



**UNAUDITED  
CONDENSED INTERIM  
FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED  
DECEMBER 31, 2018**

**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 Akbari	Member
Mr. Neville Mehta	Member

### **HR COMMITTEE**

Mr. Neville Mehta	Chairman
Mr. Jamil Akbari	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 Ameer 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 first quarter ended December 31, 2018.

During the period under review, the operations of the Company resulted in operating profit of Rs. 114.154 Million detailed as below:

<b>FINANCIAL SUMMARY</b>	<b>2018-19 (Rupees)</b>	<b>2017-18 (Rupees)</b>
Sales - net	291.997 million	316.401 million
Operating profit	114.154 million	90.343 million
Profit before taxation	81.527 million	113.391 million
Profit after taxation	80.572 million	117.948 million
EPS	1.81	2.64

The crushing season commenced on December 03, 2018 and on December 07, 2018, the Government of Sindh issued notification 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%.

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: April 29, 2019**



## ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی پہلی سہ ماہی 31 دسمبر 2018 تک کے غیر آڈٹ شدہ مالیاتی حسابات پیش خدمت ہیں۔ اس سہ ماہی میں کمپنی کو 114.154 ملین کا آپریٹنگ منافع ہوا۔ تفصیلات درج ذیل ہیں:

مالیاتی نتائج:

	2018-19 (Rupees)	2017-18 (Rupees)
Sales - net	291.997 million	316.401 million
Operating profit	114.154 million	90.343 million
Profit before taxation	81.527 million	113.391 million
Profit after taxation	80.572 million	117.948 million
EPS	1.81	2.64

کرشنگ 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 پریمیم 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۔

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 ہائی 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 اسٹاف کا ان کی انتھک محنت کے لیے تہہ 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

جمیل اکبری

ڈائریکٹر / چیئرمین

بتاریخ: ۲۹ اپریل، ۲۰۱۹



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2018**

	Un-audited December 31, 2018 .....Rupees in '000'.....	Audited September 30, 2018
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	3,165,098	3,099,364
Intangible assets	4,510	4,915
Long-term loans	620	323
Long-term deposits	2,098	2,098
	<u>3,172,326</u>	<u>3,106,700</u>
<b>Current Assets</b>		
Stores, spares and loose tools	117,350	42,073
Stock-in-trade	546,922	518,655
Trade debts	94	94
Loans and advances	28,396	18,874
Prepayments and other receivables	91,269	150,391
Short-term investments	-	30,000
Tax refund due from government	27,446	27,446
Cash and bank balances	66,417	46,439
	<u>877,894</u>	<u>833,972</u>
<b>Total Assets</b>	<u><u>4,050,220</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	(479,891)	(566,148)
<b>Capital reserve</b>		
Surplus on revaluation of fixed assets	1,783,747	1,789,432
<b>Directors'/Sponsors' subordinated loan</b>	<u>92,767</u>	<u>92,767</u>
	<u>1,842,783</u>	<u>1,762,211</u>
<b>Non-Current Liabilities</b>		
Deferred taxation	378,876	377,921
Long term financing - secured	913,437	921,937
Deferred liabilities	76,263	76,811
	<u>1,368,576</u>	<u>1,376,669</u>
<b>Current Liabilities</b>		
Trade and other payables	649,517	618,993
Unclaimed dividend	6,610	7,852
Unpaid dividend	629	1,459
Accrued mark-up	33,009	26,466
Current maturity of long-term financing	124,909	124,909
Taxation - net	24,187	22,113
	<u>838,861</u>	<u>801,792</u>
<b>Total Equity and Liabilities</b>	<u><u>4,050,220</u></u>	<u><u>3,940,672</u></u>

The annexed notes form an integral part of these financial statements

**Jamil Akberi**  
Director

**Amad Uddin**  
Chief Financial Officer

**Fatma Gulamali**  
Director

**Dated : April 29, 2019**



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT  
FOR THE PERIOD ENDED DECEMBER 31, 2018  
(UN-AUDITED)**

	1st Quarter December 2018	1st Quarter December 2017
	..... Rupees in '000' .....	
Sales - net	291,997	316,401
Cost of sales	<u>(159,595)</u>	<u>(208,911)</u>
<b>Gross profit</b>	<b>132,402</b>	<b>107,490</b>
<b>Operating expenses</b>		
Administrative expenses	<u>(17,565)</u>	<u>(16,552)</u>
Selling and distribution costs	<u>(683)</u>	<u>(595)</u>
	<b>(18,248)</b>	<b>(17,147)</b>
<b>Operating profit</b>	<b>114,154</b>	<b>90,343</b>
Finance costs	<u>(33,026)</u>	<u>(10,925)</u>
Gain on loan amortisation	<u>-</u>	<u>5,425</u>
Other income	<u>399</u>	<u>28,548</u>
	<b>(32,627)</b>	<b>23,048</b>
<b>Profit before taxation</b>	<b>81,527</b>	<b>113,391</b>
<b>Taxation</b>	<b>(955)</b>	<b>4,557</b>
<b>Profit after taxation</b>	<b><u>80,572</u></b>	<b><u>117,948</u></b>
<b>Earning per share - Basic and diluted</b>	<b><u>1.81</u></b>	<b><u>2.64</u></b>

The annexed notes form an integral part of these financial statements

**Jamil Akberi**  
Director

**Amad Uddin**  
Chief Financial Officer

**Fatma Gulamali**  
Director

**Dated : April 29, 2019**



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED DECEMBER 31, 2018  
(UN-AUDITED)**

	1st Quarter December 2018 .....Rupees in '000'.....	1st Quarter December 2017
Profit after taxation	80,572	117,948
Other comprehensive income for the period	-	-
<b>Total Comprehensive Income for the period</b>	<b>80,572</b>	<b>117,948</b>

The annexed notes form an integral part of these financial statements

**Jamil Akberi**  
Director

**Amad Uddin**  
Chief Financial Officer

**Fatma Gulamali**  
Director

**Dated : April 29, 2019**



**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2018**  
**(UN-AUDITED)**

	1st Quarter December 2018	1st Quarter December 2017
	.....Rupees in '000'.....	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	<b>81,527</b>	113,391
<b>Adjustments for non cash charges and other items</b>		
Depreciation	16,900	16,887
Amortisation	406	-
Finance costs	33,026	10,925
Amortisation of investment DSC's	-	(5,425)
	<b>50,332</b>	22,387
<b>Working capital changes</b>		
<b>Change in current assets</b>		
Stores, spares and loose tools	(75,277)	(26,562)
Stock in trade	(28,266)	(21,310)
Trade debts	-	(113,145)
Loans and advances	(9,521)	16,962
Prepayments and other receivables	59,122	(3,478)
	<b>(53,942)</b>	(147,533)
<b>Change in current liabilities</b>		
Trade and other payables	32,373	(184,502)
Cash generated from / (utilised in) operations	<b>110,290</b>	(196,257)
Taxes paid	(326)	(439)
Finance cost paid	(26,482)	(1,967)
<b>Net cash generated from / (used in) operating activities</b>	<b>83,482</b>	(198,663)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(61,288)	(58,263)
Capital work-in-progress	(21,346)	-
Short-term investment	30,000	-
Long term deposits	-	(683)
Long term loans	(298)	43
<b>Net cash used in investing activities</b>	<b>(52,932)</b>	(58,903)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing - secured	(8,500)	570,000
Dividend paid	(2,072)	-
<b>Net cash (used in) / generated from financing activities</b>	<b>(10,572)</b>	570,000
<b>Net increase in cash and cash equivalents</b>	<b>19,978</b>	312,434
<b>Cash and cash equivalents at the beginning of the period</b>	<b>46,439</b>	141,775
<b>Cash and cash equivalents at the end of the period</b>	<b>66,417</b>	454,209

The annexed notes form an integral part of these financial statements

**Jamil Akberi**  
Director

**Amad Uddin**  
Chief Financial Officer

**Fatma Gulamali**  
Director

**Dated : April 29, 2019**





**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED DECEMBER 31, 2018  
(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	1,811,583	(824,289)	92,767	1,526,221
Profit after taxation	-	-	117,948	-	117,948
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	117,948	-	117,948
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation- net of tax	-	(6,403)	6,403	-	-
<b>Balance as at December 31, 2017</b>	<b>446,160</b>	<b>1,805,180</b>	<b>(699,938)</b>	<b>92,767</b>	<b>1,644,169</b>
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	-	-
<b>Balance as at December 31, 2018</b>	<b>446,160</b>	<b>1,783,747</b>	<b>(479,891)</b>	<b>92,767</b>	<b>1,842,783</b>

The annexed notes form an integral part of these financial statements

**Jamil Akberi**  
Director

**Amad Uddin**  
Chief Financial Officer

**Fatma Gulamali**  
Director

**Dated : April 29, 2019**



**CONDENSED NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 2018**

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, 2018.
4. Figures have been rounded off to the nearest thousand rupees.

**Jamil Akberi**  
Director

**Amad Uddin**  
Chief Financial Officer

**Fatma Gulamali**  
Director

**Dated : April 29, 2019**