



**HALF YEARLY
UNAUDITED ACCOUNTS
31ST MARCH, 2012**

SAKRAND SUGAR MILLS LIMITED



COMPANY PROFILE

BOARD OF DIRECTORS

Mr. Dinshaw H. Anklesaria	Chief Executive/ Director
Mr. Jamil Akbari	Director
Syed Abid Hussain	Director
Mr. Abdul Naeem Quraishi	Director
Mr. Neville Mehta	Director
Mrs. Fatma Gulamali	Director
Dr. Jamshed H. Anklesaria	Director

AUDIT COMMITTEE

Mr. Dinshaw H. Anklesaria	Chairman
Mr. Jamil Akbari	Member
Mr. Neville Mehta	Member

CHIEF FINANCIAL OFFICER

Mr. Ahsan Mukhtar, FCMA

COMPANY SECRETARY

Mr. Mustafa Kanani

BANKERS

Habib Bank Limited
MCB Bank Limited
National Bank of Pakistan
Summit Bank Limited
United Bank Limited

AUDITORS

M/s. Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

LEGAL ADVISOR

Abdul Naeem Quraishi, Adv.

REGISTRAR

Noble Computer Service (Pvt.) Limited
First Floor, House of Habib Building (Siddiqsons Tower)
3- Jinnah C.H. Society, Main Shahrah-e-Faisal
Karachi-75350

REGISTERED OFFICE

41-K, Block 6, P.E.C.H.S., Karachi.
Fax: 021-34546456
www.sakrandsugar.com

FACTORY

Deh Tharo Unar, Taluka Sakrand
District Shaheed Benazirabad, Sindh.



DIRECTORS' REPORT

On behalf of the Board of Directors, it is my privilege to present to you the unaudited interim condensed financial statements of the Company for the half year ended March 31, 2012. The Company's overall performance can be seen from the following comparative statistics.

	2011-2012	2010-2011
Season started	16-12-2011	29-10-2010
Season closed	01-04-2012	26-03-2011
Duration of season	Days 108	149
Sugarcane crushed	Tonnes 559,969	615,017
Sugar produced	Tonnes 54,575	53,250
Sugar recovery	% 9.750	8.660
Molasses produced	Tonnes 23,800	25,766
Molasses recovery	% 4.251	4.193

The Mill started crushing season on December 16, 2011 and closed on April 01, 2012 and achieved crushing 559,969 M.T. of sugarcane as compared to 615,017 M.T. during the corresponding period 2010-11. Continuing its strive for achieving optimum capacity with economy and efficiency, the Mill succeeded in surpassing sugar production despite lesser sugarcane crushing. All out efforts were made to achieve a better recovery percentage of sucrose notwithstanding the damage of crop due to the devastating flood in the country. Resultantly, the Company succeeded in producing 54,575 M.T. of sugar as compared to 53,250 M.T. of sugar in the corresponding season at a recovery of 9.75% as compared to 8.66% in the corresponding year.

The Government of Sindh vide Notification dated October 25, 2011 fixed sugarcane minimum price for the season 2011-12 at Rs. 154 per 40 kg and Rs. 0.50 per 40 kg for each 0.1 percent of excess sucrose recovery above 8.7 percent as quality premium. The price has been enhanced from Rs. 127 per 40 kg thereby translating to a increase of 21 percent in the cost of this basic raw material. The industry agitated against this inordinate increase without relating it to the prices of sugar. The sugar prices steeply declined from US \$ 800 / M.T. prevailing in the month of August, 2011 to US \$ 600 / M.T. in the month of December, 2011 in the international market and from Rs. 75 per kg to Rs. 46 per kg ex-mill in the local market.

Due to the unilateral increase in the cost of raw material, the market forces of supply and demand for sugar have resulted in increased cost of production. The consequences of which is lesser profits for the sugar industry.

As regards the supply of sugar, the carry over stocks from the previous year coupled with the current year's production exceed the demand for the entire year in Pakistan. Following the law of demand the price of sugar touched its lowest ebb in the prevalent season. The industry is seeking permission for export of sugar in order to balance the demand and supply position and to stabilize the prices.

Despite constraints, we are endeavoring and making every effort to streamline the operations in order to keep the industry at break even and out of crisis.

Masha Allah, the management / labour relations remained very cordial and helpful. I take this opportunity to thank and appreciate the spirit of understanding, good will and co-operation shown by our workers and the creditors and wish to place on record my appreciation for the devotion, sense of responsibility and loyalty.

(Dinshaw H. Anklesaria)
Chief Executive

Dated: May 22, 2012



REVIEW REPORT TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim balance sheet of M/s Sakrand Sugar Mills Limited ("the Company") as at March 31, 2012 and the related 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 for the half year then ended together with the notes forming part thereof (hereinafter referred to as the "interim financial information"). Management is responsible for the preparation and presentation of the interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on the interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended March 31, 2012 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the half year ended March 31, 2012.

Scope of the Review

We conducted our review in accordance with International Standards on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consist of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

1. We refer to our qualified audit opinion on the financial statements for the year ended September 30, 2010 that was modified because the company had prematurely derecognized bank liabilities amounting to Rs.241.815 million and transferred that to income for the year ended on September 30, 2009 which constitutes departure from International Financial Reporting Standards. As a result of the above departure, the amount of the bank liabilities and accumulated loss continue to be understated by Rs.241.815 million both for the current and comparative period presented in these financial information.
2. In respect of trade debts of Rs.181 million (September 30, 2011: Rs. 222 million) the Company has not made any provision in this financial information (Refer note 6). The trade debt is unsecured and unconfirmed, and we are unable to satisfy ourselves as to its recoverability as of balance sheet. Moreover, in the absence of any confirmation since September 30, 2010, we were unable to satisfy ourselves about the adjustments amounting to Rs.119.4 million appearing in this account since then to date.

Qualified Conclusion

Based on our review, except for the possible effects of the matters described in the preceding paragraphs 1 & 2, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at March 31, 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Rahman Sarfaraz Rahim Iqbal Rafiq

Chartered Accountants

Engagement Partner: Muhammad Waseem Shafi

Karachi: Dated: May 22, 2012



CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2012

		Unaudited March 31, 2012	Audited September 30, 2011
		(Rupees)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	1,147,390,031	1,177,285,293
Long term investments		94,893,084	89,458,481
Long term loans		214,192	108,364
Long term deposits		673,859	673,859
CURRENT ASSETS			
Stores, spares and loose tools		27,905,178	25,929,011
Stock in trade		1,440,474,385	369,101,210
Trade debts - unsecured (considered good)	6	183,812,957	222,657,222
Loans and advances		17,241,136	23,154,210
Prepayments and other receivables		10,531,902	9,081,085
Cash and bank balances		12,438,188	24,349,927
		1,692,403,746	674,272,665
		2,935,574,912	1,941,798,662
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
25,000,000 (September 30, 2011: 25,000,000)		250,000,000	250,000,000
Ordinary shares of Rs. 10/- each			
		223,080,000	223,080,000
Issued, subscribed and paid-up capital		(210,630,702)	(192,351,248)
Accumulated loss		12,449,298	30,728,752
		401,612,743	411,440,288
SURPLUS ON REVALUATION OF FIXED ASSETS			
LIABILITIES			
NON CURRENT LIABILITIES			
Deferred taxation		221,247,019	214,923,206
Long term finance - secured			
- Markup bearing		362,056,525	378,694,079
- Markup free		5,318,578	4,596,966
		367,375,103	383,291,045
Provision for gratuity		5,841,645	5,924,634
CURRENT LIABILITIES			
Trade and other payables		1,375,225,611	471,489,699
Short term finances	7	408,224,997	264,174,378
Mark up accrued		35,731,507	40,650,137
Current portion of non current liabilities		107,268,150	101,393,200
Taxation - net		598,839	17,783,323
		1,927,049,104	895,490,737
CONTINGENCIES AND COMMITMENTS	8	-	-
		2,935,574,912	1,941,798,662

The annexed notes from 1 to 16 form an integral part of these financial information.

Dinshaw H. Anklesaria

Chief Executive/Director

Syed Abid Hussain

Director



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR AND QUARTER ENDED MARCH 31, 2012
(UN-AUDITED)**

Note	For the Half Year ended		For the Quarter ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	(R u p e e s)			
Sales - net	1,406,521,136	2,540,483,165	998,509,191	1,894,291,652
Cost of sales	(1,311,615,889)	(2,427,902,812)	(909,599,775)	(1,823,390,977)
Gross profit	<u>94,905,247</u>	<u>112,580,353</u>	<u>88,909,416</u>	<u>70,900,675</u>
Operating expenses				
Administrative expenses	(60,032,668)	(47,613,068)	(36,681,758)	(25,304,506)
Distribution cost	(2,327,762)	(2,416,144)	(1,914,643)	(1,720,592)
	<u>(62,360,430)</u>	<u>(50,029,212)</u>	<u>(38,596,401)</u>	<u>(27,025,098)</u>
Operating profit	<u>32,544,817</u>	<u>62,551,141</u>	<u>50,313,015</u>	<u>43,875,577</u>
Finance costs	(37,688,525)	(37,490,870)	(21,467,454)	(19,695,350)
Other charges	(9,416,790)	(71,571)	(9,341,660)	(38,571)
Other income / (loss)	5,140,492	(15,979)	5,070,259	(20,079)
	<u>(41,964,823)</u>	<u>(37,578,420)</u>	<u>(25,738,855)</u>	<u>(19,754,000)</u>
Unrealized gain on amortization of investments / loans	<u>1,702,291</u>	<u>4,845,835</u>	<u>851,146</u>	<u>4,845,835</u>
Profit before taxation	<u>(7,717,715)</u>	<u>29,818,556</u>	<u>25,425,306</u>	<u>28,967,412</u>
Taxation				
Current	(14,065,463)	(25,405,029)	(9,985,327)	(18,943,073)
Prior	-	(40,363)	-	(40,363)
Deferred	(11,615,575)	(1,954,423)	(11,930,067)	4,940,011
	<u>(25,681,038)</u>	<u>(27,399,815)</u>	<u>(21,915,394)</u>	<u>(14,043,425)</u>
Profit / (Loss) after taxation	<u>(33,398,753)</u>	<u>2,418,741</u>	<u>3,509,912</u>	<u>14,923,987</u>
Earnings / (Loss) per share- basic and diluted	<u>(1.50)</u>	<u>0.11</u>	<u>0.16</u>	<u>0.67</u>

The annexed notes from 1 to 16 form an integral part of these financial information.

Dinshaw H. Anklesaria
Chief Executive/Director

Syed Abid Hussain
Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR AND QUARTER ENDED MARCH 31, 2012
(UN-AUDITED)**

	For the Half Year ended	For the Quarter ended	
	March 31, 2012	March 31, 2011	March 31, 2012
	(R u p e e s)		
Profit / (Loss) for the period	(33,398,753)	2,418,741	3,509,912
Other comprehensive income			
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation net of deferred tax	15,119,299	16,258,753	7,559,649
Total comprehensive income for the period transferred to equity	(18,279,454)	18,677,494	11,069,561
			23,047,890

The annexed notes from 1 to 16 form an integral part of these financial information.

Dinshaw H. Anklesaria
Chief Executive/Director

Syed Abid Hussain
Director



**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED MARCH 31, 2012
(UN-AUDITED)**

	March 31, 2012	March 31, 2011
	(R u p e e s)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	(7,717,715)	29,818,556
Adjustments for:		
Depreciation	31,989,705	33,299,891
Impairment loss on non factory building	5,768,065	-
Provision for gratuity	569,822	569,822
Financial cost	37,688,525	37,490,870
Gain on amortisation of investment / loans	(1,702,291)	(4,845,835)
Gain / (Loss) on disposal of property, plant and equipment	(124,842)	55,385
Operating profit before working capital changes	74,188,984	66,570,133
	66,471,269	96,388,689
Changes in working capital		
(Increase) / Decrease in current assets		
Stores, spares and loose tools	(1,976,167)	2,259,630
Stock in trade	(1,071,373,175)	(811,620,399)
Trade debts	38,844,265	56,373,241
Loans and advances	5,913,074	(16,983,380)
Prepayments and other receivables	(1,450,817)	(1,462,233)
	(1,030,042,820)	(771,433,141)
	(963,571,551)	(675,044,452)
Increase / (Decrease) in current liabilities		
Trade and other payables	903,735,912	551,933,801
Cash used in operating activities	(59,835,639)	(123,110,651)
Taxes paid	(31,249,947)	(17,071,533)
Financial cost paid	(39,713,788)	(36,497,623)
Gratuity paid	(652,811)	(481,468)
	(71,616,546)	(54,050,624)
Net cash used in operating activities	(131,452,185)	(177,161,275)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(8,956,004)	(22,121,894)
Proceeds from disposal of property, plant and equipment	1,218,325	715,000
Transfer from capital work in progress	-	4,999,500
Long term loans	(105,828)	(13,877)
Net cash used in investing activities	(7,843,507)	(16,421,271)



	March 31, 2012	March 31, 2011
	————— (R u p e e s) ————	
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of long term finances	(16,666,666)	(8,333,334)
Net cash used in financing activities	(16,666,666)	(8,333,334)
Net decrease in cash and cash equivalents	(155,962,358)	(201,915,880)
Cash and cash equivalents at the beginning of the period	(239,824,451)	(100,257,676)
Cash and cash equivalents at the end of the period	(395,786,809)	(302,173,556)
Cash and cash equivalents comprises of:		
Short term finances	(408,224,997)	(335,000,000)
Cash and bank balances	12,438,188	32,826,444
	(395,786,809)	(302,173,556)

The annexed notes from 1 to 16 form an integral part of these financial information.

Dinshaw H. Anklesaria
Chief Executive/Director

Syed Abid Hussain
Director



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED MARCH 31, 2012
(UN-AUDITED)**

	Issued, Subscribed & Paid-up Capital	Accumulated Loss	Total
	(R u p e e s)		
Balance as at October 1, 2010	223,080,000	(76,323,503)	146,756,497
Total comprehensive income for the half year	-	18,677,494	18,677,494
Balance as at March 31, 2011	<u>223,080,000</u>	<u>(57,646,009)</u>	<u>165,433,991</u>
Balance as at April 1, 2011	223,080,000	(57,646,009)	165,433,991
Total comprehensive income for the half year	-	(134,705,239)	(134,705,239)
Balance as at September 30, 2011 (Audited)	<u>223,080,000</u>	<u>(192,351,248)</u>	<u>30,728,752</u>
Balance as at October 1, 2011	223,080,000	(192,351,248)	30,728,752
Total comprehensive income for the half year	-	(18,279,454)	(18,279,454)
Balance as at March 31, 2012	<u>223,080,000</u>	<u>(210,630,702)</u>	<u>12,449,298</u>

The annexed notes from 1 to 16 form an integral part of these financial information.

Dinshaw H. Anklesaria
Chief Executive/Director

Syed Abid Hussain
Director



SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED MARCH 31, 2012 (UN-AUDITED)

1 THE COMPANY AND ITS OPERATIONS

Sakrand Sugar Mills Limited (the Company) was incorporated in Pakistan on March 02, 1989, as a public limited company. The Company is listed on Karachi and Lahore Stock Exchanges. The principal business of the Company is to manufacture and sell white sugar. The manufacturing facilities of the Company including mill are located at Deh Tharo Unar, Taluka Sakrand, District Benazirabad, Sindh.

1.1 Seasonality Of Operations

Due to the seasonal availability of sugarcane during the period beginning from November to March next year, the Company's production facilities operated at full capacity during the period covered under this interim financial information. Therefore, costs of production and stock levels are expected to decline in the upcoming half year compared to the period covered under this interim financial information.

2 STATEMENT OF COMPLIANCE

- 2.1 The condensed interim financial information are un-audited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi and Lahore Stock Exchange. The condensed interim financial information have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan. The condensed interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2011. The figures for the half year ended March 31, 2012 have been subject to limited scope review by the auditors as required by the Code of Corporate Governance.
- 2.2 These condensed interim financial informations comprises of the condensed interim balance sheet as at March 31, 2012 and the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and the condensed interim cash flow statement for the half year then ended which have been subject to a review but not audited. This condensed interim financial information also includes the condensed interim profit and loss account for the quarter ended March 31, 2012 which is not subject to a review.
- 2.3 The comparative condensed balance sheet, presented in this condensed interim financial information, as at September 30, 2011 has been extracted from the annual audited financial statements of the Company for the year ended September 30, 2011 whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement for the half year ended March 31, 2011 have been extracted from the condensed interim financial information for the half year ended March 31, 2011 which were subject to a review but not audited. The comparative condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended March 31, 2011 included in this condensed interim financial report was not subject to a review.



3 SIGNIFICANT ACCOUNTING POLICIES

These interim financial information have been prepared using the same accounting convention, basis of preparation and significant accounting policies as those applied in the preparation of the audited financial statements for the year ended September 30, 2011, except for the changes described in note 3.1.

3.1 Adoption of new accounting standards

The Company has adopted the following amended IFRS and related interpretations which became effective during the period:

IFRS 7 Financial Instruments: Disclosures - Amendments enhancing Disclosures about transfers of Financial assets.

IAS 24 Related Party Disclosures (Revised).

The Company expects that the adoption of the above new and amended standards will not have any significant effect on the Company's financial statements in the period of initial application except for certain additional disclosures.

3.2 Standards not yet effective

Following are the new and amended standards that have been issued and are mandatory for the accounting periods effective from the dates mentioned below against the respective revised standards:

IAS 12 Income Tax (Amendment) - (Effective from the periods beginning on or after July 1, 2012) Deferred Taxes : Recovery of Underlying Assets.

IAS 1 Presentation of Financial Statements - (Effective from the periods beginning on or after July 1, 2012) Amendments to revise the way other comprehensive income is presented.

IAS 19 Employee Benefits - (Effective from the periods beginning on or after July 1, 2012) Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects

The adoption of the above standards, amendments / improvements and interpretations did not have any material effect on the condensed interim financial information of the company.

3.3 Standards issued by IASB but not yet notified by SECP

Following new standards have been issued by International Accounting Standards Board (IASB) which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

IFRS 9 Financial Instruments

IFRS 10 Consolidated Financial Instruments

IFRS 11 Joint Arrangements

IFRS 12 Disclosure Of Interest In Other Entities

IFRS 13 Fair Value Measurement



4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial information in conformity with approved accounting standards require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing the condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceding published annual financial statements of the Company as at and for the year ended September 30, 2011.

5 PROPERTY, PLANT AND EQUIPMENT

	March 31, 2012	September 30, 2011
	(Rupees)	
Opening WDV	1,177,285,293	1,220,657,647
Additions to property, plant and equipment during the period		
Non factory building	113,069	-
Plant and machinery	375,000	10,000,000
Office equipment & others	466,100	477,975
Furniture and fixtures	19,000	149,902
Vehicles	7,907,835	16,032,865
Tents and tarpaulins	75,000	-
	8,956,004	26,660,742
Disposals / Transfers	(1,093,496)	(2,685,025)
Impairment	(5,768,065)	-
Depreciation for the period	(31,989,705)	(67,348,071)
Closing WDV	<u><u>1,147,390,031</u></u>	<u><u>1,177,285,293</u></u>

6 TRADE DEBTS

This includes trade debts due from a customer amounting to Rs.181 million (September 30, 2011: 222 million) against sales of molasses. The terms of sales stipulated payment against delivery based on which the amount is overdue and balance remained outstanding till period end. The management considers the amount as good since the customer has a good record of payment in the past as it has made part payment during the current period. The management expects to recover the amount in full in due course of time. The customer is expected to pay the amount in piecemeal.



7 SHORT TERM FINANCES

		March 31, 2012	September 30, 2011
		(R u p e e s)	
National Bank of Pakistan			
- Running Finance	7.1	123,224,997	113,763,378
- Cash Finance	7.2	200,000,000	87,155,000
		323,224,997	200,918,378
Summit Bank Limited			
- Running Finance	7.3	85,000,000	63,256,000
		408,224,997	264,174,378

7.1 Running Finance Facility:

Purpose:

To finance the working capital requirements of the Company and for procurement of sugarcane.

Mark up rate:

Base rate + 2.5% p.a.

Security:

- 1- First pari passu hypothecation charge over plant and machinery and equipment, and first equitable mortgage charge over land and building of the Company of Rs. 167 Million with 25% margin.
- 2- Personal guarantees of all the directors of the Company.

Unavailed Facility

As on March 31, 2012, the company has an unavailed facility amounting to Rs. 1,775,003.

7.2 Cash Finance Facility:

Purpose:

To finance the working capital requirements of the Company and for procurement of sugarcane.

Mark up rate:

Base rate + 2.5% p.a.

Security:

- 1- Pledge of refined sugar stock with 25% margin.
- 2- Personal guarantees of the directors of the Company.

7.3 Summit Bank Limited - Cash Finance Facility:

Purpose:

To finance the Company for procurement of sugarcane and raw sugar.

Mark up rate:

3 month KIBOR (ask) + 3.5% p.a.

Security:

- 1- Pledge of refined sugar stock with 25% margin.
- 2- Personal guarantees of the directors of the Company.



8 CONTINGENCIES AND COMMITMENTS

Contingencies

The status of contingencies are same as that in annual audited accounts for the year ended September 30, 2011.

Commitments

During the period the Company has outstanding unlifted delivery orders quantity to 13,834 M.T. valuing to Rs. 647.38 Million.

9 COST OF SALES

	Note	Half year ended		Quarter ended	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
		(Rupees)			
Sugarcane consumed		2,248,923,600	3,093,475,205	1,960,892,868	2,300,454,362
Manufacturing expenses	9.1	134,065,464	146,048,006	91,946,227	92,565,941
		<u>2,382,989,064</u>	<u>3,239,523,211</u>	<u>2,052,839,095</u>	<u>2,393,020,303</u>
Sugar in process					
- opening		4,821,704	3,728,996	45,956,234	64,761,545
- closing		(4,277,555)	(4,752,619)	(4,277,555)	(4,752,619)
		<u>544,149</u>	<u>(1,023,623)</u>	<u>41,678,679</u>	<u>60,008,926</u>
Sugar					
- opening		320,449,566	42,879,624	189,948,891	180,704,148
- closing	9.2	(1,325,286,095)	(784,191,450)	(1,325,286,095)	(784,191,450)
		<u>(1,004,836,529)</u>	<u>(741,311,826)</u>	<u>(1,135,337,204)</u>	<u>(603,487,302)</u>
Molasses					
- opening		43,829,940	52,467,800	61,329,940	95,601,800
- closing		(110,910,735)	(121,752,750)	(110,910,735)	(121,752,750)
		<u>(67,080,795)</u>	<u>(69,284,950)</u>	<u>(49,580,795)</u>	<u>(26,150,950)</u>
		<u>1,311,615,889</u>	<u>2,427,902,812</u>	<u>909,599,775</u>	<u>1,823,390,977</u>

9.1 Manufacturing expenses

Stores and spares consumed	37,036,317	32,762,521	32,573,264	24,134,642
Fuel and power	10,220,031	9,579,562	5,336,949	4,031,843
Salaries, wages including bonus and staff amenities	31,998,217	35,356,000	20,698,766	22,870,380
Repair and maintenance	23,034,476	35,998,051	14,718,093	24,765,123
Vehicle maintenance	872,270	786,482	431,835	467,061
Insurance	2,549,603	2,579,660	1,466,028	1,450,958
Depreciation	23,192,849	24,409,674	11,598,768	12,204,837
Others	5,161,701	4,576,056	5,122,524	2,641,097
	<u>134,065,464</u>	<u>146,048,006</u>	<u>91,946,227</u>	<u>92,565,941</u>



10 ADMINISTRATIVE EXPENSES

This includes diminution in value amounting to Rs.5.77 million of non-factory buildings due to damage caused by heavy rainfalls.

11 OTHER CHARGES

This includes surcharge payable amounting to Rs. 9.16 million on default made in the payment of sales tax liability for the tax periods February 2009 and March 2009.

12 OTHER INCOME

This includes insurance claim received amounting to Rs. 4.99 Million in respect of damage caused to non factory building due to heavy rainfalls.

13 RELATED PARTY TRANSACTIONS

The related parties comprise of directors, key management personnel and retirement benefits plan established for the benefits of the employees. There have been no transactions with related parties except for the following:

	Half Year Ended	
	March 31, 2012	March 31, 2011
(Rupees)		
Significant transactions with the related parties during the half year ended are as follows:		
Chief Executive and Directors remuneration	7,729,150	7,042,314
Disposal of vehicles to Key Management Personnel		
-CFO	245,015	-
-Company Secretary	160,310	-
	405,325	-
	8,134,475	7,042,314

14 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management objectives and policies used to meet these objectives were same as being followed as at September 30, 2011.

15 AUTHORIZATION FOR ISSUE

These condensed interim financial information have been authorized for issue on May 22, 2012 by the Board of Directors of the Company.

16 GENERAL

Figures have been rounded off to the nearest rupee.

Dinshaw H. Anklesaria
Chief Executive/Director

Syed Abid Hussain
Director

CORPORATE 2635026-7

BOOK POST
UNDER POSTAL CERTIFICATE



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