



**UNAUDITED
CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
DECEMBER 31, 2020**

SAKRAND SUGAR MILLS LIMITED



COMPANY PROFILE

BOARD OF DIRECTORS	Mr. Jamil Akberi Mr. Dinshaw H. Anklesaria Mr. Abdul Naeem Quraishi Mr. Neville Mehta Mrs. Fatma Gulamali Dr. Jamshed H. Anklesaria	Chairman/Director Chief Executive/Director Director Director Director Director
AUDIT COMMITTEE	Mr. Abdul Naeem Quraishi Mr. Jamil Akberi Mr. Neville Mehta	Chairman Member Member
HR COMMITTEE	Mr. Neville Mehta Mr. Jamil Akberi	Chairman Member
CHIEF FINANCIAL OFFICER	Mr. Shams Ghani	
COMPANY SECRETARY	Mr. Ali Mahmood Khan	
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	UHY Hassan Naeem & Co. Chartered Accountants	
LEGAL ADVISOR	Mr. Abdul Naeem Quraishi	
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

The Board of Directors present the unaudited condensed interim financial statements of the Company for the first quarter ended December 31, 2020.

Production:

The crushing for the season 2020-21 started on November 06, 2020, the plant operated for 56 days as compared to 47 days during the same period last year. During the period, the plant crushed 122,941 metric tons of sugarcane to produce 10,175 metric tons of sugar as compared to 119,081 metric tons of sugarcane crushed to produce 9,855 metric tons of sugar during the corresponding period last year. Sucrose recovery remained at 9.147 %. The Government of Sindh fixed the minimum support price of sugarcane for the crushing season 2020-21 at Rs. 202/- per 40 KG. In addition, mills were also required to pay quality premium at the rate of fifty paise per 40 KG for every 0.1 percent recovery in excess of the benchmark of 8.7%.

Financial Performance:

The decline in the Operating Profit was primarily due to the significant increase in the cost of sugarcane owing to intense competition, amid price war amongst the sugar mills to procure the maximum quantity of sugarcane and the higher cost of production due to inflationary pressure. In view of the same the management decided to contain the activity in order to avert losses.

		<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Sales - net	(Million)	759.726	614.931
Operating profit	(Million)	33.465	136.802
Profit before taxation	(Million)	4.847	95.466
Profit after taxation	(Million)	1.641	95.393
EPS	(Rupees)	0.04	2.14

Acknowledgement:

The management would like to thank all the stakeholders including its Customers, Growers, Financial institutions, Staff members and Shareholders for their continued support and cooperation.

For and on behalf of the Board of Directors

Dinshaw H. Anklesaria
Chief Executive

Jamil Akberi
Director

Dated: May 20, 2021



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020**

	Un-audited December 31, 2020Rupees in '000'	Audited September 30, 2020
ASSETS		
Non-Current Assets		
Property, plant and equipment	3,225,794	3,193,721
Intangible asset	2,024	2,206
Long-term loans	665	745
Long-term deposits	2,098	2,098
	<u>3,230,581</u>	<u>3,198,770</u>
Current Assets		
Stores, spares and loose tools	101,759	99,277
Stock-in-trade	243,598	79,304
Trade debts	356,733	356,733
Loans and advances	50,933	45,664
Prepayments and other receivables	49,211	45,018
Tax refund	8,017	8,017
Cash and bank balances	24,334	28,337
	<u>834,585</u>	<u>662,350</u>
Total Assets	<u><u>4,065,166</u></u>	<u><u>3,861,120</u></u>
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorized share capital 60,000,000 ordinary shares of Rs. 10 each	<u>600,000</u>	<u>600,000</u>
Share capital		
Issued, subscribed and paid-up capital	446,160	446,160
Revenue reserves		
Accumulated loss	(955,153)	(958,473)
Capital reserves		
Surplus on revaluation of property, plant and equipment-net of deferred tax	1,686,295	1,687,975
Directors'/Sponsors' subordinated loan	<u>92,767</u>	<u>92,767</u>
	<u>1,270,069</u>	<u>1,268,428</u>
Non-Current Liabilities		
Deferred taxation	303,578	311,246
Long term financing - secured	493,341	538,352
Deferred liabilities	71,269	73,112
	<u>868,188</u>	<u>922,710</u>
Current Liabilities		
Trade and other payables	1,253,669	1,079,788
Unclaimed dividend	6,198	6,198
Unpaid dividend	72	72
Accrued mark-up	183,247	155,114
Current maturity of long-term financing	424,091	378,636
Taxation - net	59,633	50,174
	<u>1,926,909</u>	<u>1,669,982</u>
Total Equity and Liabilities	<u><u>4,065,166</u></u>	<u><u>3,861,120</u></u>

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

Shams Ghani
Chief Financial Officer

Dinshaw H. Anklesaria
Chief Executive

Jamil Akberi
Director



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE PERIOD ENDED DECEMBER 31, 2020
(UN-AUDITED)

	1st Quarter December 2020	1st Quarter December 2019
Rupees in '000'.....	
Sales - net	759,726	614,931
Cost of sales	<u>(696,262)</u>	<u>(456,091)</u>
Gross Profit	63,464	158,840
Operating expenses		
Administrative expenses	<u>(27,890)</u>	<u>(20,793)</u>
Selling and distribution cost	<u>(2,110)</u>	<u>(1,245)</u>
	(30,000)	(22,038)
Operating Profit	<u>33,465</u>	<u>136,802</u>
Finance cost	<u>(28,618)</u>	<u>(41,336)</u>
Profit before taxation	<u>4,847</u>	<u>95,466</u>
Taxation-net	<u>(3,206)</u>	<u>(73)</u>
Profit after taxation	<u><u>1,641</u></u>	<u><u>95,393</u></u>
Earning per share - Basic and diluted	<u><u>0.04</u></u>	<u><u>2.14</u></u>

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

Shams Ghani
Chief Financial Officer

Dinshaw H. Anklesaria
Chief Executive

Jamil Akberi
Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2020
(UN-AUDITED)**

	1st Quarter December 2020	1st Quarter December 2019
Rupees in '000'.....	
Profit after taxation	1,641	95,393
Other comprehensive income for the period	-	-
Total comprehensive income for the period	1,641	95,393

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

Shams Ghani
Chief Financial Officer

Dinshaw H. Anklesaria
Chief Executive

Jamil Akberi
Director



CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2020
(UN-AUDITED)

	1st Quarter December 2020	1st Quarter December 2019
Rupees in '000'.....	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,847	95,466
Adjustments for non cash charges and other items :		
Depreciation	13,836	16,238
Amortisation	182	272
Finance cost	28,618	41,336
	42,636	57,845
Working capital changes		
Change in current assets		
Stores, spares and loose tools	(2,482)	(2,549)
Stock-in-trade	(164,294)	(176,813)
Trade debts	-	358,147
Loans and advances	(5,270)	(102,628)
Prepayments and other receivables	(4,194)	(3,957)
	(176,239)	72,199
Change in current liabilities		
Trade and other payables	172,038	(210,728)
	172,038	(210,728)
Cash generated from operations	43,281	14,782
Taxes paid	(1,415)	(22)
Finance cost paid	(40)	(1,206)
Net cash generated from operating activities	41,826	13,555
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(45,909)	-
Capital work-in-progress	-	1,944
Long term loans	80	10
Net cash (used in) / generated from investing activities	(45,829)	1,954
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - secured	-	(8,500)
Net cash used in financing activities	-	(8,500)
Net increase / (decrease) in cash and cash equivalents	(4,003)	7,008
Cash and cash equivalents at the beginning of the period	28,337	4,478
Cash and cash equivalents at the end of the period	24,334	11,486

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

Shams Ghani
Chief Financial Officer

Dinshaw H. Anklesaria
Chief Executive

Jamil Akberi
Director



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2020
(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, 2019	446,160	1,768,672	(387,383)	92,767	1,920,216
Profit after taxation	-	-	95,393	-	95,393
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	95,393	-	95,393
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation- net of tax	-	(4,060)	4,060	-	-
Balance as at December 31, 2019	446,160	1,764,612	(287,930)	92,767	2,015,608
Balance as at October 01, 2020	446,160	1,687,975	(958,473)	92,767	1,268,428
Profit after taxation	-	-	1,641	-	1,641
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	1,641	-	1,641
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation- net of tax	-	(1,679)	1,679	-	-
Balance as at December 31, 2020	446,160	1,686,295	(955,153)	92,767	1,270,069

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

Shams Ghani
Chief Financial Officer

Dinshaw H. Anklesaria
Chief Executive

Jamil Akberi
Director



**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2020**

1. These financial statements are unaudited and are being submitted to the shareholders as required by the listing regulation of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.
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 methods 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, 2020.
4. These financial statements were approved on May 20, 2021 by the Board of Directors of the Company.
5. Figures have been rounded off to the nearest thousand rupees.

Shams Ghani
Chief Financial Officer

Dinshaw H. Anklesaria
Chief Executive

Jamil Akberi
Director