



Condensed Interim Financial Information

For the Nine Months Period Ended

June 30, 2016

(Un-Audited)



سانگھڑ شوگر ملز لمیٹیڈ

Sanghar Sugar Mills Limited

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Ghulam Dastagir Rajar (Chairman)
Haji Khuda Bux Rajar (Chief Executive)
Mr. Mohammad Aslam
Mr. Rahim Bux
Mr. Ghulam Hyder
Mr. Qazi Shamsuddin
Mr. Shahid Aziz (Nominee of N.I.T.)

BOARD COMMITTEES

AUDIT COMMITTEE

Mr. Rahim Bux (Chairman)
Mr. Mohammad Aslam
Mr. Shahid Aziz

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Rahim Bux (Chairman)
Mr. Mohammad Aslam
Mr. Shahid Aziz

EXECUTIVE DIRECTOR / COMPANY SECRETARY

Mr. Abdul Ghafoor Ateeq

CHIEF FINANCIAL OFFICER

Syed Rehan Ahmad Hashmi

STATUTORY AUDITORS

Kreston Hyder Bhimji & Co.
Chartered Accountants

COST AUDITORS

Siddiqi & Company
Cost & Management Accountants

SHARE REGISTRAR

Hameed Majeed Associates (Pvt) Limited
Karachi Chambers, Hasrat Mohani Road,
Karachi.
Phone: (021) 32424826
Fax: (021) 32424835

BANKERS

Al-Baraka Bank (Pakistan) Limited
Bank Islami Pakistan Limited
United Bank Limited
Meezan Bank Limited
Soneri Bank Limited
MCB Bank Limited
National Bank of Pakistan

REGISTERED / HEAD OFFICE

C-27, Plot No. F-24, Block - 9, Clifton
Karachi - 75600
Phone: (021) 35371441 to 43 (3 lines)
Fax: (021) 35371444
Website: www.sangharsugarmills.com
E-mail: info@sangharsugarmills.com

MANUFACTURING FACILITIES

13 K.M., Sanghar - Sindhari Road
Deh Kehore, District Sanghar, Sindh
Phone: (0345) 3737001, (0345) 8222911



DIRECTORS' REVIEW

The Unaudited Condensed Interim Financial Information of the Company for the nine months period ended June 30, 2016 is submitted to the Shareholders of the Company.

Review of the Performance of the Company

As stated in the previous Directors report, your Management has anticipated shortage of sugarcane in the province and started crushing for the season 2015-2016 ten days earlier on November 05, 2015 and as expected season was completed on February 29, 2016, crushing for only 115 days as compared with 137 days for the last season. The crushing rate per day is higher by 300 Metric Tons per day and was 4,901 Metric Tons per day as compared with an average of 4,601 Metric Tons per day crushing during 137 days of the previous season.

Operating Results

A summary of operating results of the Company during the nine months period ended June 30, 2016 along with the comparatives for the corresponding period are given below:

| | | Oct. to Jun. 2015-2016 | Oct. to Jun. 2014-2015 |
|----------------------|--------|---------------------------|---------------------------|
| Season started on | | 05-11-2015 | 15-11-2014 |
| Season completed on | | 29-02-2016 | 31-03-2015 |
| Duration of crushing | Days | 115 | 137 |
| Sugarcane crushed | M-Tons | 563,617 | 630,317 |
| Sugar Produced | M-Tons | 57,387.5 | 64,271 |
| Sucrose recovery | % | 10.20 | 10.19 |

Review of Operation

As mentioned above, the Company operated for a shorter period of time due to lesser availability of sugarcane as compared with the corresponding period. Under the circumstances, the Company operated at optimum level during the nine months period ended June 30, 2016.

Financial Results

The key financial figures of financial results of the Company for the nine months period ended June 30, 2016 along with the comparative for the corresponding period are summarized as under:

| | June 30 2016 | June 30 2015 |
|----------------------------|-----------------|-----------------|
| | Rupees '000' | |
| Profit before taxation | 38,273 | 70,616 |
| Taxation | (26,998) | (7,051) |
| Profit after taxation | 11,275 | 63,565 |
| Earnings per share | | |
| Basic and diluted (Rupees) | 0.94 | 5.32 |



Review of Financial Results

The Profit before taxation is at decline from the previous period, the contributing factors as reported earlier are high cost of sugarcane and provision of Rs. 18,713 thousand in respect of Inland Freight Subsidy receivable from Trade Development Authority of Pakistan.

Future Prospects

As reported in earlier Directors' review, the cost of production is increased due to enhanced cost of sugarcane and low production. However, the prices of Sugar has also increased to an extent resulting in minimal profit.

The area under cultivation of sugarcane in Sanghar district is increased by 10% - 15% as compared with the current season and in order to protect the flight of sugarcane from our district to other district and to avail the opportunity to crush/consume sugarcane of our own district, your Management is working to increase the crushing capacity of the Company and has planned to do it in phases. In the first phase, the intended increase is worked out to be 1,500 Tons per day, for this purpose certain Mills house machines have been purchased, and their installation along-with civil works have been started and orders for the procurement of other machines has been finalized.

As reported earlier, the initial plan was to start the new season 2016-17 with the enhanced crushing capacity of first phase. However, as of today the installation of new machines along-with civil works thereon may take few more months and the Company may only be able to make trial run of plant & machinery of the enhanced crushing capacity in the ensuing season.

Acknowledgement

Your 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 non-banking financial institutions, suppliers and shareholders for their continued support and cooperation for the betterment and prosperity of the Company.

For and on behalf of the Board of Directors

Chief Executive

Karachi: July 25, 2016



CONDENSED INTERIM BALANCE SHEET

AS AT JUNE 30, 2016

| | | Un-Audited June 30 2016 (Rupees in '000) | Audited Sept. 30 2015 |
|--|-------|---|-----------------------------|
| ASSETS | Notes | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 7 | 1,214,672 | 1,166,639 |
| Intangible asset | 8 | 550 | 869 |
| Long term deposits | | 4,966 | 10,966 |
| Deferred cost | | 31,292 | 33,373 |
| | | 1,251,480 | 1,211,847 |
| CURRENT ASSETS | | | |
| Stores, spare parts and loose tools | | 47,084 | 42,326 |
| Stock-in-trade | | 770,732 | 560,944 |
| Trade debts | 9 | 47,581 | 11,635 |
| Loans and advances | | 202,710 | 24,603 |
| Trade deposits & short term prepayments | | 16,144 | 1,012 |
| Other receivables | | 7,896 | 26,609 |
| Income tax refundable - net of provision | | 2,487 | 11,778 |
| Cash and bank balances | | 7,365 | 9,749 |
| | | 1,101,999 | 688,656 |
| TOTAL ASSETS | | 2,353,479 | 1,900,503 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized capital | | | |
| 20,000,000 shares of Rs.10 each | | 200,000 | 200,000 |
| Issued, subscribed and paid up capital | | 119,460 | 119,460 |
| Unappropriated profit | | 344,994 | 331,805 |
| | | 464,454 | 451,265 |
| Surplus on revaluation of property, plant & equipment | | 383,564 | 409,370 |
| NON CURRENT LIABILITIES | | | |
| Long term financing | 10 | 47,000 | 66,000 |
| Liabilities against assets subject to finance lease | | 24,988 | 37,640 |
| Deferred liabilities | 11 | 338,038 | 325,349 |
| | | 410,026 | 428,989 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 441,234 | 242,365 |
| Accrued mark-up / financial charges | | 13,366 | 13,756 |
| Short term borrowings | | 602,180 | 317,304 |
| Current portion of long term financing | | 22,000 | 22,000 |
| Current portion of liabilities against assets subject to finance lease | | 16,655 | 15,454 |
| | | 1,095,435 | 610,879 |
| CONTINGENCIES AND COMMITMENTS | 12 | — | — |
| TOTAL EQUITY AND LIABILITIES | | 2,353,479 | 1,900,503 |

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

Karachi: July 25, 2016

DIRECTOR



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2016 (Un-Audited)

| | | Nine months period ended | | Quarter ended | |
|-------------------------------|----|--------------------------|-----------------|-----------------|-----------------|
| | | June 30 2016 | June 30 2015 | June 30 2016 | June 30 2015 |
| Notes | | (Rupees in '000) | | | |
| Sales | 13 | 2,606,767 | 2,251,636 | 555,271 | 853,635 |
| Cost of sales | 14 | 2,450,139 | 2,049,067 | 521,179 | 796,230 |
| Gross Profit | | 156,628 | 202,569 | 34,092 | 57,405 |
| Distribution cost | | 583 | 684 | 64 | 97 |
| Administrative expenses | | 60,806 | 59,611 | 17,562 | 17,418 |
| Other operating expenses | | 22,731 | 6,380 | 380 | 697 |
| | | 84,120 | 66,675 | 18,006 | 18,212 |
| Operating Profit | | 72,508 | 135,894 | 16,086 | 39,193 |
| Other income | | 65 | 81 | 5 | 11 |
| | | 72,573 | 135,975 | 16,091 | 39,204 |
| Finance cost | | 34,300 | 65,359 | 13,766 | 31,401 |
| Profit before taxation | | 38,273 | 70,616 | 2,325 | 7,803 |
| Taxation | | 26,998 | 7,051 | 2,765 | 5,810 |
| Profit after taxation | | 11,275 | 63,565 | (440) | 1,993 |
| Earnings per share | | | | | |
| - Basic and diluted (Rupees) | | 0.94 | 5.32 | (0.04) | 0.17 |

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR

Karachi: July 25, 2016



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2016 (Un-Audited)**

| | <u>Nine months period ended</u> | | <u>Quarter ended</u> | |
|--|---------------------------------|-------------------------|-------------------------|-------------------------|
| | <u>June 30 2016</u> | <u>June 30 2015</u> | <u>June 30 2016</u> | <u>June 30 2015</u> |
| | (Rupees in '000) | | | |
| Profit after taxation | 11,275 | 63,565 | (440) | 1,993 |
| Other Comprehensive Income | — | — | — | — |
| Total Comprehensive Income for the period | <u>11,275</u> | <u>63,565</u> | <u>(440)</u> | <u>1,993</u> |

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR

Karachi: July 25, 2016



CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2016 (Un-Audited)

| | Notes | June 30 2016 (Rupees in '000) | June 30 2015 |
|--|-------|-------------------------------------|------------------|
| Profit before taxation | | 38,273 | 70,616 |
| Adjustment for non cash charges and other items: | | | |
| Depreciation | 7.1 | 48,698 | 48,541 |
| Amortization | 8 | 319 | 158 |
| Amortization of deferred cost | | 7,221 | — |
| Employees retirement benefits expense | | 8,555 | 7,778 |
| Provision for slow moving items and obsolescence | | 286 | 571 |
| Provision for inland freight subsidy | | 18,713 | — |
| Provision for market committee fee | | 5,636 | 6,303 |
| Finance cost | | 34,300 | 65,359 |
| | | 123,728 | 128,710 |
| | | 162,001 | 199,326 |
| Changes in Working capital | | | |
| (Increase) / Decrease in current assets | | | |
| Stores, spare parts and loose tools | | (5,044) | (4,469) |
| Stock - in - trade | | (209,788) | (607,314) |
| Trade debts | | (35,946) | (11,382) |
| Loans and advances | | (178,107) | (95,384) |
| Trade deposits & Short term prepayments | | (15,132) | 61,036 |
| Other Receivables | | — | (3,413) |
| | | (444,017) | (660,926) |
| Increase in current liabilities | | | |
| Trade and other payables | | 198,869 | 285,778 |
| | | (83,147) | (175,822) |
| Employees retirement benefits paid during the period | | (952) | (2,530) |
| Finance cost paid during the period | | (34,690) | (58,237) |
| Decrease in long term deposits | | 6,000 | 11 |
| Deferred Cost incurred during the period | | (5,140) | — |
| Dividend paid during the period | | (23,892) | — |
| Income tax paid during the period | | (18,257) | (16,278) |
| | | (76,931) | (77,034) |
| Net cash outflow from operating activities | | (160,078) | (252,856) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Additions to property, plant and equipment | | (96,730) | (38,429) |
| Net cash outflow from investing activities | | (96,730) | (38,429) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Repayment of long term financing | | (19,000) | — |
| Proceeds from long term financing | | — | 88,000 |
| Payments of liabilities against asset subject to finance lease | | (11,452) | (54,208) |
| Net cash (outflow) / inflow from financing activities | | (30,452) | 33,792 |
| Net decrease in cash and cash equivalents | | (287,260) | (257,493) |
| Cash and cash equivalents at beginning of the period | | (307,555) | (462,784) |
| Cash and cash equivalents at end of the period | 15 | (594,815) | (720,277) |

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR

Karachi: July 25, 2016



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2016 (Un-Audited)**

| Particulars | Share Capital | Unappropriated Profit | Total |
|---|---------------------------|--------------------------|----------|
| | (Rs. in '000) | | |
| Balance as at October 01, 2014 - Audited | 119,460 | 251,401 | 370,861 |
| Total Comprehensive Income for the nine months period ended June 30, 2015 | | | |
| Profit after tax | — | 63,565 | 63,565 |
| Incremental depreciation charged on surplus on revaluation of property, plant & equipment - net of deferred tax | — | 17,377 | 17,377 |
| | — | 80,942 | 80,942 |
| Balance as at June 30, 2015 | 119,460 | 332,343 | 451,803 |
| Balance as at October 01, 2015 - Audited | 119,460 | 331,805 | 451,265 |
| Transactions with Owners | | | |
| Final Dividend for the year ended September 30, 2015 @ Rs.2 per share | — | (23,892) | (23,892) |
| Total Comprehensive Income for the nine months period ended June 30, 2016 | | | |
| Profit after tax | — | 11,275 | 11,275 |
| Incremental depreciation charged on surplus on revaluation of property, plant & equipment - net of deferred tax | — | 25,806 | 25,806 |
| | — | 37,081 | 37,081 |
| Balance as at June 30, 2016 | 119,460 | 344,994 | 464,454 |

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR

Karachi: July 25, 2016



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2016 (Un-Audited)

1 THE COMPANY AND ITS OPERATIONS

The Company is a public limited Company incorporated in 1986 in Pakistan under the Companies Ordinance, 1984. Its shares are quoted on Pakistan Stock Exchange Limited. The Company is principally engaged in the manufacture and sale of sugar and its by-products. The Company has also installed transmission equipment to sell surplus electric power however it is below the threshold of being classified as separate segment. The registered office of the Company is situated at C-27, Plot No. F-24, Block - 9, Clifton, Karachi and its manufacturing facilities are located in district Sanghar, Sindh.

2 BASIS OF PREPARATION

This condensed interim financial information comprises of the condensed interim balance sheet as at June 30, 2016 and the condensed interim profit & loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with notes forming part thereof (here-in-after referred to as the "condensed interim financial information") for the nine months period ended June 30, 2016 which are not audited. This also include the condensed interim profit & loss account, condensed interim statement of comprehensive income for the quarter ended June 30, 2016. The comparative balance sheet presented in this condensed interim financial information has been extracted from audited financial statements of the Company for the year ended September 30, 2015, whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity have been extracted from the un-audited condensed interim financial information for the nine months period ended June 30, 2015. This also include the comparative condensed interim profit & loss account, condensed interim statement of comprehensive income for the quarter ended June 30, 2015.

This condensed interim financial information for the nine months period ended June 30, 2016 is being submitted to shareholders as required under section 245 of Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard-34 "Interim Financial Reporting" as applicable in Pakistan and provision of and directives issued under the Companies Ordinance, 1984 have been followed. The condensed interim financial information do not include all the information and disclosure as required in the annual financial statements and should be read in conjunction with Company's annual financial statements for the year ended September 30, 2015

3 ACCOUNTING POLICIES

The accounting policies, related judgments, estimates and assumptions adopted for the preparation of this condensed interim financial information are the same as those applied in preparation of the annual financial statements of the Company for the year ended September 30, 2015.

4 SEASONAL PRODUCTION

Due to seasonal availability of sugarcane, the manufacturing of sugar is carried out during the period of availability of sugarcane and only costs incurred / accrued up to the reporting date have been accounted for. Accordingly, the cost incurred / accrued after the reporting date will be reported in the subsequent financial statements.

5 RECENT ACCOUNTING DEVELOPMENTS

5.1 New Standards, amendments to approve accounting standards and new interpretations which became effective during the nine months period ended June 30, 2016:

There were certain new standards, amendments to the approved accounting standards and an interpretation issued by the IFRS Interpretations Committee (formerly International Financial Reporting Interpretations Committee) which became effective during the period and are



considered either not to be relevant or do not have any significant effect on the Company's operations and are, therefore, not disclosed in this condensed interim financial information.

5.2 New Standards, amendments to approve accounting standards and new interpretations that are not yet effective during the nine months period ended June 30, 2016:

There are certain amendments to the new accounting standards that are not yet effective and are mandatory to the Company's accounting period beginning after October 01, 2015, but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed in this condensed interim financial information.

6 PROVISIONS

Provisions in respect of current taxation, deferred taxation, workers' profit participation fund and workers' welfare fund, if any, are based on nine months results and final liabilities will be determined on the basis of annual results.

| | Un-Audited June 30 2016 | Audited Sept. 30 2015 |
|--|-------------------------------|-------------------------------|
| | (Rupees in '000) | |
| 7 PROPERTY, PLANT & EQUIPMENT | | |
| Operating Fixed Assets: | | |
| Owned | 1,065,330 | 1,098,904 |
| Leased | 62,922 | 65,373 |
| | 1,128,252 | 1,164,277 |
| Capital Work in Progress | 86,420 | 2,362 |
| | 1,214,672 | 1,166,639 |
| | Un-Audited June 30 2016 | Un-Audited June 30 2015 |
| | (Rupees in '000) | |

7.1 Operating Fixed Assets

Additions & Transfers during the period

Direct additions during the period

Vehicles

Computer, Equipment & Appliances

Transferred from Capital Work in Progress

Factory Building on free hold land

Non-Factory Building on free hold land

Plant & Machinery

Total Additions & Transfers during the period

Depreciation charged during the period

7.2 Capital Work in Progress

Additions during the period

Plant & Machinery

Transfer to operating fixed assets

Factory Building on free hold land

Non-Factory Building on free hold land

Plant & Machinery



| | | Un-Audited June 30 2016 (Rupees in '000) | Un-Audited June 30 2015 |
|--|--|---|--|
| 8 INTANGIBLE ASSET | | | |
| Amortization charged during the period | | 319 | 158 |

| | | Un-Audited June 30 2016 (Rupees in '000) | Audited Sept. 30 2015 |
|-----------------------------|------------|---|--------------------------------------|
| 9 TRADE DEBTS | | | |
| Unsecured - Considered Good | Note - 9.1 | 47,581 | 11,635 |

- 9.1** This represents receivable from Hyderabad Electric Supply Company (HESCO) in respect of electricity generated and transmitted to National Grid in accordance with Power Purchase Agreement.

| | | Un-Audited June 30 2016 (Rupees in '000) | Audited Sept. 30 2015 |
|--|--|---|--------------------------------------|
|--|--|---|--------------------------------------|

10 LONG TERM FINANCING

Secured - From Banking Company under mark-up arrangements

| | | | |
|---|-------------|-----------------|----------|
| Demand Finance | Note - 10.1 | 69,000 | 88,000 |
| Current portion shown under current liabilities | | (22,000) | (22,000) |
| | | 47,000 | 66,000 |

- 10.1** This represents Demand Finance obtained from MCB Bank Limited under mark-up arrangements repayable in 16 varying quarterly installments starting from December 2015 with a mark-up payments @ 3 months KIBOR + 2.5% on quarterly basis. The finance is secured against 1st registered charge over land and building and 1st pari passu charge over plant & machinery and 1st exclusive charge over specific equipment.



| | Un-Audited June 30 2016 (Rupees in '000) | Audited Sept. 30 2015 |
|---|---|-----------------------------|
| 11 DEFERRED LIABILITIES | | |
| Deferred taxation | 231,496 | 232,046 |
| Market committee fee | 53,560 | 47,924 |
| Employees retirement benefits - Defined benefits plan | 52,982 | 45,379 |
| | 338,038 | 325,349 |

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies:

There is no material change in the status of contingencies as disclosed in note No. 24.1.2 to 24.1.6 of the annual financial statements for the year ended September 30, 2015 except that;

- The amount of the aggregate provision of the market committee fee, as stated in note # 24.1.1 of the annual financial statements, has increased to Rs. 53,560 thousands due to provision in respect of current crushing season amounting to Rs. 5,636 thousands.

12.2 Guarantee:

- Rs. 25,000 thousands (2015: Nil thousands) guarantee issued by the Bank for six months period in favour of Engro Fertilizers Limited on behalf of the Company for the procurement of Fertilizers for onward supply to sugarcane growers. The guarantee is secured against the 25% cash margin and rest against the existing charge over current and fixed assets of the Company held as collateral.

12.3 Commitments:

- Capital commitments in respect of plant and machinery for expansion project amounted to Rs. 154,464 thousand (September 2015: Rs. 33,649 thousand).
- The Company is committed for minimum ljarah rental payments for each of the following period as follows:

| | Un-Audited June 30 2016 (Rupees in '000) | Un-Audited June 30 2015 |
|--|---|-------------------------------|
| Not more than one year | 8,917 | 7,468 |
| More than one year but not more than three years | 10,701 | 18,670 |
| | 19,618 | 26,138 |



| | Un-Audited June 30 2016 (Rupees in '000) | Un-Audited June 30 2015 |
|--|---|-------------------------------|
| 13 SALES | | |
| Local | 2,816,879 | 2,431,766 |
| Less: Brokerage & Commission | (1,454) | — |
| Less: Federal Excise Duty | (208,658) | (180,130) |
| | <u>2,606,767</u> | <u>2,251,636</u> |
| 14 COST OF SALES | | |
| Opening stock of finished goods | 557,362 | 440,832 |
| Cost of goods manufactured during the period - Net | 2,657,088 | 2,650,463 |
| | 3,214,450 | 3,091,295 |
| Closing stock of finished goods | (764,311) | (1,042,228) |
| | <u>2,450,139</u> | <u>2,049,067</u> |

14.1 The closing stock of sugar having carrying value of Rs. 297,713 thousands (2015: 494,975 thousand) has been pledged against cash finance obtained from Banking Companies.

| | Un-Audited June 30 2016 (Rupees in '000) | Un-Audited June 30 2015 |
|--|---|-------------------------------|
| 15 CASH AND CASH EQUIVALENTS | | |
| Cash and cash equivalents comprise of the following items; | | |
| Cash and bank balances | 7,365 | 76,121 |
| Short term borrowings | (602,180) | (796,398) |
| | <u>(594,815)</u> | <u>(720,277)</u> |



16 RELATIONSHIP WITH THE ISLAMIC AND CONVENTIONAL FINANCIAL INSTITUTION

The Company in the normal course of business deals with pure Islamic financial institution as well as the financial institution who have both the conventional and Islamic window operations. The Company carries out transactions in both the Islamic as well conventional operations of the financial institutions. The detail of the segregation relevant assets / liabilities and expenditures between Islamic Mode and Conventional Mode is as under:

| | June 30, 2016 (Un-Audited) | | | September 30, 2015 (Audited) | | |
|---|----------------------------|-------------------|---------|------------------------------|-------------------|---------|
| | (Rupees in '000) | | | | | |
| | Islamic Mode | Conventional Mode | Total | Islamic Mode | Conventional Mode | Total |
| Long Term Financing | — | 69,000 | 69,000 | — | 88,000 | 88,000 |
| Liabilities against assets subject to finance lease | — | 41,643 | 41,643 | — | 53,094 | 53,094 |
| Short Term Borrowings | 200,000 | 402,180 | 602,180 | 200,000 | 117,304 | 317,304 |
| Accrued Markup | 4,141 | 9,225 | 13,366 | 5,826 | 7,930 | 13,756 |
| Bank Balances | (2,136) | (5,080) | (7,216) | (1,495) | (8,172) | (9,667) |
| | 202,005 | 516,968 | 718,973 | 204,331 | 258,156 | 462,487 |

| | June 30, 2016 (Un-Audited) | | | June 30, 2015 (Un-audited) | | |
|---------------------|----------------------------|-------------------|--------|----------------------------|-------------------|--------|
| | (Rupees in '000) | | | | | |
| | Islamic Mode | Conventional Mode | Total | Islamic Mode | Conventional Mode | Total |
| Finance Cost | 14,044 | 20,256 | 34,300 | 30,149 | 35,210 | 65,359 |
| Ijarah Lease Rental | 3,097 | — | 3,097 | 3,750 | — | 3,750 |
| | 17,141 | 20,256 | 37,397 | 33,899 | 35,210 | 69,109 |



17 RELATED PARTY TRANSACTIONS

The details of the transactions with related parties carried out during the period is as detailed below:

| Relationship with Company | Nature of Transaction | Un-Audited June 30 2016 (Rupees in '000) | Un-Audited June 30 2015 |
|---|----------------------------|---|-------------------------------|
| Directors, Key Management Personnel and their relatives | Purchase of sugarcane | 35,622 | 27,069 |
| CEO, Directors & Executives | Salaries, Benefits and Fee | 16,421 | 15,814 |

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly.

18 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Company in their meeting held on **July 25, 2016**.

19 GENERAL

19.1 Figures have been rounded off to nearest thousand of rupees.

CHIEF EXECUTIVE

DIRECTOR

Karachi: July 25, 2016





PRINTED MATTER

Under Postal Certificate

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