



**UNAUDITED
CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
DECEMBER 31, 2019**

SAKRAND SUGAR MILLS LIMITED



COMPANY PROFILE

BOARD OF DIRECTORS	Mr. Jamil Akberi Mr. Dinshaw H. Anklesaria	Chairman/Director Chief Executive/Director
	Mr. Amad Uddin Mr. Abdul Naeem Quraishi Mr. Neville Mehta Mrs. Fatma Gulamali Dr. Jamshed H. Anklesaria	Director Director Director Director Director
AUDIT COMMITTEE	Mr. Abdul Naeem Quraishi Mr. Jamil Akberi Mr. Neville Mehta	Chairman Member Member
HR COMMITTEE	Mr. Neville Mehta Mr. Jamil Akberi Mr. Amad Uddin	Chairman Member Member
CHIEF FINANCIAL OFFICER	Mr. Amad Uddin	
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. Abdul Naeem Quraishi	
REGISTRAR	M/s JWAFPS 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 first quarter ended December 31, 2019.

During the period under review, the operations of the Company resulted in operating profit of Rs. 136.802 Million, detailed as below:

FINANCIAL SUMMARY		December 31,	December 31,
		2019	2018
Sales - net	(Million)	614.931	291.997
Operating profit	(Million)	136.802	114.154
Profit before taxation	(Million)	95.466	81.527
Profit after taxation	(Million)	95.393	80.572
EPS	(Rupees)	2.14	1.81

The crushing season commenced on November 15, 2019. The Government of Sindh issued notification on December 09, 2019 fixing the minimum support price of sugarcane for the crushing season 2019-20 at Rs.192 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 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 40% 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

Amad Uddin
Executive Director

Jamil Akberi
Director

Abdul Naeem Qureshi
Director

Dated: January 31, 2020



ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی پہلی سہ ماہی 31 دسمبر 2019 کے غیر آڈٹ شدہ مالیاتی حسابات پیش خدمت ہیں۔

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

مالیاتی نتائج:

		December 31, 2019	December 31, 2018
Sales - net	(Million)	614.931	291.997
Operating profit	(Million)	136.802	114.154
Profit before taxation	(Million)	95.466	81.527
Profit after taxation	(Million)	95.393	80.572
EPS	(Rupees)	2.14	1.81

کرشنک سیزن کا آغاز 15 نومبر 2019 کو ہوا۔ حکومت سندھ نے 9 دسمبر 2019 کو گنے کی کم از کم سپورٹ پرائس برائے سیزن 20-2019 کے نوٹیفکیشن کا اجراء کیا جس میں گنے کی قیمت 192/- روپے فی 40 کلوگرام مقرر کی گئی۔ علاوہ ازیں شوگر ملز کو الٹی پریمیمئم شکر کی اوسط ریکوری کے نتیجہ مارک 8.70 فیصد سے زائد ہر 0.10 فیصد پر 0.50 روپے فی 40 کلوگرام ادا کرے گی۔

پانی کی قلت کے باعث گنے کی حالیہ فی ایکڑ پیداوار پچھلے سال کی نسبت 40 فی صد تک 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 اسٹاف کا ان کی انتھک محنت کے لیے تہ دل سے شکر گزار ہوں اور اللہ رب العزت کے حضور دعا گو ہوں کہ وہ کمپنی کو بہتری اور کامیابی کی طرف گامزن فرمائے۔ آمین

برائے سکریٹری شوگر ملز لمیٹڈ

A. Naeem Qureshi

عبدالعظیم قریشی
ڈائریکٹر

محمد اکبری

محمد اکبری
ڈائریکٹر

عبدالمدین

ایگزیکٹو ڈائریکٹر

تاریخ: 31 جنوری، 2020



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019**

	Un-audited December 31 2019	Audited September 30 2019
Rupees in '000'.....	
ASSETS		
Non-Current Assets		
Property, plant and equipment	3,232,278	3,250,459
Intangible asset	3,022	3,293
Long-term loans	735	745
Long-term deposits	2,098	2,098
	<u>3,238,132</u>	<u>3,256,595</u>
Current Assets		
Stores, spares and loose tools	64,128	61,579
Stock-in-trade	226,006	49,193
Trade debts	487,414	845,561
Loans and advances	130,126	27,498
Prepayments and other receivables	58,384	54,427
Cash and bank balances	11,486	4,478
	<u>977,544</u>	<u>1,042,735</u>
Total Assets	<u><u>4,215,677</u></u>	<u><u>4,299,330</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	(287,930)	(387,383)
Capital reserves		
Surplus on revaluation of property, plant and equipment-net of deferred tax	1,764,612	1,768,672
Directors'/Sponsors' subordinated loan	92,767	92,767
	<u>2,015,608</u>	<u>1,920,216</u>
Non-Current Liabilities		
Deferred taxation	417,538	417,538
Long term financing - secured	718,838	763,849
Deferred liabilities	79,001	79,001
	<u>1,215,377</u>	<u>1,260,388</u>
Current Liabilities		
Trade and other payables	626,429	837,179
Unclaimed dividend	6,427	6,427
Unpaid dividend	204	204
Accrued mark-up	80,842	41,155
Current maturity of long-term financing	242,273	205,319
Taxation - net	28,515	28,442
	<u>984,692</u>	<u>1,118,726</u>
Total Equity and Liabilities	<u><u>4,215,677</u></u>	<u><u>4,299,330</u></u>

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

Jamil Akberi
Director

Amad Uddin
Chief Financial Officer

Abdul Naeem Qureshi
Director



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE PERIOD ENDED DECEMBER 31, 2019
(UN-AUDITED)

	1st Quarter December 2019	1st Quarter December 2018
Rupees in '000'.....	
Sales - net	614,931	291,997
Cost of sales	(456,091)	(159,595)
Gross profit	158,840	132,402
Operating expenses		
Administrative expenses	(20,793)	(17,565)
Selling and distribution cost	(1,245)	(683)
	(22,038)	(18,248)
Operating profit	136,802	114,154
Finance cost	(41,336)	(33,026)
Other income	-	399
	(41,336)	(32,627)
Profit before taxation	95,466	81,527
Taxation-net	(73)	(955)
Profit after taxation	95,393	80,572
Earning per share - Basic and diluted	2.14	1.81

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

Jamil Akberi
Director

Amad Uddin
Chief Financial Officer

Abdul Naeem Qureshi
Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2019
(UN-AUDITED)**

	1st Quarter December 2019	1st Quarter December 2018
Rupees in '000'.....	
Profit after taxation	95,393	80,572
Other comprehensive income for period	-	-
Total Comprehensive Income for the period	95,393	80,572

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

Jamil Akberi
Director

Amad Uddin
Chief Financial Officer

Abdul Naeem Qureshi
Director



**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2019
(UN-AUDITED)**

	1st Quarter December 2019	1st Quarter December 2018
Rupees in '000'.....	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	95,466	81,527
Adjustments for non cash charges and other items :		
Depreciation	16,238	16,900
Amortisation	272	406
Finance cost	41,336	33,026
	57,845	50,332
Working capital changes		
Change in current assets		
Stores, spares and loose tools	(2,549)	(75,277)
Stock in trade	(176,813)	(28,266)
Trade debts	358,147	-
Loans and advances	(102,628)	(9,521)
Prepayments and other receivables	(3,957)	59,122
	72,199	(53,942)
Change in current liabilities		
Trade and other payables	(210,728)	32,373
Cash generated from operations	14,782	110,290
Taxes paid	(22)	(326)
Finance cost paid	(1,206)	(26,482)
Net cash generated from operating activities	13,555	83,482
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(61,288)
Capital work-in-progress	1,944	(21,346)
Short term investment	-	30,000
Long term loans	10	(298)
Net cash generated from / (used in) investing activities	1,954	(52,932)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - secured	(8,500)	(8,500)
Dividend paid	-	(2,072)
Net cash used in financing activities	(8,500)	(10,572)
Net increase in cash and cash equivalents	7,008	19,978
Cash and cash equivalents at the beginning of the period	4,478	46,439
Cash and cash equivalents at the end of the period	11,486	66,417

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

Jamil Akberi
Director

Amad Uddin
Chief Financial Officer

Abdul Naeem Qureshi
Director



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 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, 2018	446,160	1,789,432	(566,148)	92,767	1,762,211
Profit after taxation	-	-	80,572	-	80,572
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	80,572	-	80,572
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation- net of tax	-	(5,685)	5,685	-	-
Balance as at December 31, 2018	446,160	1,783,747	(479,891)	92,767	1,842,783
Balance as at October 01, 2019	446,160	1,768,672	(387,383)	92,767	1,920,216
Profit after taxation	-	-	95,393	-	95,393
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	95,393	-	95,393
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation- net of tax	-	(4,060)	4,060	-	-
Balance as at December 31, 2019	446,160	1,764,612	(287,930)	92,767	2,015,608

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

Jamil Akberi
Director

Amad Uddin
Chief Financial Officer

Abdul Naeem Qureshi
Director



**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2019**

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 methods 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, 2019.
4. These financial statements were approved on January 31, 2020 by the board of directors of the Company.
5. Figures have been rounded off to the nearest thousand rupees.

Jamil Akberi
Director

Amad Uddin
Chief Financial Officer

Abdul Naeem Qureshi
Director