



**UNAUDITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
JUNE 30, 2024**

SAKRAND SUGAR MILLS LIMITED



COMPANY PROFILE

BOARD OF DIRECTORS	Mr. Saleem Zamindar Mr. Dinshaw H. Anklesaria Mr. Shams Ghani Miss. Sadia Moin Mr. Muhammad Saleem Mangrio Mr. Abdul Qayyum Khan Abbasi Mr. Muhammad Omar Arshid	Chairman / Director Director Director Director Director Director Director
AUDIT COMMITTEE	Miss. Sadia Moin Mr. Saleem Zamindar Mr. Muhammad Saleem Mangrio	Chairperson Member Member
HR COMMITTEE	Mr. Abdul Qayyum Khan Abbasi Mr. Muhammad Omar Arshid Mr. Shams Ghani	Chairman Member Member
CHIEF EXECUTIVE OFFICER	Mr. Mansoor Afzal Subzwari	
CHIEF FINANCIAL OFFICER	Mr. Shams Ghani	
COMPANY SECRETARY	Mr. Muhammad Imran Akber	
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	Parker Russell-A.J.S. Chartered Accountants	
LEGAL ADVISOR	Mr. Muhammad Jameel Choudhry	
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	
FACTORY ADDRESS	Deh Tharo Unar, Taluka Sakrand District Shaheed Benazir Abad, Sindh.	



Directors' Report to Members

On behalf of the Board, we are pleased to present the un-audited Financial statements of the Company for the nine months ended June 30, 2024.

Operational Result

The operational performance for the period under review as compared with that of last year is tabulated hereunder.

		Season	
		2023-24	2022-23
Start of Season		Nov 06, 2023	Nov 26, 2022
Season Duration		123	80
Operational Days		98	74
Sugarcane crushed	M. Tons	257,489	252,153
Production			
Sugar	M. Tons	26,269	25,763
Molasses	M. Tons	13,590	12,343
Recovery			
Sugar	%	10.202	10.217
Molasses	%	5.278	4.895

The crushing season 2023-2024 operated for 98 days compared to 74 days in the previous year. Despite of lengthy crushing period the crushing quantum remained almost the same as the management focus was to procure only the quality and improved variety of CANE to avert production losses. The Sindh Government raised minimum support price of cane from PKR 302 per maund to PKR 425 per maund, an increase of 41%. This was a tremendous increase as the main component in the production of Sugar. The other input costs were also on rise due to higher inflationary pressure, thus raising the cost of production which could not transform into selling price of the commodity as usual due to indifferent policies on this particular commodity.

Financial Result

The Financial Result for the period under review is tabulated hereunder.

		Rupees in Millions	
		Oct – Jun 2024	Oct – Jun 2023
Sales – net		2,985.49	2,343.81
Gross profit / (loss)		3.25	61.56
Profit/(loss) before taxation		(64.28)	(92.51)
Profit/(loss) after taxation		(101.61)	(123.90)
Loss per Share	Rs.	(2.28)	(2.78)



During the period under review Cane Cost per kg of sugar produced stood at 113/- as against PKR 76/- in the previous year an increase of PKR 37/- per KG. Whereas the selling price (exclusive of Sales Tax) of Sugar in the current year stood at PKR 106/- per KG as against a selling price of PKR 74/- per KG a year earlier an increase of PKR 32/- per KG. This denotes the reasons for adverse results as the cost keeps on increasing more than the revenue.

Sugar Production in the country during the current year i.e. 2023-2024 was 6.8 million metric tons. Adding carryover stock from last year of 0.7 million metric tons, the total available quantity stands at 7.5 million metric tons, as against our annual consumption requirement of 6.0 million metric tons, thus having a surplus of 1.5 million metric tons valuing at 1.0 Billion US Dollars. The Federal Government has sanctioned Export of 150,000 metric tons of Sugar. However, the authorization from Commissioner Office to Mills is still awaited.

The Economic policies aims at following administrative and coercive measures against sugar mills and do not allow market to operate based on free trade mechanism. They make the sugar mills purchase sugarcane at higher prices and sell the finished product at the low prices.

Acknowledgement

The Directors would like to thank all the government functionaries, banking and financial institutions, suppliers and shareholders for their continued support and cooperation for the betterment and prosperity of the Company.

On behalf of the Board of Directors

Chairman/Director
Karachi
July 30, 2024

Chief Executive Officer



ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی تیسری سہ ماہی کے غیر آڈٹ شدہ مالیاتی حسابات برائے 30 جون 2024 پیش خدمت ہیں۔

آپریٹنگ نتائج

زیر جائزہ مدت کی آپریٹنگ کارکردگی کا گزشتہ سال کی مدت سے مختصر موازنہ مندرجہ ذیل ہے۔

		Season	
		2023-24	2022-23
Start of Season		Nov 06, 2023	Nov 26, 2022
Season Duration		123	80
Operational Days		98	74
Sugarcane crushed	M. Tons	257,489	252,153
Production			
Sugar	M. Tons	26,269	25,763
Molasses	M. Tons	13,590	12,343
Recovery			
Sugar	%	10.202	10.217
Molasses	%	5.278	4.895

کرشنگ سیزن 2023-2024 کا دورانیہ 98 دن باہجکہ گزشتہ سال یہ دورانیہ 74 دن تھا۔ کرشنگ کی طویل مدت کے باوجود چینی کی پیداوار تقریباً گزشتہ سال کے برابر ہی رہی کیونکہ انتظامیہ کی توجہ صرف گنے کی کوالٹی اور بہتر قسم کی خریداری پر تھی تاکہ پیداواری نقصانات کو روکا جاسکے۔ حکومت سندھ نے گزشتہ سال کی نسبت اس سال گنے کی امدادی قیمت میں 41 فیصد اضافہ کیا۔ اس سال گنے کی قیمت 425 روپے فی من مقرر کی جب کے پچھلے سال گنے کی قیمت 302 روپے فی من تھی جو کے چینی کی پیداواری لاگت میں ایک غیر معمولی اضافہ ہے۔ ہمگائی کے زیادہ دباؤ کی وجہ سے چینی کی پیداواری لاگت میں اضافہ ہوا جو کہ ناموافق پالیسیوں کی وجہ سے چینی کی قیمت فروخت سے مطابقت نہیں کر سکا۔

مالیاتی نتائج

زیر جائزہ مدت کے مالیاتی نتائج کا گزشتہ سال کی مدت سے مختصر موازنہ مندرجہ ذیل ہے۔

	Rupees in Millions	
	Oct – Jun 2024	Oct – Jun 2023
Sales – net	2,985.49	2,343.81
Gross profit / (loss)	3.25	61.56
Profit/(loss) before taxation	(64.28)	(92.51)
Profit/(loss) after taxation	(101.61)	(123.90)
Loss per Share	Rs. (2.28)	(2.78)

زیر جائزہ مدت میں چینی کی پیداواری لاگت میں صرف گنے کی قیمت میں 113/- روپے فی کلو ری، جبکہ گزشتہ سال یہ 76/- روپے فی کلو بی تھی۔ جو کہ 37/- روپے فی کلو گرام کا اضافہ ہے۔ جبکہ موجودہ سال میں چینی کی قیمت فروخت (سیلز ٹیکس کے علاوہ) 106/- روپے فی کلو گرام ری، جبکہ گزشتہ سال یہ 74/- روپے فی کلو گرام ری، جس میں 32/- روپے فی کلو گرام کا اضافہ ہوا۔ یہ آمدنی سے زائد مسلسل بڑھتی ہوئی لاگت کی وجہ سے منفی نتائج کی وجوہات کی نشاندہی کرتا ہے۔



ملک میں راواں سال یعنی 2023-2024 میں چینی کی پیداوار 6.8 ملین میٹرک ٹن ری گزشتہ سال کے 0.7 ملین میٹرک ٹن ملا کر کل دستیاب مقدار 7.5 ملین میٹرک ٹن ری۔ اس کے مقابلے میں ملک کی سالانہ کھپت 6.0 ملین میٹرک ٹن ہے، لہذا 1.5 ملین میٹرک ٹن کا سرپلس حاصل ہوا جس کی قیمت 1.0 بلین امریکی ڈالر ہے۔ وفاقی حکومت نے 150,000 میٹرک ٹن چینی برآمد کرنے کی منظوری دے دی ہے۔ تاہم کمیشنز آفس سے ملز کو اجازت کا انتظار ہے۔

ناموافق اور جبری اقتصادی پالیسی کی وجہ سے شوگر ملز آزاد تجارتی طریقہ کار کی بنیاد پر کام نہیں کر پاری۔ جس کے سبب شوگر ملز زیادہ قیمت پر گنے کی خریداری اور کم قیمت پر چینی فروخت کرنے پر مجبور ہے۔

اظہار تشکر

کمپنی کے ڈائریکٹرز تمام گورنمنٹ کے اداروں، بینک اور مالیاتی اداروں، پرنس پارٹنرز اور کھاتے داروں کا تہہ دل سے شکریہ ادا کرتے ہیں کہ جنہوں نے کمپنی کے بہترین مفاد کے لیے کمپنی کا ساتھ دیا۔

منجانب

بورڈ ممبران

سکریٹری شوگر ملز لمیٹڈ

چیف ایگزیکٹو

Paleem Zamindar

چیرمین / ڈائریکٹر

کراچی: 30 جولائی 2024



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Un-audited June 30, 2024	Audited September 30, 2023
Rupees in '000'.....	
ASSETS		
Non-Current Assets		
Property, plant and equipment	3,828,299	3,847,298
Intangible asset	1,138	1,513
Long-term loans	932	191
Long-term deposits	2,860	2,860
	3,833,230	3,851,862
Current Assets		
Stores, spares and loose tools	131,810	108,823
Stock-in-trade	363,782	32,855
Trade debts	1,810	1,188
Loans and advances	63,088	46,458
Deposit, prepayments and other receivables	88,196	94,862
Short term investment	6,198	10,000
Cash and bank balances	13,510	5,611
	668,393	299,796
Total Assets	4,501,623	4,151,658
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorized share capital		
60,000,000 ordinary shares of Rs. 10 each	600,000	600,000
Share capital		
Issued, subscribed and paid-up capital	446,160	446,160
Revenue reserves		
Accumulated loss	(1,747,499)	(1,672,931)
Capital reserves		
Surplus on revaluation of property, plant and equipment-net of deferred tax	2,104,159	2,131,204
Directors'/Sponsors' subordinated loan	92,767	92,767
	895,586	997,200
Non-Current Liabilities		
Long term financing - secured	652,873	686,673
Deferred liabilities	68,137	67,342
	721,010	754,015
Current Liabilities		
Trade and other payables	2,076,309	1,675,780
Unclaimed dividend	6,228	6,228
Accrued mark-up	496,284	461,091
Current maturity of long-term financing	239,418	223,218
Taxation - net	66,787	34,126
	2,885,026	2,400,443
Total Equity and Liabilities	4,501,623	4,151,658

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


Chief Executive Officer


Chief Financial Officer


Director



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE NINE MONTHS AND QUARTER ENDED JUNE 30, 2024
(UN-AUDITED)**

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Rupees in '000'.....			
Sales - net	2,985,489	2,343,809	393,124	311,669
Cost of sales	<u>(2,982,244)</u>	<u>(2,282,250)</u>	<u>(432,191)</u>	<u>(275,681)</u>
Gross profit / (loss)	3,245	61,559	(39,067)	35,987
Operating expenses				
Administrative expenses	<u>(126,780)</u>	<u>(115,093)</u>	<u>(34,695)</u>	<u>(38,439)</u>
Selling and distribution cost	<u>(7,059)</u>	<u>(4,025)</u>	<u>(141)</u>	<u>(584)</u>
	(133,839)	(119,118)	(34,836)	(39,023)
Operating profit / (loss)	(130,594)	(57,558)	(73,904)	(3,036)
Finance cost	<u>(40,352)</u>	<u>(34,789)</u>	<u>(13,177)</u>	<u>(13,632)</u>
Other income / (loss)	<u>106,665</u>	<u>(167)</u>	<u>72,520</u>	<u>(2,578)</u>
	66,313	(34,956)	59,343	(16,210)
Profit / (Loss) before taxation	(64,281)	(92,515)	(14,560)	(19,245)
Taxation-net	(37,333)	(31,389)	(4,929)	(5,987)
Profit / (Loss) after taxation	(101,614)	(123,903)	(19,489)	(25,232)
Earning / (Loss) per share - Basic and diluted	(2.28)	(2.78)	(0.44)	(0.57)

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

Chief Executive Officer

Chief Financial Officer

Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS AND QUARTER ENDED JUNE 30, 2024
(UN-AUDITED)**

	Nine months ended		Quarter ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Rupees in	Rupees in	
Profit / (Loss) after taxation	(101,614)	(123,903)	(19,489)	(25,232)
Other comprehensive income for the period - net of tax	-	-	-	-
Total comprehensive income / (loss) for the period	<u>(101,614)</u>	<u>(123,903)</u>	<u>(19,489)</u>	<u>(25,232)</u>

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

Chief Executive Officer

Chief Financial Officer

Director



CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED JUNE 30, 2024
(UN-AUDITED)

	June 30, 2024	June 30, 2023
Rupees in '000'.....	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	(64,281)	(92,515)
Adjustments for non cash charges and other items :		
Depreciation	60,431	59,847
Amortisation	374	559
Reversal of provision for bad debts	(106,391)	-
Finance cost	35,193	33,901
Provision for gratuity	794	1,672
(Gain) on sale of fixed assets	(159)	(2,420)
Long term loans to employees	(741)	105
	(10,498)	93,664
Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(22,987)	20,235
Stock-in-trade	(330,926)	21,536
Trade debts	105,769	52,818
Loans and advances	(16,630)	59,920
Prepayments and other receivables	6,666	4,344
	(258,108)	158,852
Increase / (decrease) in current liabilities		
Trade and other payables	400,529	(17,343)
Cash generated from operations	67,641	142,659
Taxes paid	(4,672)	(5,565)
Net cash generated from operating activities	62,970	137,094
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(41,788)	(151,739)
Proceed from disposal of property, plant and equipment	515	3,939
Short term investment	3,802	-
Net cash used in investing activities	(37,471)	(147,800)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - secured	(17,600)	(9,000)
Net cash used in financing activities	(17,600)	(9,000)
Net increase / (decrease) in cash and cash equivalents	7,899	(19,706)
Cash and cash equivalents at the beginning of the period	5,611	33,881
Cash and cash equivalents at the end of the period	13,510	14,175

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

Chief Executive Officer

Chief Financial Officer

Director



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED JUNE 30, 2024
(UN-AUDITED)**

	Issued, subscribed & paid-up capital	Un-appropriated profit / Accumulated loss	Surplus on revaluation of property, plant and equipment	Directors' / sponsors' subordinated loan	Total
.....Rupees in '000'.....					
Balance as at October 01, 2022	446,160	(1,552,393)	2,168,001	92,767	1,154,534
Profit / (Loss) after taxation	-	(123,903)	-	-	(123,903)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	(123,903)	-	-	(123,903)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation- net of tax	-	14,945	(14,945)	-	-
Balance as at June 30, 2023	446,160	(1,661,351)	2,153,055	92,767	1,030,631
Balance as at October 01, 2023	446,160	(1,672,931)	2,131,205	92,767	997,200
Profit / (Loss) after taxation	-	(101,614)	-	-	(101,614)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	(101,614)	-	-	(101,614)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation- net of tax	-	27,046	(27,046)	-	-
Balance as at June 30, 2024	446,160	(1,747,499)	2,104,159	92,767	895,586

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

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS AND QUARTER ENDED JUNE 30, 2024**

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, 2023.
4. These condensed interim financial information have been authorized for issue on July 30, 2024 by the Board of Directors of the Company.
5. Figures have been rounded off to the nearest thousand rupees.

Chief Executive Officer

Chief Financial Officer

Director