



**UNAUDITED
CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
JUNE 30, 2022**

SAKRAND SUGAR MILLS LIMITED



COMPANY PROFILE

BOARD OF DIRECTORS	Mr. Saleem Zamindar Mr. Shams Ghani Mr. Dinshaw H. Anklesaria Mr. Muhammad Jamshid Malik Miss. Sadia Moin Mr. Muhammad Saleem Mangrio Mr. Abdul Qayyum Khan Abbasi	Chairman/Director Executive Director Director Director Director Director Director
CHIEF EXECUTIVE OFFICER	Mr. Mansoor Afzal Subzwari	
AUDIT COMMITTEE	Miss. Sadia Moin Mr. Saleem Zamindar Mr. Muhammad Saleem Mangrio	Chairperson Member Member
HR COMMITTEE	Mr. Abdul Qayyum Khan Abbasi Mr. Muhammad Jamshid Malik Mr. Shams Ghani	Chairman Member Member
CHIEF FINANCIAL OFFICER	Mr. Shams Ghani	
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. Muhammad Jamshid Malik	
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,

OPERATIONAL RESULTS

The operational performance for the period under review as compared with that of last year's corresponding period is tabulated hereunder;

		Season	
		2021-22	2020-21
Start of Season		19-Nov-21	06-Nov-20
Season Duration	Days	127	115
Actual Crushing Duration	Days	115	70
Sugarcane crushed	M. Tons	538,986	205,968
Production			
Sugar	M. Tons	53,633	19,453
Molasses	M. Tons	24,500	10,093
Recovery			
Sugar	%	9.951	9.445
Molasses	%	4.546	4.900

FINANCIAL RESULTS

The Financial Results for the period under review as compared with that of last year's corresponding period is tabulated hereunder;

Description	Rupees in Millions	
	Oct – Jun 2022	Oct – Jun 2021
Sales – net	3,844.020	1,556.27
Gross profit	1.18	3.99
Profit/(loss) before taxation	(241.96)	(246.93)
Profit/(loss) after taxation	(277.25)	(166.15)
Loss per Share	Rs. (6.21)	(3.72)

The Cane cost increased from Rs 202/- per maund to Rs 250/- per maund, an increase of 25% along with an increase of all other input elements due to inflationary effect, whereas the selling price of Sugar registered an increase of 4 % only when compared to last year. The quantum of increase in Cost did not transform into selling price, thus bottom line resulted into a loss. Sugar production in our country is in excess of our consumption and government policies refraining export of surplus quantity result into low price of this commodity due to market forces. Unless the government formulate an economic viable policy as regards to this particular commodity, it will become very difficult for Sugar Industry to survive under these circumstances.



Acknowledgement

The Directors place on record their appreciation for devotion of duty, loyalty and hard work of the executives, officers, staff members and workers for smooth running of the company's affairs and hope that they will continue for enhancement of productivity with great zeal and spirit under the blessings of Almighty Allah.

The Directors would like to thank all the government functionaries, banking and financial institutions, suppliers and shareholders for their continued support and cooperation for the betterment and prosperity of the Company.

On behalf of the Board of Directors

Paleem Zamindar

Chairman

Chief Executive Officer

Dated: December 23, 2022



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 2022 پیش خدمت ہیں۔ کمپنی کی مجموعی کارکردگی کا تقابلی جائزہ مندرجہ ذیل اعداد و شمار سے لگایا جاسکتا ہے۔

آپریٹنگ نتائج:

		Season	
		2021-22	2020-21
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Sugar	%	9.951	9.445
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مالیاتی نتائج:

Description	Rupees in Millions	
	Oct – Jun 2022	Oct – Jun 2021
Sales – net	3,844.020	1,556.27
Gross profit	1.18	3.99
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Loss per Share	Rs. (6.21)	(3.72)



گنے کی قیمت 202 روپے فی من سے بڑھ کر 250 روپے فی من ہو گئی، افراط زر کے اثر کی وجہ سے دیگر تمام ان پٹ عناصر کی قیمتوں میں اضافے کے ساتھ مجموعی طور پر 25 فیصد اضافہ ہوا، جبکہ چینی کی قیمت فروخت میں صرف 4 فیصد اضافہ ریکارڈ کیا گیا۔ جس حساب سے گنے کے ریٹ میں اضافہ ہو اس تناسب سے چینی کے ریٹ میں اضافہ نہیں ہوا جس کے نتیجے میں نقصان ہوا۔ ہمارے ملک میں چینی کی پیداوار ہماری کھپت سے زیادہ ہے اور حکومتی پالیسیوں کا زائد مقدار کی برآمد سے اجتناب کے نتیجے میں مارکیٹ کی قوتوں کی وجہ سے چینی کی قیمت کم رہتی ہے۔ جب تک حکومت چینی کے حوالے سے کوئی قابل عمل معاشی پالیسی نہیں بنائے گی، ان حالات میں شوگر انڈسٹری کے لیے زندہ رہنا بہت مشکل ہو جائے گا۔

کمپنی کی انتظامیہ اپنے تمام اسٹیک ہولڈرز بشمول عملہ، مالیاتی ادارے اور شیئر ہولڈرز کا مسلسل حمایت اور تعاون پر شکریہ ادا کرنا چاہتی ہے۔

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

چیف ایگزیکٹو

Paleem Zamindar
چیئرمن

تاریخ: 23 دسمبر 2022



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022**

	Unaudited June 30, 2022	Audited September 30, 2021
Rupees in '000'	
ASSETS		
Non-Current Assets		
Property, plant and equipment	3,189,498	3,232,714
Intangible asset	2,650	1,478
Long-term loans	674	503
Long-term deposits	2,098	2,098
	<u>3,194,919</u>	<u>3,236,793</u>
Current Assets		
Stores, spares and loose tools	80,316	79,744
Stock-in-trade	361,368	51,301
Trade debts	143,237	179,047
Loans and advances	71,910	50,834
Prepayments and other receivables	44,369	44,990
Cash and bank balances	45,442	23,867
	<u>746,643</u>	<u>429,783</u>
Total Assets	<u><u>3,941,562</u></u>	<u><u>3,666,576</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	(1,539,889)	(1,292,292)
Capital reserves		
Surplus on revaluation of property, plant and equipment-net of deferred tax	1,779,863	1,809,512
Directors'/Sponsors' subordinated loan	<u>92,767</u>	<u>92,767</u>
	<u>778,900</u>	<u>1,056,147</u>
Non-Current Liabilities		
Deferred taxation	-	12,760
Deferred liabilities	70,943	71,996
	<u>70,943</u>	<u>84,756</u>
Current Liabilities		
Trade and other payables	1,681,584	1,262,534
Unclaimed and unpaid dividend	6,266	6,266
Accrued mark-up	372,913	269,311
Current maturity of long-term financing	924,091	924,091
Taxation - net	106,864	63,472
	<u>3,091,718</u>	<u>2,525,674</u>
Total Equity and Liabilities	<u><u>3,941,562</u></u>	<u><u>3,666,576</u></u>

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

Chief Executive Officer

Chief Financial Officer

Director



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE NINE MONTHS AND QUARTER ENDED JUNE 30, 2022
(UN-AUDITED)**

	Nine Months ended		Quarter ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Rupees in '000'.....			
Sales - net	3,844,025	1,556,271	115,033	38,619
Cost of sales	<u>(3,842,843)</u>	<u>(1,552,275)</u>	<u>(176,111)</u>	<u>(77,747)</u>
Gross profit / (loss)	1,182	3,996	(61,079)	(39,129)
Operating expenses				
Administrative expenses	<u>(134,858)</u>	<u>(159,582)</u>	<u>(26,038)</u>	<u>(22,725)</u>
Selling and distribution cost	<u>(4,633)</u>	<u>(4,677)</u>	<u>(74)</u>	<u>(55)</u>
	<u>(139,490)</u>	<u>(164,259)</u>	<u>(26,112)</u>	<u>(22,780)</u>
Operating loss	(138,308)	(160,263)	(87,190)	(61,908)
Finance cost	<u>(103,647)</u>	<u>(86,672)</u>	<u>(39,407)</u>	<u>(29,652)</u>
(Loss) before taxation	(241,956)	(246,935)	(126,597)	(91,561)
Taxation-net	(35,290)	80,790	(2,618)	22,156
(Loss) after taxation	<u>(277,246)</u>	<u>(166,145)</u>	<u>(129,216)</u>	<u>(69,405)</u>
Loss per share - Basic and diluted (Rs.)	<u>(6.21)</u>	<u>(3.72)</u>	<u>(2.90)</u>	<u>(1.56)</u>

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

Chief Executive Officer

Chief Financial Officer

Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS AND QUARTER ENDED JUNE 30, 2022
(UN-AUDITED)**

	Nine Months ended		Quarter ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Rupees in '000'.....			
Loss after taxation	(277,246)	(166,145)	(151,203)	(69,405)
Other comprehensive income / (loss) for the period - net of tax	-	-	-	-
Total comprehensive loss for the period	<u>(277,246)</u>	<u>(166,145)</u>	<u>(151,203)</u>	<u>(69,405)</u>

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

Chief Executive Officer

Chief Financial Officer

Director



CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED JUNE 30, 2022
(UN-AUDITED)

	June 30, 2022	June 30, 2021
Rupees in '000'.....	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(241,956)	(246,935)
Adjustments for non cash charges and other items :		
Depreciation	77,188	41,270
Amortisation	524	546
Provision for Bad debts	35,809	80,953
Finance cost	103,602	86,602
	217,123	209,372
Working capital changes		
Change in current assets		
Stores, spares and loose tools	(572)	20,474
Stock-in-trade	(310,067)	(25,915)
Trade debts	-	6,384
Loans and advances	(21,077)	10,576
Prepayments and other receivables	621	291
	(331,095)	11,810
Change in current liabilities		
Trade and other payables	417,995	72,521
Cash generated from operations	62,068	46,768
Taxes paid	(4,658)	(2,322)
Net cash generated from operating activities	57,410	44,446
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(33,972)	(62,778)
Purchase of Intangible assets	(1,695)	-
Net cash used in investing activities	(35,667)	(62,778)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
#REF!	(170)	203
Dividend paid	-	(4)
Net cash generated / (used in) financing activities	(170)	200
Net increase / (decrease) in cash and cash equivalents	21,574	(18,133)
Cash and cash equivalents at the beginning of the period	23,867	28,337
Cash and cash equivalents at the end of the period	45,442	10,204

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


Chief Executive Officer


Chief Financial Officer


Director



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED JUNE 30, 2022
(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, 2020	446,160	1,687,975	(958,473)	92,767	1,268,428
Profit / (loss) after taxation	-	-	(166,145)	-	(166,145)
Other comprehensive income / (loss) for the period	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	(166,145)	-	(166,145)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation- net of tax	-	(4,941)	4,941	-	-
Balance as at June 30, 2021	446,160	1,683,033	(1,119,677)	92,767	1,102,283
Balance as at October 01, 2021	446,160	1,809,512	(1,292,292)	92,767	1,056,146
Profit / (loss) after taxation	-	-	(277,246)	-	(277,246)
Other comprehensive income / (loss) for the period	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	(277,246)	-	(277,246)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation- net of tax	-	(29,649)	29,649	-	-
Balance as at June 30, 2022	446,160	1,779,863	(1,539,889)	92,767	778,900

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

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2022**

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, 2021.
4. These condensed interim financial information have been authorized for issue on December 23, 2022 by the Board of Directors of the Company.
5. Figures have been rounded off to the nearest thousand rupees.

Chief Executive Officer

Chief Financial Officer

Director