



Sindh Abadgar's Sugar Mills Limited

**UNAUDITED
CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2014**



COMPANY PROFILE

DIRECTORS

Mr. Deoo Mal Essarani	Chairman
Dr. Tara Chand	Chief Executive
Mr. Dileep Kumar	Director
Mr. Pehlaj Rai	Director
Mr. Mohan Lal	Director
Dr. Besham Kumar	Director
Mr. Mahesh Kumar	Director
Mr. Shafaqat Ali Shah	Director

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Mr. Nisar H. Virani

BANKERS

Allied Bank Limited
Askari Bank Limited
Bank Al-Falah Limited
KASB Bank Limited
MCB Bank Limited
NIB Bank Limited
United Bank Limited

AUDIT COMMITTEE

Mr. Pehlaj Rai	Chairman
Dr. Besham Kumar	Member
Mr. Dileep Kumar	Member

HR AND REMUNERATION COMMITTEE

Mr. Shafaqat Ali Shah	Chairman
Mr. Mohan Lal	Member
Mr. Dileep Kumar	Member
Dr. Tara Chand	Member

AUDITORS

M/s. Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

REGISTERED OFFICE

209, 2nd Floor, Progressive Plaza, Beaumont Road,
Karachi-Pakistan.

MILLS

Deh: Deenpur,
Taluka Bulri Shah Karim,
Distt. Tando Muhammad Khan,
Sindh-73024.

REGISTRAR

JWAFFS Registrar Services (Pvt) Ltd.
505, 5th Floor, Kashif Centre,
Near Hotel Mehran,
Shahrah-e-Faisal,
Karachi.

EMAIL ADDRESS

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DIRECTORS' REPORT

**Dear Members,
Assalam-O-Aliakum,**

On behalf of the Board of Directors, it is my privilege to present to you the un-audited Condensed Interim Financial Information of the Company for the six months period ended March 31, 2014. Most of the sugar mills started crushing season during the month of November, 2013. We also started our operation on 1st November, 2013 but due to non-availability of Sugarcane and logistic problems, the operation was deferred for about a fortnight and it actually started operation from 19th November, 2013. Comparative salient features of Company's operation for the season 2013-2014 ended on 18th March, 2014 are as under:

Operational Results	2013-2014 Complete Season	2012-2013 Complete Season
Crushing Commenced	01-11-2013	16-12-2012
Crushing ended	18-03-2014	20-03-2013
Days worked	- Days 138	95
Sugarcane Crushed	- Tons 505,185	384,319
Average Crushing per day	- Tons (on gross days) 3,661	4,045
	(on net days) 4470	4495
Capacity utilization	- % 75	67
Sugar produced	- Tons 49,806	37,855
Sugar recovery	- % 9.85	9.865
Molasses produced	- Tons 26,000	19,844

As may be seen from the above table, the sugar production during crushing season 2013-2014 stood at 49,806 M.Tons, whereas the sugar production for the previous crushing season of 95 days was 37,855 M.Tons. Thus, the sugarcane crushing and sugar production both increased by about 32% over the corresponding period of last season. The market condition did not remain positive initially and with the passage of time and with more availability of sugar, it kept on decreasing. With unstable and depressed sugar prices, we do not anticipate encouraging financial results for the current year. Although the Government allowed procurement of sugar by TCP in addition to allowing export of 500,000 M.Tons but the local prices of sugar remained depressed and did not bear any positive impact.

The Government of Sindh maintained the sugarcane price at Rs. 172/- per 40 Kgs for the season 2013-2014. The supply of sugarcane had been too low initially for logistic problems and sugarcane crop position. Not this but the quality of sugarcane was not up-to the expectation and the sugar recovery remained lower initially but improved subsequently and closed at 9.85% as compared to much higher recovery in upper Sindh and Northern areas where it remained in the vicinity of 10% to 11% in average. Constant positive and regular approach and review of Sugar policy by the Government is inevitable.



Financial Results:	March 31, 2014	March 31, 2013
Profit before taxation	3,998,871	20,517,084
Taxation - Current	(8,656,892)	(10,182,295)
(Loss) / profit after taxation	(4,658,021)	10,334,789
Surplus on revaluation net of deferred tax	32,489,205	18,823,122
Accumulated (loss)/ profit brought forward	(90,905,008)	6,823,281
Accumulated (loss)/ profit carried forward	(63,073,824)	35,981,192

Availing the advantage of Government policy, your company took part in TCP Tender bidding and was allocated a quantity of 2,580 M.Tons to be taken by TCP. In addition the benefit of export of Sugar was also availed. However, lately the International market also witnessed depression.

The off take of Sugar was slow during the period but in view of carried over sugar stock of last year resulted in increase in sale volume as compared to the corresponding period of last year. The sugar market is depressed and at the prevailing price the profitability may be adversely affected.

The Elections of Board of Directors were held at the EOGM on May 2, 2014. In the meantime the Board of Directors in its meeting held on 27th March, 2014 approved increase in number of directors from seven to eight to accommodate one independent director. Further the Board of Directors has considered and approved separation of the office of Chairman and Chief Executive as per statutory requirements.

The Board of Directors sincerely thanks the sugarcane growers and employees of the Company for their co-operation and hard work throughout the crushing season. The Board also acknowledges the co-operation extended by the bankers and the shareholders who have always reposed full confidence in efficient management of the Company.

On behalf of the Board of Directors

Deoo Mal Essarani
Chairman

Karachi:27th May, 2014



AUDITORS' REPORT TO MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Sindh Abadgar's Sugar Mills Limited** ("the Company") as at March 31, 2014 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six months period then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

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 interim financial information 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at March 31, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarters ended March 31, 2014 and March 31, 2013 in the condensed interim financial information have not been reviewed by us and we do not express a conclusion on them.

Karachi
Dated: 27th May, 2014

Rahman Sarfaraz Rahim Iqbal Rafiq,
Chartered Accountants
Muhammad Waseem



CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2014

EQUITY AND LIABILITIES	Note	Un-audited March 31, 2014 Rupees	Audited September 30, 2013 Rupees
Share capital and reserves			
Authorized Capital 65,000,000 (September 30, 2013: 65,000,000)		650,000,000	650,000,000
Ordinary shares of Rs. 10/- each		650,000,000	650,000,000
Issued, subscribed and paid up capital 10,425,000 (Sep 30, 2013: 10,425,000)		104,250,000	104,250,000
Ordinary shares of Rs.10/- each fully paid in cash		(63,073,824)	(90,905,008)
Accumulated loss		41,176,176	13,344,992
Surplus on revaluation of property, plant and equipment		457,694,763	472,743,091
Subordinated loans		260,000,000	260,000,000
Non-current liabilities			
Long term finances	5	311,000,000	225,000,000
Deferred liabilities		361,124,935	378,565,811
		672,124,935	603,565,811
Current liabilities			
Trade & other payables	6	1,790,542,038	351,928,470
Short term borrowing		-	40,740,803
Accrued markup		13,255,527	10,718,872
Current portion of long term finances	5	113,000,000	98,000,000
		1,916,797,565	501,388,145
Contingencies and commitments	7	-	-
Total equity and liabilities		3,347,793,439	1,851,042,039
ASSETS			
Non-current assets			
Property, plant and equipment	8	1,479,330,710	1,497,147,427
Long term loans		155,863	578,564
Long term deposits		1,108,527	1,112,527
		1,480,595,100	1,498,838,518
Current assets			
Stores, spares and loose tools		135,655,852	123,928,981
Stock-in-trade	9	1,108,322,530	99,300,431
Trade debtors - considered good		275,693,132	5,989,860
Short term loans and advances		53,830,567	73,782,740
Trade deposits and short term prepayments		7,888,023	505,644
Other receivables		64,430,636	2,108,336
Advance tax - net		36,495,063	34,749,839
Cash and bank balances		184,882,536	11,837,690
		1,867,198,339	352,203,521
Total assets		3,347,793,439	1,851,042,039

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

DEOO MAL ESSARANI
Chief Executive

MAHESH KUMAR
Director



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014 (UN-AUDITED)

	Note	SIX MONTHS PERIOD ENDED		QUARTER ENDED	
		March 31, 2014 Rupees	March 31, 2013 Rupees	March 31, 2014 Rupees	March 31, 2013 Rupees
Net sales	10	1,272,753,129	983,518,639	964,773,389	453,629,526
Cost of sales	11	(1,155,541,635)	(898,629,476)	(845,287,905)	(433,973,245)
Gross profit		117,211,494	84,889,163	119,485,484	19,656,281
Administrative expenses		(45,278,445)	(37,091,195)	(24,553,287)	(22,752,736)
Selling and distribution cost		(43,599,111)	(33,320,740)	(37,473,085)	(16,155,399)
		(88,877,556)	(70,411,935)	(62,026,372)	(38,908,135)
Operating profit / (loss)		28,333,938	14,477,228	57,459,112	(19,251,854)
Finance cost		(24,830,363)	(10,470,043)	(11,278,408)	(7,558,372)
Other income		705,763	17,045,688	(952,849)	16,682,432
Workers' welfare fund	12	-	-	-	-
Workers' profit participation fund		(210,467)	(535,789)	(210,467)	(535,789)
		(24,335,067)	6,039,856	(12,441,724)	8,588,271
Profit / (loss) before taxation		3,998,871	20,517,084	45,017,388	(10,663,583)
Provision for taxation		(8,656,892)	(10,182,295)	(8,656,892)	(10,182,295)
(Loss) / profit after taxation		(4,658,021)	10,334,789	36,360,496	(20,845,878)
(Loss) / earnings per share					
- basic and diluted		(0.45)	0.99	3.49	(2.00)

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

DEOO MAL ESSARANI
Chief Executive

MAHESH KUMAR
Director



CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2014 (UN-AUDITED)

	SIX MONTHS PERIOD ENDED	
	March 31,	March 31,
CASH FLOWS FROM OPERATING ACTIVITIES	2014	2013
	Rupees	Rupees
Profit before taxation	3,998,871	20,517,084
Adjustments for non cash charges and other items:		
Depreciation expense for the period	71,800,507	46,104,571
Finance cost	24,830,363	10,470,043
Exchange loss/(gain)	6,669,159	(8,096,072)
Gain on sale of operating fixed assets	(19,334)	(292,249)
	103,280,695	48,186,293
Operating profit before working capital changes	107,279,566	68,703,377
Working capital changes		
<i>(Increase) / decrease in current assets</i>		
Stores, spares and loose tools	(11,726,871)	134,435,441
Stock-in-trade	(1,009,022,099)	(1,010,156,761)
Trade debtors - considered good	(276,372,431)	(148,680,792)
Short term loans and advances	19,952,173	(12,532,170)
Trade deposits and short term prepayments	(7,382,379)	(2,368,806)
Other receivables	(62,322,300)	3,500,000
	(1,346,873,907)	(1,035,803,088)
<i>Increase in current liabilities</i>		
Trade & other payables	1,438,613,568	808,931,352
	91,739,661	(226,871,736)
Cash generated from / (used in) operating activities	199,019,227	(158,168,359)
Taxes paid	(10,402,116)	(19,809,481)
Finance cost paid	(24,351,295)	(4,505,559)
Net cash generated from / (used in) operating activities	164,265,816	(182,483,399)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(51,986,552)	(226,701,586)
Proceeds from sale of operating fixed assets	79,684	540,466
Long term loans recovered / (provided) to employees	422,701	(239,304)
Long term deposits refunded / (placed) during the period	4,000	(2,800)
Cash flow used in investing activities	(51,480,167)	(226,403,224)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance repaid	(49,000,000)	(58,000,000)
Long term finance obtained during the period	150,000,000	-
Net cash inflow / (outflow) from financing activities	101,000,000	(58,000,000)
Net increase / (decrease) in cash and cash equivalents	213,785,649	(466,886,623)
Cash and cash equivalents at the beginning of the period	(28,903,113)	27,314,202
Cash and cash equivalents at the end of the period	184,882,536	(439,572,421)

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

DEOO MAL ESSARANI
Chief Executive

MAHESH KUMAR
Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014 (UN-AUDITED)

	SIX MONTHS PERIOD ENDED		QUARTER ENDED	
	March 31, 2014 Rupees	March 31, 2013 Rupees	March 31, 2014 Rupees	March 31, 2013 Rupees
(Loss) / profit for the period	(4,658,021)	10,334,789	36,360,496	(20,845,878)
Other comprehensive income for the period - Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	32,489,205	18,823,122	16,243,715	9,409,245
Total comprehensive income / (loss) for the period	<u>27,831,184</u>	<u>29,157,911</u>	<u>52,604,211</u>	<u>(11,436,633)</u>

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

DEOO MAL ESSARANI
Chief Executive

MAHESH KUMAR
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2014 (UN-AUDITED)

	Share Capital Rupees	Accumulated Profit / (Loss) Rupees	Total Rupees
Balance as at October 1, 2012	104,250,000	6,823,281	111,073,281
Total comprehensive income for the six months period ended March 31, 2013	-	29,157,911	29,157,911
Balance as at March 31, 2013 (Un-audited)	<u>104,250,000</u>	<u>35,981,192</u>	<u>140,231,192</u>
Balance as at April 1, 2013	104,250,000	35,981,192	140,231,192
Total comprehensive income for the six months period September 30, 2013	-	(126,886,200)	(126,886,200)
Balance as at September 30, 2013 (Audited)	<u>104,250,000</u>	<u>(90,905,008)</u>	<u>13,344,992</u>
Balance as at October 1, 2013	104,250,000	(90,905,008)	13,344,992
Total comprehensive income for the six months period ended March 31, 2014	-	27,831,184	27,831,184
Balance as at March 31, 2014 (Un-audited)	<u>104,250,000</u>	<u>(63,073,824)</u>	<u>41,176,176</u>

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

DEOO MAL ESSARANI
Chief Executive

MAHESH KUMAR
Director



**NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION**
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2014 (UN-AUDITED)

1 STATUS AND NATURE OF BUSINESS

The company was incorporated in Pakistan on January 28, 1984 as a Public Limited Company and its shares are quoted on all the Stock Exchanges in Pakistan. The mill is located at Deh Deenpur, District Tando Muhammad Khan in the province of Sindh and registered office is situated at 209, Progressive Plaza, Beaumont Road, Karachi in the province of Sindh. The Company is principally engaged in the manufacture and sale of sugar.

1.1 SEASONALITY OF OPERATIONS

Due to the seasonal availability of sugarcane during the period beginning from November to March, the Company's production facilities operated at full capacity during the period covered under this interim financial information. Therefore, costs of production and stock levels are expected to decline in the upcoming half year compared to the period covered under this interim financial information.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The condensed interim financial information are un-audited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi, Lahore and Islamabad Stock Exchanges. The condensed interim financial information have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan. The condensed interim financial information 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, 2013. The figures for the six months period ended March 31, 2014 have been subject to limited scope review by the auditors as required by the Code of Corporate Governance.

This condensed interim financial information comprises of the condensed interim balance sheet as at March 31, 2014 and the condensed interim profit and loss account, condensed interim statement of comprehensive income, the condensed interim cash flow statement and condensed interim statement of changes in equity for the half year then ended which have been subject to a review but not audited. This condensed interim financial information also includes the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended March 31, 2014 which is not subject to a review.



The comparative condensed balance sheet, presented in this condensed interim financial information, as at September 30, 2013 has been extracted from the annual audited financial statements of the Company for the year ended September 30, 2013 whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the six months period ended March 31, 2014 have been extracted from the condensed interim financial information for the six months period ended March 31, 2013 which were subject to a review but not audited. The comparative condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended March 31, 2013 included in this condensed interim financial information was not subject to a review.

3 SIGNIFICANT ACCOUNTING POLICIES

These interim financial information have been prepared using the same accounting convention, basis of preparation and significant accounting policies as those applied in the preparation of the audited financial statements for the year ended September 30, 2013.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial information in conformity with approved accounting standards which require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing the condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceding published annual financial statements of the Company as at and for the year ended September 30, 2013.

5 LONG TERM FINANCES

	March 31, 2014 Rupees	September 30, 2013 Rupees
Opening balance	323,000,000	445,000,000
Obtained during the period	150,000,000	-
	<u>473,000,000</u>	<u>445,000,000</u>
Less: Payment made during the period	(49,000,000)	(122,000,000)
	<u>424,000,000</u>	<u>323,000,000</u>
Less: Current portion	(113,000,000)	(98,000,000)
	<u>311,000,000</u>	<u>225,000,000</u>



5.1 Long term finances are availed from various commercial banks under mark-up arrangements. During the year mark-up on such arrangements ranged from 10.51% to 12.09% (2013:11.58% to 11.03%) per annum. These facilities are secured against charge over plant and machinery installed or to be installed, all present or future assets and personal guarantees of directors.

6 TRADE & OTHER PAYABLES	March 31, 2014 Rupees	September 30, 2013 Rupees
Creditors:		
-For sugarcane	685,144,824	129,707,009
-For other supplies	111,196,013	38,080,263
-Advance from customers	976,498,393	158,741,293
-Other payables	17,702,808	25,399,905
	<u>1,790,542,038</u>	<u>351,928,470</u>

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There is no change in the status of the contingencies set out in the note 11 to the Company's annual financial statements for the year ended September 30, 2013.

7.2 Commitments

7.2.1 In respect of the quantity of 2,261 Metric Tons (2013: 1,694 Metric Tons) representing un-lifted delivery orders (DOs) of sugar having an aggregate value of Rs. 104.93 million (2013: Rs.94.2 million). The advances received on or before March 31, 2014 against these DOs amounted to Rs. 99.25 million (2013:Rs.94.2 million). The sales is to be recognized when the said delivery orders are lifted.

7.2.2 Aggregate amount of guarantees issued by bank on behalf of the Company against various contracts is Rs. 6.354 Million (September 30, 2013: Rs. nil)

8 PROPERTY, PLANT & EQUIPMENT	Note	March 31, 2014 Rupees	September 30, 2013 Rupees
Operating fixed assets	8.1	1,402,139,606	1,439,689,958
Capital work in progress		77,191,104	57,457,469
		<u>1,479,330,710</u>	<u>1,497,147,427</u>



	March 31, 2014 Rupees	September 30, 2013 Rupees
8.1 Operating fixed assets		
Opening WDV	1,439,689,958	685,016,135
Revaluation surplus	-	331,591,937
	<u>1,439,689,958</u>	<u>1,016,608,072</u>
Additions made during the period		
- Factory building	-	29,517,425
- Plant and machinery	27,743,366	494,311,813
- Office equipment & others	296,950	321,600
- Furniture and fixtures	33,400	222,998
- Computer and allied equipment	203,370	1,226,307
- Vehicles	5,461,866	3,960,950
- Tools and tackles	571,553	391,997
	8.1.1 34,310,505	529,953,090
Disposals / transfers during the period-WDV	(60,350)	(647,543)
Depreciation for the period	(71,800,507)	(106,223,661)
Closing WDV	<u>1,402,139,606</u>	<u>1,439,689,958</u>

8.1.1 This includes transfer from capital work in progress amounting to Rs. nil (September 30, 2013: Rs.511.13 million).

	March 31, 2014 Rupees	September 30, 2013 Rupees
9 STOCK-IN-TRADE		
Sugar in process	6,053,331	8,104,762
Finished goods - sugar	1,062,019,199	91,195,669
Molasses	40,250,000	-
	<u>1,108,322,530</u>	<u>99,300,431</u>

	SIX MONTHS PERIOD ENDED		QUARTER ENDED	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
10 NET SALES				
				Rupees
Sales Gross				
Local	349,589,250	89,720,045	204,579,100	47,966,000
Export - Note 10.1	928,011,456	897,123,532	763,197,068	405,917,416
	1,277,600,706	986,843,577	967,776,168	453,883,416
Sales tax	(4,847,577)	(3,324,938)	(3,002,779)	(253,890)
	<u>1,272,753,129</u>	<u>983,518,639</u>	<u>964,773,389</u>	<u>453,629,526</u>



10.1 Export sales includes Inland Freight Subsidy amounting to Rs. 62.32 million recognized during the period in respect of the export made from 2011-12 to date. Amount of the subsidy is recognized by the Company on the basis of submission of original documents by the Pakistan Sugar Mill Association (PSMA) to Trade Development Authority of Pakistan (TDAP) after initial verification and authentication by PSMA.

11 COST OF SALES

	SIX MONTHS PERIOD ENDED		QUARTER ENDED	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
 Rupees			
Sugarcane consumed	2,207,105,547	1,816,824,607	1,453,313,363	1,613,660,258
Manufacturing expenses				
- Note 11.1	216,208,187	160,587,060	122,777,752	117,924,794
	2,423,313,734	1,977,411,667	1,576,091,115	1,731,585,052
Sugar stock in process - opening	8,104,762	4,843,454	88,492,319	45,892,863
Sugar stock in process - closing	(6,053,331)	(8,104,762)	(6,053,331)	(8,104,762)
	2,051,431	(3,261,308)	82,438,988	37,788,101
	2,425,365,165	1,974,150,359	1,658,530,103	1,769,373,153
Molasses - opening stock	-	-	65,895,690	12,027,500
Molasses - closing stock	(40,250,000)	(68,625,430)	(40,250,000)	(68,625,430)
Sale of molasses (by product)	(258,750,000)	(100,048,570)	(221,260,690)	(100,048,570)
	(299,000,000)	(168,674,000)	(195,615,000)	(156,646,500)
Cost of goods manufactured	2,126,365,165	1,805,476,359	1,462,915,103	1,612,726,653
Sugar finished goods stock opening	91,195,669	481,047,190	444,392,001	209,140,665
Sugar finished goods stock closing	(1,062,019,199)	(1,387,894,073)	(1,062,019,199)	(1,387,894,073)
	(970,823,530)	(906,846,883)	(617,627,198)	(1,178,753,408)
	1,155,541,635	898,629,476	845,287,905	433,973,245



SIX MONTHS PERIOD ENDED **QUARTER ENDED**
March 31, **March 31,** **March 31,** **March 31,**
2014 **2013** **2014** **2013**
 Rupees

11.1 Manufacturing Expenses

Salaries, wages and other benefits	58,250,205	40,823,814	32,524,149	27,318,102
Production stores consumed	45,404,128	32,349,636	32,111,439	31,112,085
Fuel and power	2,956,007	2,238,167	628,509	492,905
Repairs and maintenance	36,563,593	35,068,477	19,396,967	28,256,621
Vehicle running and maintenance	741,745	536,912	331,020	365,616
Insurance	2,407,378	3,264,300	1,350,426	73,425
Depreciation	64,620,456	41,494,113	32,918,384	26,558,300
Others	5,264,675	4,811,641	3,516,858	3,747,740
	216,208,187	160,587,060	122,777,752	117,924,794

12 WORKERS' WELFARE FUND

In view of the judgment of the Lahore High Court in case E.P.C.T (Pvt) Ltd in CP No. WP No.8763/2011 and brought forward tax losses of the Company, no provision for workers' welfare fund has been made in respect of period ended March 31, 2014 (September 30, 2013:Nil). By the aforesaid judgment, the Honourable High Court declared the amendments made in the WWF Ordinance, 1971 through Finance Acts 2006 and 2008 unconstitutional.

13 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party and exercise significant influence over other party in making financial and operating decisions. Related parties comprise of associated Companies, directors of the Company, companies in which directors also hold directorship, related group companies, key management personnel and staff retirement benefit fund.

Transactions with related parties other than those disclosed elsewhere are as follows:



	March 31, 2014 Rupees	March 31 2013 Rupees
Transactions during the period		
Contribution to staff provident fund	<u>590,033</u>	<u>462,007</u>
	March 31, 2014 Rupees	September 30, 2013 Rupees
Payables as on balance sheet date with:		
Loan from Directors	183,000,000	183,000,000
Loan from Related Parties	<u>77,000,000</u>	<u>77,000,000</u>
	<u>260,000,000</u>	<u>260,000,000</u>

14 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements of the Company as at and for the year ended September 30, 2013.

15 AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue in the Board of Directors meeting held on 27th May, 2014.

16 GENERAL

Figure have been rounded off to the nearest rupee.

DEOO MAL ESSARANI
Chief Executive

MAHESH KUMAR
Director

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CORPORATE