



**UNAUDITED
CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
MARCH 31, 2023**

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 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 JWAFPS 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 Condensed Interim Financial statements of the Company for the six months ended March 31, 2023 together with the auditors' review report thereon.

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
Start of Season		Nov 26, 2022	Nov 19, 2021
Season Duration		80	127
Operational Days		74	115
Sugarcane crushed	M. Tons	252,153	538,986
Production			
Sugar	M. Tons	25,763	53,633
Molasses	M. Tons	12,343	24,500
Recovery			
Sugar	%	10.217	9.951
Molasses	%	4.895	4.546

The crushing season 2022-2023 operated for 74 days compared to 115 days in the previous year. The shorter crushing season was mainly due to inadequate cane crop size and the quality of crop was also affected due to standing water, the after effects of heavy rains and flooding. The company could crush only 252,153 metric tons as compared to 538,986 metric tons crushed in the preceding year. The Sugar recovery factor slightly improved from 9.951% to 10.217%. The Sindh Government raised minimum support price of cane from PKR 250 per maund to PKR 302 per maund, an increase of 21% over last year cane price. Besides, shortage of cane crop lead to a price war amongst the millers and your company had to stop crushing at a point where contribution margin turned into negative.

Financial Result

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

Description	Rupees in Millions	
	Oct – Mar	Oct – Mar
	2023	2022
Sales – net	2,032.14	3,728.99
Gross profit	25.57	62.26
Loss before taxation	(73.27)	(115.36)
Loss after taxation	(98.67)	(148.03)
Loss per share	Rs. (2.21)	(3.32)



The period under review has been very tough for Sugar Industry. The environmental effects created by rains and flood disturbed the crushing season adversely. Significant cane cultivated area plus the standing crop was lost and affected. Similarly, economic downturn and hyperinflation resulted into the tremendous increase in cost of production, whereas the price of sugar remain almost the same as of last year. The Government also allowed export of sugar of 250,000 metric tons, out of which your company did export its allocation.

The Restructuring with Sindh bank Limited has been successfully implemented. Resultantly, finance cost for the period reduced to PKR 21.2 million as against PKR 64.2 million in the corresponding period.

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 03, 2023

Chief Executive Officer



ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کے سشٹھائی غیر آڈٹ شدہ مالیاتی حبابات بعد آڈیٹرز رپورٹ برائے 31 مارچ 2023 پیش خدمت ہیں۔

آپریٹنگ نتائج

اس سشٹھائی کی آپریٹنگ کارکردگی کا گزشتہ سال کی سشٹھائی سے مختصر موازنہ مندرجہ ذیل ہے۔

		Season	
		2022-23	2021-22
Start of Season		Nov 26, 2022	Nov 19, 2021
Season Duration		80	127
Operational Days		74	115
Sugarcane crushed	M. Tons	252,153	538,986
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Recovery			
Sugar	%	10.217	9.951
Molasses	%	4.895	4.546

کریٹنگ سیزن 2022-2023 کا دورانیہ 74 دن رہا جبکہ گزشتہ سال یہ دورانیہ 115 دن تھا۔ پلانٹ کی کم دن چلنے کی بڑی وجہ گنے کی کم پیداوار اور گنے کا معیاری نہ ہونا تھا اور بارش کی وجہ سے سیلابی پانی کا فصل میں ٹھہرے رہنا بھی اس کا سبب بنا۔ کمپنی نے 252,153 میٹرک ٹن گن کرش کیا جبکہ گزشتہ سال کی اسی سشٹھائی میں کمپنی نے 538,986 میٹرک ٹن گن کرش کیا تھا۔ مزید یہ کہ اس سشٹھائی میں چینی کی اوسط ریکوری سابقہ مارچ کی سشٹھائی سے نسبتاً بہتر رہی۔ اس سشٹھائی میں چینی کی اوسط ریکوری 10.217 فیصد رہی جبکہ سابقہ مارچ کی سشٹھائی میں چینی کی اوسط ریکوری 9.951 فیصد تھی۔

حکومت سندھ نے گزشتہ سال کی نسبت اس سال گنے کی امدادی قیمت میں 21 فیصد اضافہ کیا۔ اس سال گنے کی قیمت 302 روپے فی من مقرر کی جبکہ پچھلے سال کی قیمت 250 روپے فی من تھی۔ گنے کی پیداوار میں کمی کی وجہ سے گنے کی قیمت میں غیر معمولی اضافہ ہوا۔ ان حالات کو مد نظر رکھتے ہوئے اور کمپنی کو مالی نقصان سے بچانے کے لیے گنے کی کریٹنگ کو محدود رکھا گیا۔



مالیاتی نتائج

اس ششماہی کے مالیاتی نتائج کا گزشتہ سال کی ششماہی سے مختصر موازنہ مندرجہ ذیل ہے۔

Description	Rupees in Millions	
	Oct – Mar	Oct – Mar
	2023	2022
Sales – net	2,032.14	3,728.99
Gross profit	25.57	62.26
Loss before taxation	(73.27)	(115.36)
Loss after taxation	(98.67)	(148.03)
Loss per share	Rs. (2.21)	(3.32)

اس ششماہی میں شوگر انڈسٹری نے بہت مشکل حالات کا سامنا کیا۔ بارش اور سیلاب نے کھڑی فصلوں کو بہت بری طرح نقصان پہنچایا۔ اسی طرح معاشی بحران اور مہنگائی نے پیداواری لاگت میں بے تحاشہ اضافہ کیا جبکہ چینی کی قیمت مندرجہ میں معمولی اضافہ ہوا۔ گورنمنٹ نے 250,000 میٹرک ٹن چینی کی درآمد کی اجازت دی جس میں سے کمپنی نے اپنے حصے کی چینی درآمد کر دی ہے۔

کمپنی اور سندھ بینک لمیٹڈ کے درمیان طویل مدتی متراض کے معاملات طے ہو جانے کی وجہ سے مارک اپ کی رقم 20.6 ملین رہی، جبکہ گزشتہ سال کی ششماہی میں یہ رقم 64.2 ملین تھی۔


اظہار تشکر


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

منجانب

بورڈ ممبران

سرکرینڈ شوگر ملز لمیٹڈ


چیف ایگزیکٹو


چیرمین / ڈائریکٹر

کراچی: 03 جولائی 2023



Independent Auditors' Review Report to the Members of Sakrand Sugar Mills Limited

Report on Review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Sakrand Sugar Mills Limited** (the "Company") as at March 31, 2023 and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and the condensed interim statement of other comprehensive income for the quarter ended March 31, 2023 and March 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended March 31, 2023.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists 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 Adverse Conclusion

The Company had entered into a restructuring agreement with one of its major lender to reschedule the terms of payment of the outstanding loan including markup amounting to Rs 1,057.830 million. The restructured terms of the loan agreement have resulted in substantial modification in liability which has not been accounted for in accordance with the applicable financial reporting standards in these condensed interim financial statements. Had the Company accounted for the substantial modification in liability in accordance with the applicable financial reporting standards, the liability would have been by reduced by Rs 802.833 million while the net loss after tax for the half year ended March 31, 2023, and accumulated losses as at March 31, 2023, would be reduced by Rs 570.011 million.

Further, as disclosed in note 1.1 to the condensed interim financial statements, the Company has incurred a loss after taxation of Rs 98.671 million (March 31, 2022: 148.030 million) during the half year ended March 31, 2023, has accumulated losses, as at March 31, 2023 amounts to Rs. 1,640.962 million (September 30, 2022: 1,552.393 million), its current liabilities exceed its current assets by Rs. 2,006.230 million (September 30, 2022: Rs. 2,510.590 million) and loans amounting to Rs 196.818 million are still overdue. These conditions led us to believe that the going concern assumption used in preparation of these condensed interim financial statements is inappropriate; consequently, the assets and liabilities should have been stated at their realizable and settlement amounts respectively.

Adverse Conclusion

Our review indicates that, because of the significance of the matter described in the Basis for Adverse Conclusion section of our report, the accompanying condensed interim financial statements for the half year ended March 31, 2023, is not prepared, in all material respects, in accordance with the approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.



Parker Russell-A. J. S.

CHARTERED ACCOUNTANTS

Other Matter

The financial statements of the Company for the year ended September 30, 2022 and half year ended March 31, 2022 were audited and reviewed by another firm of Chartered Accountants who expressed an adverse opinion / adverse conclusion on those statements vide their reports dated April 07, 2023 and November 22, 2022 respectively.

The engagement partner on the review resulting in this independent auditors' report is Mr. Muhammad Shabbir Kasbati.

(Chartered Accountants)

Karachi.

Date: 06 JUL 2023

UDIN: RR202310192Ltsze8Kj



Condensed Interim Statement of Financial Position
As at March 31, 2023

		(Un-audited) March 31, 2023	(Audited) September 30, 2022
	NoteRupees in '000'	
Assets			
Non-current assets			
Property, plant and equipment	5	3,827,766	3,731,900
Intangible asset		1,885	2,258
Long-term loans		296	381
Long-term deposits		2,098	2,098
		<u>3,832,044</u>	<u>3,736,637</u>
Current assets			
Store, spares and loose tools		104,530	148,075
Stock-in-trade	6	404,619	203,769
Trade debts		1,750	54,006
Loans and advances		48,996	112,804
Prepayments and other receivables		49,544	50,431
Cash and bank balances	7	70,795	33,882
		<u>680,233</u>	<u>602,967</u>
Total assets		<u>4,512,277</u>	<u>4,339,604</u>
Equity and liabilities			
Share capital and reserves			
Authorised share capital			
60,000,000 ordinary shares of Rs. 10 each		<u>600,000</u>	<u>600,000</u>
Issued, subscribed and paid-up share capital			
44,616,000 ordinary shares of Rs. 10/- each.		446,160	446,160
Accumulated loss		<u>(1,640,962)</u>	<u>(1,552,393)</u>
		<u>(1,194,802)</u>	<u>(1,106,233)</u>
Surplus on revaluation of property, plant and equipment-net of deferred tax		2,157,897	2,168,001
Directors' / sponsors' subordinated loan		<u>92,767</u>	<u>92,767</u>
		1,055,862	1,154,535
Non-current liabilities			
Long term financing - secured	8	702,073	-
Deferred liabilities		67,879	71,512
		769,952	71,512
Current liabilities			
Trade and other payables		1,988,638	1,749,119
Unclaimed dividend		6,198	6,198
Unpaid dividend		30	30
Accrued mark-up		439,741	419,133
Current maturity of long-term financing		216,018	924,091
Tax payable - net		35,837	14,986
		<u>2,686,463</u>	<u>3,113,557</u>
Total equity and liabilities		<u>4,512,277</u>	<u>4,339,604</u>
Contingencies and commitments	9		

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director



Condensed Interim Statement of Profit or Loss
For the half year ended March 31, 2023 (Un-audited)

	Note	Half year ended		Quarter ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Rupees in '000'.....			
Sales - net	10	2,032,140	3,728,992	1,335,285	2,739,899
Cost of sales	11	(2,006,567)	(3,666,731)	(1,234,000)	(2,647,967)
Gross profit		<u>25,573</u>	<u>62,261</u>	<u>101,285</u>	<u>91,932</u>
Operating expenses					
Administrative expenses		(76,654)	(108,820)	(41,142)	(76,327)
Selling and distribution cost		(3,441)	(4,559)	(2,135)	(3,208)
		<u>(80,095)</u>	<u>(113,379)</u>	<u>(43,277)</u>	<u>(79,535)</u>
Operating profit / (loss)		<u>(54,522)</u>	<u>(51,118)</u>	<u>58,008</u>	<u>12,397</u>
Finance cost		(21,157)	(64,240)	(10,828)	(34,955)
Other income		2,411	-	2,411	-
		<u>(18,747)</u>	<u>(64,240)</u>	<u>(8,417)</u>	<u>(34,955)</u>
Profit / (loss) before taxation		<u>(73,269)</u>	<u>(115,358)</u>	<u>49,591</u>	<u>(22,558)</u>
Taxation-net	12	<u>(25,402)</u>	<u>(32,672)</u>	<u>(22,810)</u>	<u>(20,568)</u>
Profit / (loss) after taxation		<u><u>(98,671)</u></u>	<u><u>(148,030)</u></u>	<u><u>26,781</u></u>	<u><u>(43,126)</u></u>
Earning / (loss) per share basic and diluted (Rs.)		<u><u>(2.21)</u></u>	<u><u>(3.32)</u></u>	<u><u>0.60</u></u>	<u><u>(0.97)</u></u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director



Condensed Interim Statement of Other Comprehensive Income
Half year ended March 31, 2023 (Un-audited)

	Half year ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Rupees in '000'.....			
Profit / (loss) after taxation	(98,671)	(148,030)	26,781	(43,126)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>(98,671)</u>	<u>(148,030)</u>	<u>26,781</u>	<u>(43,126)</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director



Condensed Interim Statement of Cash Flows
For the half year ended March 31, 2023 (Un-audited)

	March 31, 2023	March 31, 2022
NoteRupees	in '000'.....
Cash flows from operating activities		
Loss before taxation	(73,269)	(115,358)
Adjustments for non-cash items :		
Depreciation	5 39,968	51,464
Amortisation	372	524
Provision for bad debts	-	35,809
Finance cost	20,609	64,199
Gain on sale of fixed assets	(2,411)	-
Long term loans to employees	85	(213)
Operating profit before working capital changes	58,624	151,783
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	6 43,545	11,716
Stock-in-trade	(200,850)	(421,036)
Trade debts	52,256	-
Loans and advances	63,808	12,496
Prepayments and other receivables	887	(3,398)
	(40,354)	(400,222)
Increase / (decrease) in current liabilities		
Trade and other payables	235,886	416,575
Cash generated from operations	180,887	52,778
Taxes paid	(4,550)	(4,362)
Net cash generated from operating activities	176,337	48,416
Cash flows from investing activities		
Purchase of property, plant and equipment	5 (137,293)	(30,890)
Sales proceeds from disposal of property, plant and equipment	3,869	-
Addition to intangible assets	-	(1,695)
Net cash used in investing activities	(133,424)	(32,585)
Cash flows from financing activities		
Long term financing - repaid	(6,000)	-
Net cash used in financing activities	(6,000)	-
Net increase in cash and cash equivalents	36,913	15,831
Cash and cash equivalents at the beginning of the period	33,882	23,870
Cash and cash equivalents at the end of the period	7 70,795	39,701

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director



Condensed Interim Statement of Changes in Equity
Half year ended March 31, 2023 (Un-audited)

	Issued, subscribed & paid-up share capital	Un- appropriated profit / accumulated loss	Total	Surplus on revaluation of property, plant and equipment	Directors' / sponsors' subordinated loan	Total
 Rupees in '000'.....					
Balance as at October 01, 2021	446,160	(1,292,292)	(846,132)	1,809,512	92,767	1,056,147
Loss after taxation	-	(148,030)	(148,030)	-	-	(148,030)
Other comprehensive income / (loss) for the period	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	(148,030)	(148,030)	-	-	(148,030)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation- net of tax	-	19,813	19,813	(19,813)	-	-
Balance as at March 31, 2022	446,160	(1,420,509)	(974,349)	1,789,699	92,767	908,117
Balance as at October 01, 2022	446,160	(1,552,393)	(1,106,233)	2,168,001	92,767	1,154,535
Loss after taxation	-	(98,671)	(98,671)	-	-	(98,671)
Other comprehensive income / (loss) for the period	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	(98,671)	(98,671)	-	-	(98,671)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation- net of tax	-	10,103	10,103	(10,103)	-	-
Balance as at March 31, 2023	446,160	(1,640,962)	(1,194,802)	2,157,897	92,767	1,055,862

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director



Notes to the Condensed Interim Financial Statements For the half year ended March 31, 2023 (Un-audited)

1 STATUS AND NATURE OF BUSINESS

Sakrand Sugar Mills Limited was incorporated in Pakistan as a public limited company under the Companies Ordinance, 1984 [Repealed with the enactment of Companies Act, 2017], on March 02, 1989 and its shares are quoted on Pakistan Stock Exchange. The principal business of the Company is to manufacture and sell white sugar. The registered office of the Company is situated in 41-K, Block-6, P.E.C.H.S, Karachi while the Company's mill is situated at Deh Tharo Unar, Taluka Sakrand, District Shaheed Benazirabad, Sindh, Pakistan, having an area of 102.18 acres.

- 1.1** The condensed interim financial statements of the Company for the period ended 31st March 2023, reflect net loss after taxation amounting to Rs. 98.671 million (March 2022: net loss of Rs.148.030 million) and its current liabilities exceeds its current assets by Rs.2,006.230 million (September 30, 2022: Rs. 2,510.590 million).

However, the condensed interim financial statements are prepared by the management on going assumption on the basis of the following factors:

- a) The Company has successfully completed crushing season for 2022-23 till the date of issuance of condensed financial statements for the period ended March 31, 2023 and the major cash flow requirements for operations are already met.
- b) The outstanding long-term debt amounting to Rs.727.273 million from Sindh Bank Limited has been restructured and the short-term liabilities have been converted into long-term liabilities.
- c) The management is working on further processing of composite fertilizer (by product) and believe that the sale of processed fertilizer will result in increase in profits.
- d) The management is working on improvement of production cycles that will results in reduction in cost of production in future.

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 for interim financial reporting comprise of :

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

Where 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.

- 2.2** These condensed interim financial statements are unaudited and subject to limited scope review by the auditors. These are being submitted to the members in accordance with Section 237 of the Companies Act, 2017 (the Act).
- 2.3** These condensed interim financial statements 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, 2022.



3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computations followed for the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual published financial statements of the Company for the year ended September 30, 2022.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the condensed interim financial statements in conformity with the approved accounting standards as applicable in Pakistan requires the management to make estimates, assumptions and use judgements that affect the application of policies and the reported amount of assets and liabilities and income and expenses.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the Company's annual financial statements for the year ended September 30, 2022, except as disclosed otherwise.

(Un-audited) (Audited)
March 31, September 30,
2023 2022
----- Rupees in '000' -----

5 PROPERTY, PLANT AND EQUIPMENT

Opening book value	3,731,900	3,232,714
Additions during the period		
Plant and machinery	132,718	59,819
Office equipment and others	291	739
Furniture and fixture	-	363
Vehicles	4,285	3,082
Tools and tackles	-	179
	137,293	64,182
Disposal of vehicle - carrying amount	(1,459)	(8,422)
Revaluation surplus	-	539,594
Depreciation for the period	(39,968)	(96,168)
Closing book value	3,827,766	3,731,900

6 STOCK-IN-TRADE

Finished goods - Sugar	354,062	185,896
Sugar in process	3,545	3,288
Molasses	12,852	-
Compost fertilizer in process (including Mud)	14,196	14,585
Bagasse	19,965	-
	<u>404,619</u>	<u>203,769</u>

7 CASH AND BANK BALANCES

Cash in hand	31,946	262
Cash at bank		
- Current account	38,839	33,610
- Deposit account	10	10
	<u>38,849</u>	<u>33,620</u>
	<u>70,795</u>	<u>33,882</u>



(Un-audited) (Audited)
 March 31, September 30,
 2023 2022
 ----- Rupees in '000' -----

8 LONG TERM FINANCE - SECURED

Classified as current liability	727,273	-
Addition	-	-
Repayment during current period	(6,000)	-
Current portion	(19,200)	-
	<u>702,073</u>	<u>-</u>

8.1 During the period the Company initiated the negotiations with Sindh Bank Limited for restructuring of long term loan. On December 07, 2022, Sindh Bank Limited approved the request of the Company for rescheduling of loan on step up basis for next 10 years monthly basis starting from October 05, 2022, subject to certain conditions.

8.1.1 The Company has complied with all the restructuring terms and conditions along with payments till the finalisation of these condensed interim financial statements. However, being prudent, the management has not accounted for the gain arises on account of changes in the terms of loan agreement. If the Company had recognised the liability on restructuring terms, the impact would be as follows:

	Principal	Mark-up
	----- Rupees in '000' -----	
Carrying amount of financial liability as per original loan terms	727,273	330,557
Carrying amount of financial liability as per reschedule loan terms discounted at market interest rate	254,997	-
Gain that should be reported on restructuring	472,276	330,557

9 CONTINGENCIES AND COMMITMENTS

The status of contingencies and commitments is same as that disclosed in annual audited financial statements for the year ended September 30, 2022.

	Half year ended		Quarter ended	
	March 31,	March 31,	March 31,	March 31,
	2023	2022	2023	2022
	----- Rupees in '000' -----			

10 SALES - NET

Gross sales				
- Sugar	1,976,164	3,832,772	1,257,977	2,802,434
- Molasses	346,366	472,085	261,366	368,267
- Compost fertilizer	-	5,433	-	-
Sales tax	(290,390)	(581,298)	(184,058)	(430,802)
	<u>2,032,140</u>	<u>3,728,992</u>	<u>1,335,285</u>	<u>2,739,899</u>



	Half year ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Note	----- Rupees in '000' -----			
11 COST OF SALES				
Sugarcane consumed	1,970,813	3,806,948	1,024,500	2,806,236
Manufacturing expenses	236,605	280,819	111,693	175,744
	<u>2,207,418</u>	<u>4,087,767</u>	<u>1,136,193</u>	<u>2,981,980</u>
Sugar in process				
Opening	3,288	13,146	101,772	77,911
Closing	(3,545)	(3,288)	(3,545)	(3,288)
	(257)	9,858	98,227	74,623
Sugar				
Opening	185,896	-	327,583	1,589
Closing	(354,062)	(432,671)	(354,062)	(432,671)
	(168,166)	(432,671)	(26,479)	(431,082)
Molasses				
Opening	-	-	57,374	26,826
Closing	(12,852)	(865)	(12,852)	(865)
	(12,852)	(865)	44,522	25,961
Bagasse				
Opening	-	-	-	-
Closing	(19,965)	-	(19,965)	-
	(19,965)	-	(19,965)	-
Compost fertilizer in process including mud				
Opening	14,585	38,155	15,697	31,998
Closing	(14,196)	(35,513)	(14,196)	(35,513)
	389	2,642	1,501	(3,515)
	<u>2,006,567</u>	<u>3,666,731</u>	<u>1,234,000</u>	<u>2,647,967</u>

	Half year ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	----- Rupees in '000' -----			
11.1 Manufacturing expenses				
Salaries, wages including bonus and other benefits	57,649	70,761	28,654	41,628
Stores and spares consumed	55,196	88,876	32,479	67,407
Fuel and power	26,522	28,382	9,122	16,201
Repairs and maintenance	56,677	38,056	21,209	21,125
Vehicle maintenance	1,895	2,136	587	872
Insurance	2,643	1,000	1,320	1,000
Depreciation	33,218	45,354	16,699	22,733
Bagasse, mud, ash handling and others	2,806	6,254	1,623	4,779
	<u>236,605</u>	<u>280,819</u>	<u>111,693</u>	<u>175,744</u>



	Half year ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	----- Rupees in '000' -----			
12 TAXATION - NET				
Current	(25,402)	(45,432)	(22,810)	(33,328)
Deferred	-	12,760	-	12,760
	<u>(25,402)</u>	<u>(32,672)</u>	<u>(22,810)</u>	<u>(20,568)</u>

Being prudent, the Company has not recognized deferred tax asset amounting to Rs. 105.834 million as at reporting date.

The management of the Company is not confident about sufficient taxable profits that will be available in future against which deferred tax asset will be utilized.

13 RELATED PARTY TRANSACTIONS

Related parties comprise of subsidiary, associated entities, entities with common directorship, directors, key management personnel and employees retirement benefits funds. Material transactions with related parties during the period and balances at the end of the period, other than those which have been disclosed elsewhere in these unconsolidated condensed interim financial statements are as follows:

Relationship	Nature of transaction	March 31,	March 31,
		2023	2022
		----- Rupees in '000' -----	
Directors and key management personnel	Remuneration paid	13,419	8,032

No remuneration has been paid by the Company to its chief executive officer during the current period.

14 GENERAL

Figures have been rounded off to the nearest thousand, unless otherwise stated.

15 AUTHORIZATION FOR ISSUE

These condensed interim financial information have been authorized for issue on July 03, 2023 by the board of directors of the Company.

Chief Executive Officer

Chief Financial Officer

Director