



**UNAUDITED  
CONDENSED INTERIM  
FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED  
JUNE 30, 2019**

**SAKRAND SUGAR MILLS LIMITED**



## COMPANY PROFILE

### BOARD OF DIRECTORS

Mr. Jamil Akberi	Chairman/Director
Mr. Dinshaw H. Anklesaria	Chief Executive/Director
Mr. Amad Uddin	Director
Mr. Abdul Naeem Quraishi	Director
Mr. Neville Mehta	Director
Mrs. Fatma Gulamali	Director
Dr. Jamshed H. Anklesaria	Director

### AUDIT COMMITTEE

Mr. Abdul Naeem Quraishi	Chairman
Mr. Jamil Akberi	Member
Mr. Neville Mehta	Member

### HR COMMITTEE

Mr. Neville Mehta	Chairman
Mr. Jamil Akberi	Member
Mr. Amad Uddin	Member

### CHIEF FINANCIAL OFFICER

Mr. Amad Uddin

### COMPANY SECRETARY

Mr. Amad Uddin

### 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

### AUDITORS

UHY Hassan Naeem & Co.  
Chartered Accountants

### LEGAL ADVISOR

Mr. Abdul Naeem Quraishi

### 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](http://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, 2019.

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

OPERATING RESULTS		2018-19	2017-18
Season started		03-Dec-18	30-Nov-17
Season closed		25-March-19	26-April-18
Duration of season	Days	113	148
Sugarcane crushed	MT	335,136	367,222
Sugar produced	MT	36,865	39,660
Sugar recovery	%	11.0	10.8
Molasses produced	MT	19,435	26,047
Molasses recovery	%	5.08	5.50
FINANCIAL SUMMARY		2018-19	2017-18
		(Rupees)	(Rupees)
Sales - net		2,328.628 million	1,760.641 million
Operating profit		332.871 million	393.139 million
Profit before taxation		222.294 million	507.052 million
Profit after taxation		175.089 million	405.939 million
EPS		3.92	9.10

The crushing season commenced on December 03, 2018, however, the Government of Sindh issued notification on December 07, 2018 for fixing the minimum support price of sugarcane for the crushing season 2018-19 at Rs.182 per 40 kgs. In addition, mills were also required to pay Quality Premium at the rate of fifty paisas per 40 kg for every 0.1 percent recovery in excess of the benchmark of 8.7%. The Notification for Quality Premium is still being challenged in the court.

This minimum price fixed plus the quality premium issue does not justify as feasible in the light of both local and international prices of sugar, therefore, Pakistan Sugar Mills Association- Sindh Zone (PSMA-SZ) filed petition before the Honourable High Court of Sindh praying that the minimum support price fixed by the Government was totally arbitrary and unjustified as it would result in financial catastrophe and economic disaster to the sugar industry.

The overall yield per acre for sugar cane is significantly less than previous years due to severe shortage of water in irrigation canals. This is resulting in scarce availability of sugar cane by an estimate of 20-30% and that too at much higher rates.

We would like to acknowledge and appreciate the team effort put in by every employee of the Company and pray to Almighty to guide the Company towards more success and betterment in the future.

**For and on behalf of the Board of Directors**

**Jamil Akberi**  
Chairman / Director

**Dated: July 30, 2019**



## 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 2019 پیش خدمت ہیں۔

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

آپریٹنگ نتائج:

		2018-19	2017-18
Season started		03-Dec-18	30-Nov-17
Season closed		25-March-19	26-April-18
Duration of season	Days	113	148
Sugarcane crushed	MT	335,136	367,222
Sugar produced	MT	36,865	39,660
Sugar recovery	%	11.0	10.8
Molasses produced	MT	19,435	26,047
Molasses recovery	%	5.08	5.50

مالیاتی نتائج:

	2018-19 (Rupees)	2017-18 (Rupees)
Sales - net	2,328.628 million	1,760.641 million
Operating profit	332.871 million	393.139 million
Profit before taxation	222.294 million	507.052 million
Profit after taxation	175.089 million	405.939 million
EPS	3.92	9.10

کرٹنگ سیزن کا آغاز 3 دسمبر 2018 کو ہوا اور حکومت سندھ نے 7 دسمبر 2018 کو گنے کی کم از کم سپورٹ پرائس برائے سیزن 2018-2019 کے نوٹیفکیشن کا اجراء کیا جس میں گنے کی قیمت -/182 روپے فی 40 کلوگرام مقرر کی گئی۔ علاوہ ازیں شوگر ملز کو الٹی پریسینم شکر کی اوسط ریکوری کے بیچ مارک 8.70 فیصد سے زائد ہر 0.10 فیصد پر 0.50 روپے فی 40 کلوگرام ادا کرے گی۔ کو الٹی پریسینم کے نوٹیفکیشن کو ابھی بھی کورٹ میں چیلنج کیا جا رہا ہے۔

حکومت سندھ نے گنے کی کم از کم قیمت -/182 روپے فی 40 کلوگرام مقرر کرتے ہوئے شوگر ملز کے ساتھ نا انصافی کی اور اسکی مطابقت شکر کی قیمتوں میں قومی اور بین الاقوامی منڈیوں کے حساب سے نہیں کی۔ اس لیے "پاکستان شوگر ملز ایسوسی ایشن" سندھ زون (PSMA-Sindh Zone) نے ایک پٹیشن معزز رہائی کورٹ سندھ میں دائر کی ہے کہ حکومت سندھ کی طرف سے مقرر کردہ گنے کی فی من قیمت خرید سراسر غیر منصفانہ ہے اور یہ سندھ کی شوگر ملز کو مالی بحران اور تباہی کے دہانے پر پہنچا دے گی۔

پانی کی قلت کے باعث گنے کی حالیہ فی ایکڑ پیداوار پچھلے سال کی نسبت 20 سے 30 فی صد کم رہی جس کی وجہ سے شوگر ملز کو گنے کی کمی اور زیادہ قیمت خرید کا مسئلہ درپیش رہا۔

آخر میں، میں تمام کمپنی اسٹاک ہولڈرز کی انتھک محنت کے لیے تہ دل سے شکر گزار ہوں اور اللہ رب العزت کے حضور دعا کو ہوں کہ وہ کمپنی کو بہتری اور کامیابی کی طرف گامزن فرمائے۔ آمین

برائے سکریٹری شوگر ملز لمیٹڈ

جلیل اکبری

ڈائریکٹر / چیئرمین

تاریخ: 30 جولائی، 2019



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2019**

	Unaudited June 30, 2019	Audited September 30, 2018
	.....Rupees in '000' .....	
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	3,239,364	3,099,364
Intangible assets	3,699	4,915
Long-term loans	874	323
Long-term deposits	2,098	2,098
	<u>3,246,035</u>	<u>3,106,700</u>
<b>Current Assets</b>		
Stores, spares and loose tools	85,233	42,073
Stock-in-trade	908,707	518,655
Trade debts	94	94
Loans and advances	19,995	18,874
Prepayments and other receivables	62,610	150,391
Short-term investments	-	30,000
Tax refund due from government	27,446	27,446
Cash and bank balances	5,260	46,439
	<u>1,109,345</u>	<u>833,972</u>
<b>Total Assets</b>	<u><u>4,355,380</u></u>	<u><u>3,940,672</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Share Capital and Reserves</b>		
<b>Authorized share capital</b>		
60,000,000 Ordinary shares of Rs. 10 each	<u>600,000</u>	<u>600,000</u>
<b>Share capital</b>		
Issued, subscribed and paid-up capital	446,160	446,160
<b>Revenue reserve</b>		
Accumulated loss	(375,248)	(566,148)
<b>Capital reserve</b>		
Surplus on revaluation of fixed assets	1,773,621	1,789,432
<b>Directors'/Sponsors' subordinated loan</b>	<u>92,767</u>	<u>92,767</u>
	<u>1,937,300</u>	<u>1,762,211</u>
<b>Non-Current Liabilities</b>		
Deferred taxation	406,317	377,921
Long term financing - secured	762,073	921,937
Deferred liabilities	75,145	76,811
	<u>1,243,535</u>	<u>1,376,669</u>
<b>Current Liabilities</b>		
Trade and other payables	832,549	618,993
Unclaimed dividend	6,427	7,852
Unpaid dividend	297	1,459
Accrued mark-up	36,420	26,466
Current portion of non current liabilities	259,273	124,909
Taxation - net	39,579	22,113
	<u>1,174,545</u>	<u>801,792</u>
<b>Total Equity and Liabilities</b>	<u><u>4,355,380</u></u>	<u><u>3,940,672</u></u>

The annexed notes form an integral part of these financial statements



**DIRECTOR**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

**Dated : July 30, 2019**



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT  
FOR THE NINE MONTHS AND QUARTER ENDED JUNE 30, 2019  
(UN-AUDITED)**

	Nine Months ended		Quarter ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	.....Rupees in '000'.....			
Sales - net	2,328,628	1,760,641	192,921	495,532
Cost of sales	(1,906,762)	(1,294,359)	(242,404)	(370,223)
<b>Gross profit / (loss)</b>	<b>421,866</b>	<b>466,282</b>	<b>(49,483)</b>	<b>125,309</b>
<b>Operating expenses</b>				
Administrative expenses	(83,798)	(66,646)	(26,789)	(21,007)
Selling and distribution cost	(5,198)	(6,497)	(112)	(1,832)
	(88,996)	(73,143)	(26,901)	(22,839)
<b>Operating profit / (loss)</b>	<b>332,871</b>	<b>393,139</b>	<b>(76,384)</b>	<b>102,470</b>
Finance cost	(110,967)	(76,432)	(41,365)	(27,088)
Other charges	-	(24,915)	-	-
Penalty	(45)	-	(10)	-
Loss on loan amortisation	-	(594)	-	-
Other income	435	215,854	6	89,351
	(110,577)	113,913	(41,369)	62,263
<b>Profit / (Loss) before taxation</b>	<b>222,294</b>	<b>507,052</b>	<b>(117,753)</b>	<b>164,733</b>
<b>Taxation - net</b>	<b>(47,205)</b>	<b>(101,113)</b>	<b>32,335</b>	<b>(529)</b>
<b>Profit / (Loss) after taxation</b>	<b>175,089</b>	<b>405,939</b>	<b>(85,417)</b>	<b>164,204</b>
<b>Earning per share - Basic and diluted</b>	<b>3.92</b>	<b>9.10</b>	<b>(1.91)</b>	<b>3.68</b>

The annexed notes form an integral part of these financial statements

**DIRECTOR**

**DIRECTOR**

**CHIEF FINANCIAL OFFICER**

**Dated : July 30, 2019**



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE NINE MONTHS AND QUARTER ENDED JUNE 30, 2019  
(UN-AUDITED)**

	Nine Months ended		Quarter ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	.....Rupees in '000'.....			
<b>Profit / (Loss) after taxation</b>	<b>175,089</b>	<b>405,939</b>	<b>(85,417)</b>	<b>164,204</b>
Other comprehensive income for the period - net of tax	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b><u>175,089</u></b>	<b><u>405,939</u></b>	<b><u>(85,417)</u></b>	<b><u>164,204</u></b>

The annexed notes form an integral part of these financial statements

**DIRECTOR**

**DIRECTOR**

**CHIEF FINANCIAL OFFICER**

**Dated : July 30, 2019**




**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED JUNE 30, 2019**  
**(UN-AUDITED)**

	June 30, 2019	June 30, 2018
	.....Rupees in '000'.....	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	222,294	507,052
Adjustments for :		
Depreciation	52,062	47,624
Amortisation	1,217	923
Finance cost	110,967	72,808
Interest expense-imputed	-	3,624
Amortisation of investment DSC's	-	594
Sindh workers welfare fund	-	6,551
Sindh workers profit participant fund	-	16,049
Export subsidy	-	130,940
Liabilities written back	-	80,751
Provision for gratuity	-	1,053
	164,245	360,917
<b>Working capital changes</b>		
<b>Change in current assets</b>		
Stores, spares and loose tools	(43,161)	(5,523)
Stock in trade	(390,051)	(324,530)
Trade debts	-	126,631
Loans and advances	(1,120)	11,652
Prepayments and other receivables	87,781	(310,322)
	(346,551)	(502,092)
<b>Change in current liabilities</b>		
Trade and other payables	211,868	(791,657)
Cash generated from / (used in) operations	251,856	(425,780)
Taxes paid	(1,343)	(27,615)
Finance cost paid	(101,012)	(49,415)
<b>Net cash generated from / (used in) operating activities</b>	149,500	(502,810)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(198,593)	(95,907)
Capital work-in-progress	6,531	-
Short term investment	30,000	86,000
Long term investment	-	81,650
Long term deposits	-	(488)
Long term loans	(552)	7
<b>Net cash (used in) / generated from investing activities</b>	(162,613)	71,262
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing - secured	(25,500)	458,708
Dividend paid	(2,566)	-
<b>Net cash (used in) / generated from financing activities</b>	(28,066)	458,708
<b>Net (decrease) / increase in cash and cash equivalents</b>	(41,179)	27,160
<b>Cash and cash equivalents at the beginning of the period</b>	46,439	60,528
<b>Cash and cash equivalents at the end of the period</b>	5,260	87,688

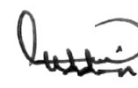
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**DIRECTOR**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

**Dated : July 30, 2019**





**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED JUNE 30, 2019  
(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, 2017	446,160	1,811,584	(824,289)	92,767	1,526,222
Profit after taxation	-	-	405,939	-	405,939
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	405,939	-	405,939
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation- net of tax	-	(17,104)	17,104	-	-
<b>Balance as at June 30, 2018</b>	<b>446,160</b>	<b>1,794,480</b>	<b>(401,246)</b>	<b>92,767</b>	<b>1,932,161</b>
Balance as at October 01, 2018	446,160	1,789,432	(566,148)	92,767	1,762,211
Profit after taxation	-	-	175,089	-	175,089
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	175,089	-	175,089
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation- net of tax	-	(15,811)	15,811	-	-
<b>Balance as at June 30, 2019</b>	<b>446,160</b>	<b>1,773,621</b>	<b>(375,248)</b>	<b>92,767</b>	<b>1,937,300</b>

The annexed notes form an integral part of these financial statements

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE 30, 2019**


- These financial statements are unaudited and are being submitted to the shareholders as required by the Securities and Exchange Commission of Pakistan.
- 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, 2018.
- Figures have been rounded off to the nearest thousand rupees.



**DIRECTOR**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

**Dated : July 30, 2019**