company  
Chartered Accountants

**LEGAL ADVISOR** Abdul Naeem Quraishi, Adv.

**REGISTRAR** M/s Evolution Factor (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  
Tel: 111-484-848  
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 third quarter ended June 30, 2014.

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

<b>OPERATING RESULTS</b>		<b>2013-14</b>	<b>2012-13</b>
Season started		<b>01-11-13</b>	30-11-2012
Season closed		<b>22-03-14</b>	18-03-2013
Duration of season		<b>142</b>	109
Sugarcane crushed	Tonnes	<b>770,516.00</b>	516,227
Sugar produced	Tonnes	<b>70,864.00</b>	51,050
Sugar recovery	%	<b>9.188</b>	9.890
Molasses produced	Tonnes	<b>33,397.00</b>	22,306
Molasses recovery	%	<b>4.33</b>	4.322

The Mill started crushing season on November 01, 2013 and closed on March 22, 2014. During the current season the mill operated for 142 days and crushed 770,516 metric tons of sugarcane and produced 70,864 metric tons of sugar as compare to last season when it operated 109 days and crushed 516,227 metric tons of sugarcane to produce 51,050 metric tons of sugar. The recovery of sucrose declined to 9.188% as against 9.890% last season. In current season the production of molasses increased to 33,397 metric tons as compare to 22,306 last year.

The Government of Sindh vide notification dated Dec 11, 2013 fixed the sugarcane minimum price for the season 2013-14 at 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. The industry is continuously agitating the unilateral increase in basic raw material prices without relating proportion with the sugar prices and this continuation of high price of basic raw material caused the increase in cost of production. The Government allowed incentives against export of sugar, however, the fall in international prices reduced the impact of profitability.

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 our workers and the creditors and wish to place on record my appreciation for the devotion, sense of responsibility and loyalty.

**Dinshaw H. Anklesaria**  
Chief Executive  
Dated: July 26, 2014

## BALANCE SHEET AS AT JUNE 30, 2014

	<b>Unaudited June 30, 2014</b>	<b>Audited September 30, 2013</b>
	<b>(Rupees)</b>	
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	<b>1,520,386,021</b>	1,568,312,424
Long term investments	<b>119,352,937</b>	112,517,500
Long term loans	<b>373,236</b>	238,448
Long term deposits	<b>1,591,366</b>	1,591,366
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	<b>29,333,478</b>	24,537,306
Stock in trade	<b>576,946,473</b>	288,296,433
Trade debts - unsecured (considered good)	<b>148,290,713</b>	185,003,492
Loans and advances	<b>26,267,443</b>	19,309,306
Prepayments and other receivables	<b>7,812,169</b>	8,041,771
Taxation	<b>32,143,472</b>	23,555,945
Cash and bank balances	<b>15,217,953</b>	4,959,712
	<b>836,011,701</b>	553,703,965
	<b>2,477,715,261</b>	2,236,363,703
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized capital		
25,000,000 Ordinary shares of Rs. 10/- each	<b>250,000,000</b>	250,000,000
Issued, subscribed and paid-up capital	<b>223,080,000</b>	223,080,000
Accumulated loss	<b>(869,010,974)</b>	(569,463,570)
	<b>(645,930,974)</b>	(346,383,570)
<b>SURPLUS ON REVALUATION OF FIXED ASSETS</b>	<b>722,924,736</b>	745,637,561
<b>LIABILITIES</b>		
<b>NON CURRENT LIABILITIES</b>		
Subordinated Loan from Director	<b>32,700,000</b>	-
Deferred liabilities	<b>272,010,896</b>	283,711,454
Long term finance - secured		
Markup bearing	<b>282,336,505</b>	310,108,101
Markup free	<b>6,895,850</b>	6,516,548
	<b>289,232,355</b>	316,624,649
<b>PROVISION FOR GRATUITY</b>	<b>6,497,301</b>	6,519,559
<b>CURRENT LIABILITIES</b>		
Trade and other payables	<b>1,145,225,238</b>	693,671,630
Short term finances	<b>490,586,530</b>	380,144,847
Mark up accrued	<b>39,576,179</b>	37,419,523
Current portion of non current liabilities	<b>124,893,000</b>	119,018,050
	<b>1,800,280,947</b>	1,230,254,050
	<b>2,477,715,261</b>	2,236,363,703

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

**DINSHAW H. ANKLESARIA**  
Chief Executive / Director

Dated: July 26, 2014

**SYED ABID HUSSAIN**  
Director

## PROFIT AND LOSS ACCOUNT FOR THE THIRD QUARTER ENDED JUNE 30, 2014 (UNAUDITED)

	<b>2013-2014</b>		<b>2012-2013</b>	
	<b>April-June 3 months</b>	<b>Year to date 9 months</b>	<b>April-June 3 months</b>	<b>Year to date 9 months</b>
	<b>(Rupees)</b>			
Sales-net	<b>310,469,360</b>	<b>3,094,618,036</b>	362,979,012	2,346,537,849
Cost of sales	<b>(367,210,461)</b>	<b>(3,270,054,465)</b>	(392,096,145)	(2,443,295,412)
Gross profit / (loss)	<b>(56,741,101)</b>	<b>(175,436,429)</b>	(29,117,133)	(96,757,563)
<b>Operating expenses</b>				
Administrative expenses	<b>(32,315,236)</b>	<b>(101,424,540)</b>	(25,720,041)	(87,650,496)
Distribution cost	<b>(300,196)</b>	<b>(4,938,102)</b>	(407,372)	(3,703,711)
	<b>(32,615,432)</b>	<b>(106,362,642)</b>	(26,127,413)	(91,354,207)
Operating profit / (loss)	<b>(89,356,533)</b>	<b>(281,799,071)</b>	(55,244,546)	(188,111,770)
Finance cost	<b>(21,065,348)</b>	<b>(60,021,789)</b>	(23,866,348)	(62,448,267)
Other charges	<b>(162,500)</b>	<b>(745,073)</b>	(165,000)	(10,023,965)
Other income	<b>1,205,127</b>	<b>1,236,445</b>	174,290	968,525
	<b>(20,022,721)</b>	<b>(59,530,417)</b>	(23,857,058)	(71,503,707)
	<b>(109,379,254)</b>	<b>(341,329,488)</b>	(79,101,604)	(259,615,477)
Unrealised gain on amortisation of investments / loans	-	<b>7,368,712</b>	-	7,874,896
Loss before taxation	<b>(109,379,254)</b>	<b>(333,960,776)</b>	(79,101,604)	(251,740,581)
Taxation				
- Current			8,737,391	(1,639,488)
- Deferred				(1,639,488)
			8,737,391	(1,639,488)
Loss after taxation	<b>(109,379,254)</b>	<b>(333,960,776)</b>	(70,364,213)	(253,380,069)
Earning per share - Basic	<b>(4.90)</b>	<b>(14.97)</b>	(3.15)	(11.36)

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

**DINSHAW H. ANKLESARIA**  
Chief Executive / Director

Dated: July 26, 2014

**SYED ABID HUSSAIN**  
Director