

**UNAUDITED
CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
DECEMBER 31, 2022**

SAKRAND SUGAR MILLS LIMITED



COMPANY PROFILE

BOARD OF DIRECTORS	Mr. Saleem Zamindar	Chairman / Director
	Mr. Dinshaw H. Anklesaria	Director
	Mr. Shams Ghani	Director
	Miss. Sadia Moin	Director
	Mr. Muhammad Saleem Mangrio	Director
	Mr. Abdul Qayyum Khan Abbasi	Director
	Mr. Muhammad Omar Arshid	Director
AUDIT COMMITTEE	Miss. Sadia Moin	Chairperson
	Mr. Saleem Zamindar	Member
	Mr. Muhammad Saleem Mangrio	Member
HR COMMITTEE	Mr. Abdul Qayyum Khan Abbasi	Chairman
	Mr. Muhammad Omar Arshid	Member
	Mr. Shams Ghani	Member
CHIEF EXECUTIVE OFFICER	Mr. Mansoor Afzal Subzwari	
CHIEF FINANCIAL OFFICER	Mr. Shams Ghani	
COMPANY SECRETARY	Mr. Muhammad Yousuf Qureshi	
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	Parker Russell-A.J.S.	
	Chartered Accountants	
LEGAL ADVISOR	Mr. Muhammad Jamshid Malik	
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

The Directors are pleased to present the un-audited condensed interim financial statements for the three months period ended December 31, 2022 to the members of the Company.

Operational Result

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

		Season	
		2022-23	2021-22
		Nov 26, 2022	Nov 19, 2021
Start of Season			
Operational Days		36	43
Sugarcane crushed	M. Tons	123,624	148,351
Production			
Sugar	M. Tons	12,039	13,115
Molasses	M. Tons	5,540	6,839
Recovery			
Sugar	%	9.738	8.84
Molasses	%	4.481	4.61

The crushing for the period under review started on 26th November 2022 and operated for 36 days compared to 43 days operated during the same period last year, this was due to delay in harvesting of Sugarcane. One of the reason for this delay was the late announcement of Cane Support Price from Government source.

During the period under review, the mill crushed 123,624 M. tons of sugarcane and produced 12,039 M. tons of Sugar as compared to last year crushing of 148,351 M. tons and sugar produced was 13,115 M. tons. The improvement in sucrose recovery was the result of operational efficiency resulting from better plant maintenance carried out, whereas the decline in quantum of crushing was lesser number of days during the period under review.

Financial Result

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

Description	Rupees in Millions	
	Oct – Dec	Oct – Dec
	2022	2021
Sales – net	696.85	989.09
Gross profit / (loss)	(75.71)	(29.67)
Profit/(loss) before taxation	(122.86)	(92.80)
Profit/(loss) after taxation	(125.45)	(104.90)
Loss per Share	Rs. (2.81)	(2.35)
Average Selling price of Sugar per Kg – net of sales tax	Rs. 69.5	71.8
Average procurement cost of Cane per maund	Rs. 306	270

This year again Sindh Government increased the Cane Support Price by Rs. 52/- per maund i.e. from Rs 250 per maund to Rs. 302 per maund. This along with the tremendous increase in the prices of all other inputs such as Chemicals, Poly bags, Consumables, Electricity etc. increased the cost of production whereas the price of the finished product did not rise in the same proportion resulted into a negative bottom line.

The country had a surplus sugar stock available for which PASMA made representation to Government authorities for permission to allow export of at least 1.0 million metric tons of Sugar against which Government sanctioned only 250,000 metric tons of sugar in the current fiscal year.

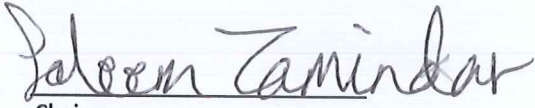


The Company managed to restructure the Long Term Debt amounting to PKR 727.0 million owed to Sindh Bank Limited payable in next 10 years starting October 2022. By virtue of this agreement the accrued mark-up amounting to PKR 330.56 million stand waived. The management is also pursuing other lenders for restructuring the Long Term Debt on same terms.

Acknowledgement

The Directors place on record their appreciation for devotion of duty, loyalty and hard work of the executives, officers, staff members and workers for smooth running of the company's affairs and hope that they will continue for enhancement of productivity with great zeal and spirit under the blessings of Almighty ALLAH.

On behalf of the Board of Directors



Chairman



Chief Executive Officer

Karachi

May 10, 2023

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022**

	Unaudited December 31, 2022Rupees in '000'	Audited September 30, 2022Rupees in '000'
ASSETS		
Non-Current Assets		
Property, plant and equipment	3,804,847	3,731,900
Intangible asset	2,071	2,258
Long-term loans	335	381
Long-term deposits	2,098	2,098
	3,809,351	3,736,637
Current Assets		
Stores, spares and loose tools	130,277	148,075
Stock-in-trade	502,427	203,769
Trade debts	31,743	54,006
Loans and advances	114,498	112,804
Prepayments and other receivables	52,249	50,431
Cash and bank balances	27,962	33,882
	859,156	602,967
Total Assets	4,668,507	4,339,604
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	(1,672,664)	(1,552,393)
Capital reserves		
Surplus on revaluation of property, plant and equipment-net of deferred tax	2,162,818	2,168,001
Directors'/Sponsors' subordinated loan	92,767	92,767
	1,029,080	1,154,535
Non-Current Liabilities		
Long term financing - secured	715,273	-
Deferred liabilities	68,240	71,512
	783,513	71,512
Current Liabilities		
Trade and other payables	2,197,408	1,749,119
Unclaimed dividend	6,198	6,198
Unpaid dividend	30	30
Accrued mark-up	429,440	419,133
Current maturity of long-term financing	205,818	924,091
Taxation - net	17,020	14,986
	2,855,914	3,113,557
Total Equity and Liabilities	4,668,507	4,339,604

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 1ST QUARTER ENDED DECEMBER 31, 2022
(UN-AUDITED)

	1st Quarter December 31, 2022	1st Quarter December 31, 2021
Rupees in '000'.....	
Sales - net	696,855	989,093
Cost of sales	<u>(772,567)</u>	<u>(1,018,765)</u>
Gross profit / (loss)	(75,712)	(29,672)
Operating expenses		
Administrative expenses	<u>(35,512)</u>	<u>(32,493)</u>
Selling and distribution cost	<u>(1,305)</u>	<u>(1,351)</u>
	(36,818)	(33,843)
Operating profit / (loss)	(112,530)	(63,515)
Finance cost	(10,330)	(29,285)
Profit / (Loss) before taxation	(122,860)	(92,800)
Taxation-net	(2,592)	(12,104)
Profit / (Loss) after taxation	<u>(125,452)</u>	<u>(104,904)</u>
Earning / (Loss) per share - Basic and diluted (Rs.)	<u>(2.81)</u>	<u>(2.35)</u>

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 PERIOD ENDED DECEMBER 31, 2022
(UN-AUDITED)**

	1st Quarter December 31, 2022Rupees in '000'.....	1st Quarter December 31, 2021
Profit / (Loss) after taxation	(125,452)	(104,904)
Other comprehensive income / (loss) for the period	-	-
Total comprehensive income / (loss) for the period	<u><u>(125,452)</u></u>	<u><u>(104,904)</u></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 PERIOD ENDED DECEMBER 31, 2022
(UN-AUDITED)

	1st Quarter December 31, 2022	1st Quarter December 31, 2021
Rupees in '000'.....	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	(122,860)	(92,800)
Adjustments for non cash charges and other items :		
Depreciation	19,959	25,707
Amortisation	186	122
Finance cost	10,306	29,264
	30,450	55,093
Working capital changes		
Change in current assets		
Stores, spares and loose tools	17,798	(27,037)
Stock-in-trade	(298,658)	(87,022)
Trade debts	22,263	-
Loans and advances	(1,694)	14,869
Prepayments and other receivables	(1,818)	3,348
	(262,109)	(95,842)
Change in current liabilities		
Trade and other payables	445,018	154,185
Cash generated from operations	90,499	20,635
Taxes paid	(558)	(850)
Net cash generated from operating activities	89,941	19,786
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(92,905)	(18,598)
Net cash used in investing activities	(92,905)	(18,598)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - secured	(3,000)	-
Long term loans to employees	45	45
Net cash generated from / (used in) financing activities	(2,955)	45
Net increase / (decrease) in cash and cash equivalents	(5,919)	1,232
Cash and cash equivalents at the beginning of the period	33,881	23,870
Cash and cash equivalents at the end of the period	27,962	25,102

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 PERIOD ENDED DECEMBER 31, 2022
(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, 2021	446,160	1,809,512	(1,292,292)	92,767	1,056,147
Profit / (loss) after taxation	-	-	(104,904)	-	(104,904)
Other comprehensive income / (loss) for the period	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	(104,904)	-	(104,904)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation- net of tax	-	(9,930)	9,930	-	-
Balance as at December 31, 2021	446,160	1,799,582	(1,387,266)	92,767	951,242
Balance as at October 01, 2022	446,160	2,168,001	(1,552,393)	92,767	1,154,535
Profit / (loss) after taxation	-	-	(125,452)	-	(125,452)
Other comprehensive income / (loss) for the period	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	(125,452)	-	(125,452)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation- net of tax	-	(5,183)	5,183	-	-
Balance as at December 31, 2022	446,160	2,162,818	(1,672,664)	92,767	1,029,080

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

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2022**

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, 2022.
4. These condensed interim financial information have been authorized for issue on May 10, 2023 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