



*Sindh Abadgar's Sugar Mills Limited*

**UNAUDITED  
QUARTERLY FINANCIAL STATEMENTS  
1ST QUARTER ENDED DECEMBER 31, 2022**



## COMPANY PROFILE

<b>DIRECTORS</b>	Mr. Deoo Mal Essarani Dr. Tara Chand Essarani Mr. Mahesh Kumar Mr. Dileep Kumar Mr. Pehlaj Rai Mr. Mohan Lal Dr. Besham Kumar Mr. Muhammad Siddiq Khokhar Mr. Zafar Ahmed Ghori Ms. Maheshwari Osha	Chairman Chief Executive Director Director Director Director Director Independent Director Independent Director Independent Director
<b>CHIEF FINANCIAL OFFICER</b>	Mr. Saqib Ghaffar	
<b>COMPANY SECRETARY</b>	Mr. Aziz Ahmed	
<b>BANKERS</b>	Allied Bank Limited Askari Bank Limited Bank Al-Falah Limited MCB Bank Limited Bank AL Habib Limited United Bank Limited Meezan Bank Limited HBL Foreign Exch. Bank Limited	
<b>AUDIT COMMITTEE</b>	Mr. Zafar Ahmed Ghori Mr. Pehlaj Rai Mr. Dileep Kumar Dr. Besham Kumar	Chairman Member Member Member
<b>HR AND REMUNERATION COMMITTEE</b>	Ms. Maheshwari Osha Mr. Mohan Lal Mr. Dileep Kumar	Chairman Member Member
<b>AUDITORS</b>	M/s. Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants	
<b>REGISTERED OFFICE</b>	209, 2nd Floor, Progressive Plaza, Beaumont Road, Karachi - Pakistan.	
<b>MILLS</b>	Deh: Deenpur, Taluka. Bulri Shah Karim, Distt. Tando Muhammad Khan, Sindh-73024.	
<b>REGISTRAR</b>	JWAFFS Registrar Services (Pvt) Ltd. 407- 408, Al Ameera Centre, Shahrah e Iraq, Saddar, Karachi.	
<b>EMAIL ADDRESS</b>	sasm@unitedgroup.org.pk	



## DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors, it is our privilege to present the un-audited condensed interim financial statements of the Company for the first quarter ended December 31, 2022.

### OPERATIONAL RESULTS:

Particulars	December 31, 2022	December 31, 2021
Season commenced on	29.11.2022	28.11.2021
Period reporting upto	31.12.2022	31.12.2021
Days worked (gross)	- Days 33	34
Cane crushed	- Tons 129,987	75,935
Average Crushing per day	- Tons 3,939	2,233
Capacity utilization	- % 49	28
Sugar recovery	- % 9.88	9.86
Sugar produced	- Tons 11,955	6,625
Molasses % Cane	- % 4.51	4.57
Molasses produced	- Tons 5,235	2,800

The Company crushed 129,987 M.Tons of Sugarcane compared to 75,935 M.Tons in the comparable period of last year reflecting a 49% utilization of capacity. The Crushing however, remarkably increased by 71% from the corresponding period. Accordingly sugar extracted 11,955 M. Tons compared to 6,625 M.Tons in the corresponding period with sugar recovery stood at 9.88% as against 9.86% achieved in the corresponding period.

### FINANCIAL RESULTS:

Particulars	December 31, 2022 Rupees	December 31, 2021 Rupee
Sales	845,492,688	1,229,162,489
Gross Profit	8,614,545	123,029,126
Operating (Loss) / Profit	(29,658,570)	90,747,921
(Loss) / Profit after Taxation	(47,648,743)	63,517,660
(Loss) / Earnings per share	(4.57)	6.09



The company recorded sales of Rs. 845 million compared to Rs. 1,229 million in the corresponding period which plummeted by 31% amid below cost selling price of sugar and low volume of sales. The cost of production is worked out at Rs. 78.12 per kg excluding administrative, selling and financial cost of which net realizable value is Rs. 71.37 per kg represently a huge difference between them. Resultantly, the company incurred a loss after taxation for the period Rs. 47.65 million as against profit of Rs. 63.52 million in the corresponding period. The loss per share accordingly stood at Rs. (4.57) per share compared to earning Rs. 6.09 per share in the corresponding period.

### **FUTURE OUTLOOK**

The government has fixed the price of sugar cane at Rs. 302 per 40 kg in Sindh as compared to Rs. 250 per 40 kg in the preceding season reflecting an increase of 21%. In contrast the sugar price remains range bound between Rs. 80 per kg to Rs. 85 per kg which is anticipated to further deteriorate with the arrival of more current year production in the market. The price of sugar should increase more or less with the same percentage of increase in price of sugar-cane announced by the government which unfortunately is not happening since the price of sugar is controlled by the government itself and is not letting the market forces to determine the price. The government however, at last has allowed export of 0.25 million metric tons of sugar to the industry against its demand of 1.2 million metric tons which will pave the way to allow further export of sugar keeping in view the available stock of sugar and its demand in the country, which ultimately, will help mitigate some of the losses resulting from local sale of sugar.

The SBP has again raised the policy rate by 1% to 17% in an effort to control inflation and to bring price stability which has increased by a total of 7.25% since January 2022. This unprecedented increase in policy rate is having negative consequences on the Profitability of the industry. The company is however, more focused towards achieving operational productivity by way of improving yield from sugar-cane, enhancing capacity utilization and taking austerity measures to reduce fixed cost to remain profitable and earn the confidence of the shareholders.

The Board of Directors would like to thanks all the shareholders for their continued trust and confidence reposed on them and assured them that the management is quite capable to achieve success with better planning to overcome the difficult situation faced by the company. The directors also place on record their appreciation of the devoted services and hard work put in by the officers and workers of the company. Please pray to GOD to guide and help us achieve the desired results and prosperous future.

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**Dr. Tara Chand**  
Chief Executive

Karachi: January 25th, 2023

## ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز،

اسلام علیکم!

بورڈ آف ڈائریکٹرز کی جانب سے یہ میرا امتیاز ہے کہ میں کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی گوشوارے برائے پہلی سہ

ماہی اختتام پذیر 31 دسمبر 2022 پیش کر رہا ہوں۔

### عملیاتی نتائج

31 دسمبر 2021	31 دسمبر 2022	
28-11-2021	29-11-2022	پسائی کا آغاز
31-12-2021	31-12-2022	پسائی کا اختتام
34	33	کام کے ایام (مجموعی) - ایام
75,935	129,987	پیسے گئے گنوں کی تعداد - ٹن
2,233	3,939	روزانہ پیسائی کا تناسب - ٹن
28	49	استعمال کی استعداد - فیصد
9.86	9.88	چینی کی وصولیابی - فیصد
6,625	11,955	چینی کی پیداوار - ٹن
4.57	4.51	گنے میں شیرہ کا تناسب - فیصد
2,800	5,235	شیرہ کی پیداوار - ٹن

کمپنی نے موجودہ دورانیہ میں 49 فیصد استعداد بروئے کار لاتے ہوئے 129,987 میٹرک ٹن گنے کی پیسائی کی جو کہ گذشتہ مماثل دورانیہ میں 75,935 میٹرک ٹن تھی۔ یعنی موجودہ دورانیہ میں قابل ذکر حد تک 71 فیصد زیادہ پیسائی کی گئی۔ اس طرح موجودہ دورانیہ میں 9.88 فیصد یعنی 11,955 میٹرک ٹن چینی حاصل کی گئی جو کہ گذشتہ سال مماثل دورانیہ میں 9.86 فیصد یعنی 6625 میٹرک ٹن تھی۔

## مالیاتی نتائج

31 جون 2021	31 دسمبر 2022	
(روپے میں)	(روپے میں)	
1,229,162,489	845,492,688	فروخت
123,029,126	8,614,545	جملہ منافع
90,747,921	(29,658,570)	آپریٹرن (نقصان)/منافع
63,517,660	(47,648,743)	نیکس سے قبل (نقصان)/منافع
6.09	(4.57)	فی شیئر کمائی/(خسارہ)

کمپنی نے موجودہ دورانیہ میں 845 ملین روپے کی فروخت کی جو کہ گزشتہ مماثل دورانیہ میں 1,229 ملین روپے تھی یعنی فروختی حجم میں 31 فیصد کمی ہوئی اس کی وجہ چینی کی قیمت، لاگت کے مقابلہ کم ہونا ہے۔ فی کلوگرام چینی کی پیداواری لاگت مبلغ 78.12 روپے فی کلو حساب لگائی گئی ہے جس میں انتظامیہ، فروختی اور مالیاتی اخراجات علیحدہ ہیں، جو کہ انتہائی زیادہ فرق کے ساتھ فی کلوگرام مبلغ 71.37 روپے حساب لگائے گئے ہیں۔ نتیجتاً کمپنی نے نیکس کے بعد مماثل دورانیہ میں 63.52 ملین منافع کے مقابلے میں مبلغ 47.65 ملین روپے کا نقصان برداشت کیا۔ اس طرح فی شیئر کمائی (4.57) روپے رہی جو کہ مماثل دورانیہ میں 6.09 روپے تھی۔

## مستقبل کے امکانات:

حکومت نے صوبہ سندھ میں فی من گنے کی قیمت مبلغ 302 روپے مقرر کی ہے جو کہ گزشتہ سیزن میں 250 روپے فی من تھی، یعنی اس میں 21 فیصد اضافہ ہوا ہے۔ اس کے برعکس، چینی کی قیمتیں اسی طرح کمی کا شکار ہیں اور فی کلو 80 سے 85 روپے کے درمیان ہیں اور مارکیٹ میں امسال پیداوار آنے کی وجہ سے مزید کمی کا شکار ہو سکتی ہیں۔ چینی کی قیمت، حکومت کی جانب سے گنے کی قیمت کی مناسبت سے بڑھائی جانی چاہئیں مگر بدقسمتی سے جب سے حکومت نے چینی کی قیمت کا تعین اپنے ذمہ لیا ہے، اس وقت سے نہ ہی حکومت کی جانب سے خود بڑھائی جارہی ہیں اور نہ ہی مارکیٹ شراکت داروں کو ایسا کرنے دیا جا رہا ہے۔ تاہم حکومت نے 1.2 ملین میٹرک ٹن طلب کے مقابلے میں صنعت کو 0.25 ملین میٹرک ٹن چینی کی برآمدات کی اجازت دی ہے جس سے موجودہ چینی کے اسٹاک کو مد نظر رکھتے ہوئے ملکی طلب کے تناسب سے مستقبل میں مزید برآمدات کی اجازت کی راہ ہموار ہوگی، اور اس طرح مقامی سطح پر چینی فروخت کرنے کے نتیجے میں برداشت کیے جانے والے نقصانات کو کم کرنے میں مدد ملے گی۔

اسٹیٹ بینک نے افراط زر کو کنٹرول کرنے اور استحکام لانے کے سلسلے میں پالیسی ریٹ میں 1 فیصد سے 17 فیصد تک ایک بار پھر اضافہ کیا ہے یعنی جنوری 2022 سے اب تک کل 7.25 فیصد اضافہ ہوا ہے۔ پالیسی ریٹ میں غیر متوقع اضافے سے صنعت کے منافع پر منفی اثرات مرتب ہوئے ہیں۔ تاہم کمپنی نے گئے سے چینی کی پیداوار بہتر بنانے، استعداد بڑھانے اور کفایت شعارانہ اقدامات کے ذریعے لاگت کو کم سے کم کرنے پر اپنی توجہ مرکوز کی ہوئی ہے تاکہ کمپنی کا منافع اور شیئرز ہولڈرز کا اعتماد بحال رکھا جاسکے۔

### تسلیمات

بورڈ آف ڈائریکٹرز کمپنی کے تمام شیئرز ہولڈرز کی جانب سے مسلسل بھروسے اور اعتماد پر ان کا شکریہ ادا کرتے ہیں اور انہیں یقین دلاتے ہیں کہ انتظامیہ کمپنی کو درپیش مشکل صورتحال پر قابو پانے کیلئے بہترین منصوبہ بندی کے ساتھ کامیابی حاصل کرنے کی قطعی صلاحیت رکھتی ہے۔ ڈائریکٹرز کمپنی کے افسران اور ملازمین کی تہدیت اور محنت کو سراہتے ہیں۔ براہ کرم رب العزت سے دعا کریں کہ وہ ہماری رہنمائی فرمائے اور حسب منشاء نتائج اور شاندار مستقبل کے حصول میں ہماری مدد فرمائے۔

تارا چند

چیف ایگزیکٹو

تاریخ: 25 جنوری، 2023



**STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT DECEMBER 31, 2022**

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>Un-audited December 31, 2022 Rupees</b>	<b>Audited September 30, 2022 Rupees</b>
<b>Share Capital &amp; Reserves</b>			
Authorized capital		650,000,000	650,000,000
Issued, subscribed and paid-up capital		104,250,000	104,250,000
<b>Capital reserves</b>			
Surplus on revaluation of property, plant and equipment -net		1,732,661,731	1,753,313,644
<b>Revenue reserves</b>			
Accumulated losses		(197,151,910)	(170,155,080)
		1,639,759,821	1,687,408,564
Subordinated loans		480,000,000	480,000,000
		2,119,759,821	2,167,408,564
<b>Non current liabilities</b>			
Long term finance - secured	5	125,000,002	145,833,335
Deferred liabilities		858,691,084	869,039,180
		983,691,086	1,014,872,515
<b>Current liabilities</b>			
Trade and other payables		1,309,054,406	643,189,985
Short term borrowings	6	852,125,691	949,354,072
Unclaimed dividend		6,494,688	6,494,727
Accrued mark-up		22,245,870	61,384,153
Current maturity of long term finance		83,333,332	83,333,332
		2,273,253,987	1,743,756,269
Contingencies and commitments	7	5,376,704,894	4,926,037,348
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	8	3,061,343,766	3,098,183,314
Long term loans		363,383	473,246
Long term deposits		792,527	792,527
		3,062,499,676	3,099,449,087
<b>Current assets</b>			
Stores and spares - net		120,886,096	120,276,743
Stock in trade		1,580,508,722	1,322,450,664
Trade debts - unsecured		59,344,801	37,151,653
Short term loans and advances		185,268,878	141,466,780
Other receivables		76,336,886	76,247,837
Tax refunds due from government		61,508,509	63,034,135
Cash and bank balances		230,351,326	65,960,449
		2,314,205,218	1,826,588,261
		5,376,704,894	4,926,037,348

The annexed notes from 1 to 13 form an integral part of these financial statements.

**DR. TARA CHAND**  
Chief Executive

**MAHESH KUMAR**  
Director

**SAQIB GHAFAR**  
CFO





**STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE 1ST QUARTER ENDED DECEMBER 31, 2022**

	Note	December 2022 Rupees	December 2021 Rupees
Revenue - net	9	845,492,688	1,229,162,489
Cost of sales		<u>(836,878,143)</u>	<u>(1,106,133,363)</u>
<b>Gross profit</b>		8,614,545	123,029,126
Administrative expenses		<u>(33,451,041)</u>	<u>(31,227,578)</u>
Selling and distribution expenses		<u>(4,822,074)</u>	<u>(1,053,627)</u>
		<u>(38,273,115)</u>	<u>(32,281,205)</u>
<b>Operating (loss) / profit</b>		(29,658,570)	90,747,921
Finance cost		<u>(27,922,747)</u>	<u>(14,388,915)</u>
		<u>(57,581,317)</u>	<u>76,359,006</u>
Other income - net		10,246,743	8,937,137
<b>(Loss) / profit before taxation</b>		<u>(47,334,574)</u>	<u>85,296,143</u>
Taxation - net		(314,169)	(21,778,483)
<b>(Loss) / profit after taxation</b>		<u>(47,648,743)</u>	<u>63,517,660</u>
<b>(Loss) / earnings per share - basic and diluted</b>		<u>(4.57)</u>	<u>6.09</u>

The annexed notes from 1 to 13 form an integral part of these financial statements.

**DR. TARA CHAND**  
Chief Executive

**MAHESH KUMAR**  
Director

**SAQIB GHAFAR**  
CFO



**STATEMENT OF COMPREHENSIVE INOCME (UN-AUDITED)  
FOR THE 1ST QUARTER ENDED DECEMBER 31, 2022**

	<b>December 2022 Rupees</b>	<b>December 2021 Rupees</b>
(Loss) / profit after taxation	(47,648,743)	63,517,660
<b>Total comprehensive (loss) / income for the quarter</b>	<u>(47,648,743)</u>	<u>63,517,660</u>

The annexed notes from 1 to 13 form an integral part of these financial statements.

**DR. TARA CHAND**  
Chief Executive

**MAHESH KUMAR**  
Director

**SAQIB GHAFFAR**  
CFO



**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
FOR THE 1ST QUARTER ENDED DECEMBER 31, 2022

	Note	December 2022 Rupees	December 2021 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss) / Profit before taxation		(47,334,574)	85,296,143
Adjustments for:			
- Depreciation		41,446,209	44,282,549
- Finance costs		27,922,747	13,897,900
- Profit on savings accounts		(2,765,922)	(2,071,759)
- (Gain) on disposal of property, plant and equipment		-	(6,865,372)
		<u>66,603,034</u>	<u>49,243,318</u>
Operating profit before working capital changes		19,268,460	134,539,461
<b>Changes in working capital</b>			
Decrease / (increase) in current assets			
- Stores and spares		(609,353)	(40,544,531)
- Stock in trade		(258,058,058)	360,483,566
- Trade debts - unsecured		(22,193,148)	37,061,627
- Short term loans and advances		(43,802,098)	(47,820,636)
- Trade deposits and short term prepayments		-	1,630,862
- Other receivables		(89,049)	51,300
		<u>(324,751,706)</u>	<u>310,862,188</u>
Increase in current liabilities			
- Trade and other payables		665,864,421	212,751,414
		<u>665,864,421</u>	<u>212,751,414</u>
<b>Net cash generation from operations</b>		<u>360,381,175</u>	<u>658,153,063</u>
Taxes paid		(9,136,639)	(9,760,167)
Finance costs paid		(67,061,030)	(25,904,309)
		<u>(76,197,669)</u>	<u>(35,664,476)</u>
Net cash generated from operating activities		284,183,506	622,488,587
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(4,606,661)	1,804,321
Proceeds from sale of property, plant and equipment		-	4,980,744
Profit on bank deposits received		2,765,922	2,071,759
Long term loans - net		109,863	-
Net cash (used in) / generated from investing activities		(1,730,876)	8,856,824
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term finance		(20,833,333)	(50,000,000)
Pledge financing paid-net		(414,952,420)	(301,000,000)
Dividend paid		(39)	(2,682)
<b>Net cash used in financing activities</b>		<u>(435,785,792)</u>	<u>(351,002,682)</u>
<b>Net (decrease) / Increase in cash and cash equivalents</b>		(153,333,162)	280,342,729
Cash and cash equivalents at the beginning of the quarter		(311,891,470)	(382,627,928)
<b>Cash and cash equivalents at the end of the quarter</b> 11		<u>(465,224,632)</u>	<u>(102,285,199)</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial information.

**DR. TARA CHAND**  
Chief Executive

**MAHESH KUMAR**  
Director

**SAQIB GHAFFAR**  
CFO



**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
FOR THE 1ST QUARTER ENDED DECEMBER 31, 2022

	Issued, Subscribed and Paidup Capital Rupees	Capital reserve Surplus on revaluation of property, plant and equipment Rupees	Revenue reserve Accumulated losses Rupees	Total Rupees
<b>Balance as at Oct 01, 2021</b>	<b>104,250,000</b>	<b>1,841,172,213</b>	<b>(217,073,575)</b>	<b>1,728,348,638</b>
Total comprehensive income for quarter ended December 31, 2021				
- Income after taxation	-	-	63,517,660	63,517,660
- Other comprehensive income	-	-	-	-
	-	-	63,517,660	63,517,660
Incremental depreciation transferred from surplus on revaluation of Property plant and equipment - net of deferred tax	-	(22,144,529)	22,144,529	-
<b>Balance as at December 31, 2021</b>	<b>104,250,000</b>	<b>1,819,027,684</b>	<b>(131,411,386)</b>	<b>1,791,866,298</b>
<b>Balance as at Oct 01, 2022</b>	<b>104,250,000</b>	<b>1,753,313,644</b>	<b>(170,155,080)</b>	<b>1,687,408,564</b>
Total comprehensive loss for quarter ended December 31, 2022				
- Loss after taxation	-	-	(47,648,743)	(47,648,743)
- Other comprehensive income	-	-	-	-
	-	-	(47,648,743)	(47,648,743)
Incremental depreciation transferred from surplus on revaluation of Property plant and equipment - net of deferred tax	-	(20,651,913)	20,651,913	-
<b>Balance as at December 31, 2022</b>	<b>104,250,000</b>	<b>1,732,661,731</b>	<b>(197,151,910)</b>	<b>1,639,759,821</b>

The annexed notes from 1 to 13 form an integral part of these financial statements.

**DR. TARA CHAND**  
Chief Executive

**MAHESH KUMAR**  
Director

**SAQIB GHAFAR**  
CFO



## **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE 1ST QUARTER ENDED DECEMBER 31, 2022**

### **1. STATUS AND NATURE OF BUSINESS**

Sindh Abadgar's Sugar Mills Limited ("the Company") is a public listed company incorporated in Pakistan under the repealed Companies Ordinance, 1984 ('the Ordinance') which has now been replaced by Companies Act, 2017 ('the Act'). The shares of the Company are quoted on Pakistan Stock Exchange Limited ("the Exchange"). The principal business of the Company is the production and sale of white sugar.

The geographical location and address of Company's business units, including plant are as under:

Head office: The Company's registered office is situated at 209, Progressive Plaza, Beaumont Road, Karachi, Pakistan.

Mill: The Company's plant is located at Deh Deenpur, District Tando Muhammad Khan, Sindh, Pakistan.

### **2. BASIS OF PREPARATION**

#### **2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended September 30, 2022

#### **2.2 Basis of measurement**

These condensed interim financial statements have been prepared under the historical cost convention except for land, buildings and plant & machinery which are carried under the revaluation model of accounting.



### 2.3 Functional and presentation currency

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These condensed interim financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

### 3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended September 30, 2022.

### 4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial information requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimating the uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended September 30, 2022

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the audited annual financial statements as at and for the year ended September 30, 2022.

### 5. LONG TERM FINANCES

#### Mark-up based financing from conventional banks

	Unaudited December 2022 Rupees	Audited September 2022 Rupees
Opening balance	229,166,667	350,000,000
Less: Payment made during the period	<u>(20,833,333)</u>	<u>(120,833,333)</u>
	208,333,334	229,166,667
Less: current maturity shown under current liabilities	<u>(83,333,332)</u>	<u>(83,333,332)</u>
	<u>125,000,002</u>	<u>145,833,335</u>

### 6. SHORT TERM BORROWINGS - Secured

- Cash finance	156,549,733	571,502,153
- Running finance	<u>695,575,958</u>	<u>377,851,919</u>
	<u>852,125,691</u>	<u>949,354,072</u>

### 7. CONTINGENCIES AND COMMITMENTS

#### 7.1 Contingencies

There is no change in the status of the contingencies and commitments set out in the note 12 to the Company's annual financial statements for the year ended September 30, 2022.



	Note	Unaudited December 2022 Rupees	Audited September 2022 Rupees
<b>8 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	8.1	3,061,343,766	3,098,183,314
		<u>3,061,343,766</u>	<u>3,098,183,314</u>
<b>8.1 Operating assets Cost / Revalued amount</b>			
<b>Opening balance</b>		5,197,915,709	5,176,342,731
Additions		4,606,661	30,893,467
Disposal		-	(9,320,489)
		<u>5,202,522,370</u>	<u>5,197,915,709</u>
<b>Accumulated depreciation</b>			
Opening Balance		2,099,732,395	1,931,216,167
Charge for the period		41,446,209	175,902,559
Disposal		-	(7,386,331)
		<u>2,141,178,604</u>	<u>2,099,732,395</u>
Surplus on revaluation			-
Written down value as at Dec 31, 2022 (Un-Audited) / September 30, 2022 (Audited)		<u>3,061,343,766</u>	<u>3,098,183,314</u>
<b>9 TURNOVER - NET</b>			
Sales - gross			
Local		989,226,400	1,389,804,850
Sales tax-Sugar		(143,733,712)	(160,642,361)
		<u>845,492,688</u>	<u>1,229,162,489</u>

#### 10 RELATED PARTY TRANSACTIONS

Related parties comprise associated undertakings, staff provident fund, major shareholders, directors, key management personnel of the Company and their close family members. Transaction with related parties are on arm's length basis. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment. Transaction with related parties during the year, other than those disclosed elsewhere in these financial statements are as follows:



	Unaudited December 2022 Rupees	Unaudited December 2021 Rupees
<b>Transactions during the period</b>		
Remuneration to chief executive and directors	1,050,000	700,000
Contribution to staff provident fund	1,499,502	1,065,466
<b>Balances at period end</b>		
Advance against supplies	18,518,561	18,518,561
Subordinated loan		
-from Directors	403,000,000	403,000,000
-from Related parties	77,000,000	77,000,000
	480,000,000	480,000,000

## 11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the reporting period as shown in the cash flow statement are reconciled to the related items in the statement of financial position as follows:

	Unaudited December 2022 Rupees	Unaudited December 2021 Rupees
Cash and bank balances	230,351,326	548,936,210
Short term borrowings (Running finance)	(695,575,958)	(651,221,409)
	(465,224,632)	(102,285,199)

## 12 GENERAL

Figures have been rounded off to the nearest Rupee and are reclassified for better presentation. Certain corresponding figures in statement of cash flows have been rearranged & reclassified for the purpose of comparison & better presentation of which material reclassifications are as follows :





<b>Line item</b>	<b>Reclassification from Component</b>	<b>Reclassification to Component</b>	<b>Rupees</b>
- Profit on savings accounts	Operating activities	Investing activities	2,071,759
- Cash Finance	Opening Cash & cash equivalent	Financing activities	500,000,000
- Cash Finance	Opening Cash & cash equivalent	Financing activities	(199,000,000)

### **13 AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorized for issue in the Board of Directors meeting held on 25<sup>th</sup> January, 2023.

**DR. TARA CHAND**  
Chief Executive

**MAHESH KUMAR**  
Director

**SAQIB GHAFAR**  
CFO

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