



**UNAUDITED CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE QUARTER AND NINE MONTHS
ENDED JUNE 30, 2023**

SAKRAND SUGAR MILLS LIMITED



COMPANY PROFILE

BOARD OF DIRECTORS	Mr. Saleem Zamindar Mr. Dinshaw H. Anklesaria Mr. Shams Ghani Miss. Sadia Moin Mr. Muhammad Saleem Mangrio Mr. Abdul Qayyum Khan Abbasi Mr. Muhammad Omar Arshid	Chairman / Director Director Director Director Director Director Director
AUDIT COMMITTEE	Miss. Sadia Moin Mr. Saleem Zamindar Mr. Muhammad Saleem Mangrio	Chairperson Member Member
HR COMMITTEE	Mr. Abdul Qayyum Khan Abbasi Mr. Muhammad Omar Arshid Mr. Shams Ghani	Chairman Member Member
CHIEF EXECUTIVE OFFICER	Mr. Mansoor Afzal Subzwari	
CHIEF FINANCIAL OFFICER	Mr. Shams Ghani	
COMPANY SECRETARY	Mr. Muhammad Yousuf Qureshi	
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	Parker Russell-A.J.S. 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 to Members

On behalf of the Board, we are pleased to present the un-audited Condensed Interim Financial Statements of the Company for the nine months period ended June 30, 2023.

Operational Result

The operational performance for the period under review as compared with that of last year is tabulated hereunder.

		Season	
		2022-23	2021-22
Start of Season		Nov 26, 2022	Nov 19, 2021
Season Duration		80	127
Operational Days		74	115
Sugarcane crushed	M. Tons	252,153	538,986
Production			
Sugar	M. Tons	25,763	53,633
Molasses	M. Tons	12,343	24,500
Recovery			
Sugar	%	10.217	9.951
Molasses	%	4.895	4.546

The crushing season 2022-2023 operated for 74 days compared to 115 days in the previous year. The shorter crushing season was mainly due to inadequate cane crop size and the quality of crop was also affected due to standing water, the after effects of heavy rains and flooding. The company could crush only 252,153 metric tons as compared to 538,986 metric tons crushed in the preceding year. The Sugar recovery factor slightly improved from 9.951% to 10.217%. The Sindh Government raised minimum support price of cane from PKR 250 per maund to PKR 302 per maund, an increase of 21% over last year cane price. Besides, shortage of cane crop lead to a price war amongst the millers and your company had to stop crushing at a point where contribution margin turned into negative.

Financial Result

The Financial Result for the period under review is tabulated hereunder.

Description	Rupees in Millions	
	Oct – Jun 2023	Oct – Jun 2022
Sales – net	2,343.81	3,844.02
Gross profit	61.56	1.18
Loss before taxation	(92.51)	(241.96)
Loss after taxation	(123.90)	(277.25)
Loss per Share	Rs. (2.78)	(6.21)



The period under review has been very tough for Sugar Industry. The environmental effects created by rains and flood disturbed the crushing season adversely. Significant cane cultivated area plus the standing crop was lost and affected. Similarly, economic downturn and hyperinflation resulted into the tremendous increase in cost of production, whereas the price of sugar remain almost the same as of last year. The Government also allowed export of sugar of 250,000 metric tons, out of which your company did export its allocation.

The Restructuring with Sindh bank Limited has been successfully implemented. Resultantly, finance cost for the period reduced to PKR 34.8 million as against PKR 103.6 million in the corresponding period.

Future Outlook

The initial survey of the fields carried out reflect a decline in the crop size by 10% to 15%. The yield per acre will of course depend on the climatic conditions. Apparently, we foresee a reduction in crop size for the crushing season 2023-24 which will lead to increase in Cane price. The Financial Result, of course largely depend upon the availability of Cane, the main ingredient/raw material in manufacturing of Sugar.

Acknowledgement

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

Chairman/Director
Karachi
July 25, 2023

Chief Executive Officer



ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی تیسری سہ ماہی کے غیر آڈٹ شدہ مالیاتی حسابات برائے 30 جون 2023 پیش خدمت ہیں۔

آپریٹنگ نتائج

زیر حبانہ مدت کی آپریٹنگ کارکردگی کا گزشتہ سال کی مدت سے مختصر موازنہ مندرجہ ذیل ہے۔

		Season	
		2022-23	2021-22
Start of Season		Nov 26, 2022	Nov 19, 2021
Season Duration		80	127
Operational Days		74	115
Sugarcane crushed	M. Tons	252,153	538,986
Production			
Sugar	M. Tons	25,763	53,633
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Recovery			
Sugar	%	10.217	9.951
Molasses	%	4.895	4.546

کرشننگ سیزن 2022-2023 کا دورانیہ 74 دن رہا جبکہ گزشتہ سال یہ دورانیہ 115 دن تھا۔ پلانٹ کی کم دن چلنے کی بڑی وجہ گئے کی کم پیداوار اور گئے کا معیاری نہ ہونا تھا اور بارش کی وجہ سے سیلابی پانی کا فصل میں ٹھہرے رہنا بھی اس کا سبب بنا۔ کمپنی نے 252,153 میٹرک ٹن گن کرشن کیا جبکہ گزشتہ سال کمپنی نے 538,986 میٹرک ٹن گن کرشن کیا تھا۔ مزید یہ کہ اس سیزن میں چینی کی اوسط ریکوری سابقہ سیزن سے نسبتاً بہتر رہی۔ اس سیزن میں چینی کی اوسط ریکوری 10.217 فیصد رہی جبکہ سابقہ سیزن میں چینی کی اوسط ریکوری 9.951 فیصد تھی۔

حکومت سندھ نے گزشتہ سال کی نسبت اس سال گئے کی امدادی قیمت میں 21 فیصد اضافہ کیا۔ اس سال گئے کی قیمت 302 روپے فی من مقرر کی جبکہ پچھلے سال کی قیمت 250 روپے فی من تھی۔ گئے کی پیداوار میں کمی کی وجہ سے گئے کی قیمت میں غیر معمولی اضافہ ہوا۔ ان حالات کو مد نظر رکھتے ہوئے اور کمپنی کو مالی نقصان سے بچانے کے لیے گئے کی کرشننگ کو محدود رکھا گیا۔

مالیاتی نتائج

زیر حبانہ مدت کے مالیاتی نتائج کا گزشتہ سال کی مدت سے مختصر موازنہ مندرجہ ذیل ہے۔

Description	Rupees in Millions	
	Oct – Jun 2023	Oct – Jun 2022
Sales – net	2,343.81	3,844.02
Gross profit	61.56	1.18
Loss before taxation	(92.51)	(241.96)
Loss after taxation	(123.90)	(277.25)
Loss per Share	Rs. (2.78)	(6.21)



اس سال شوگر انڈسٹری نے بہت مشکل حالات کا سامنا کیا۔ بارش اور سیلاب نے کھڑی فصلوں کو بہت بری طرح نقصان پہنچایا۔ اسی طرح معاشی بحران اور مہنگائی نے پیداواری لاگت میں بے تحاشہ اضافہ کیا جبکہ چینی کی قیمت مندرجہ میں معمولی اضافہ ہوا۔ گورنمنٹ نے 250,000 میٹرک ٹن چینی کی درآمد کی اجازت دی جس میں سے کمپنی نے اپنے حصے کی چینی درآمد کر دی ہے۔

کمپنی اور سندھ بینک لمیٹڈ کے درمیان طویل مدتی متراض کے معاملات طے ہو جانے کی وجہ سے مارک اپ کی رمتم 34.8 ملین رہی، جبکہ گزشتہ سال کی تیسری سہ ماہی تک یہ رمتم 103.6 ملین تھی۔

مستقبل کا نکتہ نظر

گنے کے ابتدائی سروے کے لحاظ سے فصل میں 10 سے 15 فیصد تک کمی ہوئی ہے۔ گنے کی فی ایکڑ پیداوار کا دارومدار موسمی حالات پر ہوگا، بظاہر سیزن 23-24 میں گنے کی پیداوار کم ہونے کا اندیشہ ہے جس کی وجہ سے گنے کی قیمت حشرید میں اضافہ ہونے کا امکان ہے۔ گنا چینی بنانے کا اہم جز ہے اور اس کی دستیابی یقیناً مالیاتی نفع و نقصان کا باعث بنے گی۔

اظہار تشکر

کمپنی کے ڈائریکٹرز تمام گورنمنٹ کے اداروں، بینک اور مالیاتی اداروں، بزنس پارٹنرز اور کھاتے داروں کا تہ دل سے شکریہ ادا کرتے ہیں کہ جنہوں نے کمپنی کے بہترین مفاد کے لیے کمپنی کا ہاتھ دیا۔

مخائب

بورڈ ممبران

سکرٹری شوگر ملز لمیٹڈ

چیف ایگزیکٹو

Paleem Zamindar

چیرمین / ڈائریکٹر

کراچی: 25 جولائی 2023



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023**

	Unaudited June 30, 2023	Audited September 30, 2022
Rupees in '000'	
ASSETS		
Non-Current Assets		
Property, plant and equipment	3,822,273	3,731,900
Intangible asset	1,699	2,258
Long-term loans	276	381
Long-term deposits	2,098	2,098
	<u>3,826,345</u>	<u>3,736,637</u>
Current Assets		
Stores, spares and loose tools	127,841	148,075
Stock-in-trade	182,233	203,769
Trade debts	1,188	54,006
Loans and advances	52,884	112,804
Prepayments and other receivables	46,088	50,431
Cash and bank balances	14,175	33,882
	<u>424,407</u>	<u>602,967</u>
Total Assets	<u><u>4,250,753</u></u>	<u><u>4,339,604</u></u>
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorised share capital		
60,000,000 ordinary shares of Rs. 10/- each	<u>600,000</u>	<u>600,000</u>
Issued, subscribed and paid-up capital		
44,616,000 ordinary shares of Rs. 10/- each	446,160	446,160
Accumulated loss	<u>(1,661,351)</u>	<u>(1,552,393)</u>
	<u>(1,215,191)</u>	<u>(1,106,233)</u>
Surplus on revaluation of property, plant and equipment-net of deferred tax	2,153,055	2,168,001
Directors'/Sponsors' subordinated loan	92,767	92,767
	<u>1,030,631</u>	<u>1,154,535</u>
Non-Current Liabilities		
Long term financing - secured	695,473	-
Deferred liabilities	69,551	71,512
	<u>765,024</u>	<u>71,512</u>
Current Liabilities		
Trade and other payables	1,735,407	1,749,119
Unclaimed dividend	6,198	6,198
Unpaid dividend	30	30
Accrued mark-up	453,035	419,133
Current maturity of long-term financing	219,618	924,091
Tax payable - net	40,810	14,986
	<u>2,455,098</u>	<u>3,113,557</u>
Total Equity and Liabilities	<u><u>4,250,753</u></u>	<u><u>4,339,604</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 QUARTER AND NINE MONTHS ENDED JUNE 30, 2023
(UN-AUDITED)**

	Nine months ended		Quarter ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Rupees in '000'.....			
Sales - net	2,343,809	3,844,025	311,669	115,033
Cost of sales	<u>(2,282,250)</u>	<u>(3,842,843)</u>	<u>(275,681)</u>	<u>(176,111)</u>
Gross profit / (loss)	61,559	1,182	35,987	(61,079)
Operating expenses				
Administrative expenses	(115,093)	(134,858)	(38,439)	(26,038)
Selling and distribution cost	(4,025)	(4,633)	(584)	(74)
	<u>(119,118)</u>	<u>(139,490)</u>	<u>(39,023)</u>	<u>(26,112)</u>
Operating loss	<u>(57,558)</u>	<u>(138,308)</u>	<u>(3,036)</u>	<u>(87,190)</u>
Finance cost	(34,789)	(103,647)	(13,632)	(39,407)
Other loss	(167)	-	(2,578)	-
	<u>(34,956)</u>	<u>(103,647)</u>	<u>(16,210)</u>	<u>(39,407)</u>
Loss before taxation	<u>(92,515)</u>	<u>(241,956)</u>	<u>(19,245)</u>	<u>(126,597)</u>
Taxation-net	<u>(31,389)</u>	<u>(35,290)</u>	<u>(5,987)</u>	<u>(2,618)</u>
Loss after taxation	<u><u>(123,903)</u></u>	<u><u>(277,246)</u></u>	<u><u>(25,232)</u></u>	<u><u>(129,216)</u></u>
Loss per share - Basic and diluted (Rs.)	<u><u>(2.78)</u></u>	<u><u>(6.21)</u></u>	<u><u>(0.57)</u></u>	<u><u>(2.90)</u></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 QUARTER AND NINE MONTHS ENDED JUNE 30, 2023
(UN-AUDITED)**

	Nine months ended		Quarter ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Rupees in '000'.....			
Loss after taxation	(123,903)	(277,246)	(25,232)	(129,216)
Other comprehensive income / (loss) for the period	-	-	-	-
Total comprehensive loss for the period	(123,903)	(277,246)	(25,232)	(129,216)

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, 2023
(UN-AUDITED)

	<u>Nine months ended</u>	
	<u>June 30,</u>	<u>June 30,</u>
	<u>2023</u>	<u>2022</u>
	<u>.....Rupees in '000'</u>	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(92,515)	(241,956)
<i>Adjustments for non cash items:</i>		
Depreciation	59,847	77,188
Amortisation	559	524
Provision for Bad debts	-	35,809
Finance cost	33,901	103,602
Provision for gratuity	1,672	1,126
Gain on sale of fixed assets	(2,420)	-
Long term loans to employees	105	(170)
	<u>93,664</u>	<u>218,079</u>
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	20,235	(572)
Stock-in-trade	21,536	(310,067)
Trade debts	52,818	-
Loans and advances	59,920	(21,077)
Prepayments and other receivables	4,344	621
	<u>158,852</u>	<u>(331,095)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	(17,343)	416,871
	<u>142,659</u>	<u>61,900</u>
Cash generated from operations	142,659	61,900
Taxes paid	(5,565)	(4,658)
	<u>137,094</u>	<u>57,242</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(151,739)	(33,972)
Proceed from disposal of property, plant and equipment	3,939	-
Addition to Intangible assets	-	(1,695)
Net cash used in investing activities	<u>(147,800)</u>	<u>(35,667)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - repaid	(9,000)	-
Net cash used in financing activities	<u>(9,000)</u>	<u>-</u>
	<u>(19,706)</u>	<u>21,574</u>
Net increase / (decrease) in cash and cash equivalents	(19,706)	21,574
Cash and cash equivalents at the beginning of the period	33,881	23,867
Cash and cash equivalents at the end of the period	<u>14,175</u>	<u>45,442</u>

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, 2023
(UN-AUDITED)**

	Issued, subscribed & paid-up share capital	Un- appropriate d profit / Accumulate d loss	Total	Surplus on revaluation of property, plant and equipment	Directors' / sponsors' subordinate d loan	Total
..... Rupees in '000'.....						
Balance as at October 01, 2021	446,160	(1,292,292)	(846,132)	1,809,512	92,767	1,056,147
Loss after taxation	-	(277,246)	(277,246)	-	-	(277,245)
Other comprehensive income / (loss) for the period	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	(277,246)	(277,246)	-	-	(277,245)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation- net of tax	-	29,649	29,649	(29,649)	-	-
Balance as at June 30, 2022	446,160	(1,539,889)	(1,093,729)	1,779,863	92,767	778,902
Balance as at October 01, 2022	446,160	(1,552,393)	(1,106,233)	2,168,001	92,767	1,154,535
Loss after taxation	-	(123,903)	(123,903)	-	-	(123,903)
Other comprehensive income / (loss) for the period	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	(123,903)	(123,903)	-	-	(123,903)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation- net of tax	-	14,945	14,945	(14,945)	-	-
Balance as at June 30, 2023	446,160	(1,661,351)	(1,215,191)	2,153,055	92,767	1,030,631

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

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2023**

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, 2022.
4. These condensed interim financial information have been authorized for issue on July 25, 2023 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