



CASH FLOW STATEMENT
FOR THE THIRD QUARTER ENDED JUNE 30, 2013
(UNAUDITED)

	June 30, 2013	June 30, 2012
	(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(251,740,581)	(55,875,055)
Adjustments for:		
Depreciation	62,329,961	48,331,296
Impairment loss on factory building	-	5,768,065
Finance cost	62,448,267	64,280,374
Provision for gratuity	902,775	854,733
Gain on amortization of investments / loans	(7,874,896)	(1,702,291)
(Gain) on disposal of property, plant and equipment	(456,897)	(817,312)
	<u>117,349,210</u>	<u>116,714,865</u>
Operating profit / (loss) before working capital changes	<u>(134,391,371)</u>	<u>60,839,810</u>
Changes in working capital (Increase) / Decrease in current assets		
Stores, spares and loose tools	3,866,522	(3,774,457)
Stock in trade	(63,527,511)	(486,419,530)
Trade debts	(2,421,925)	3,277,868
Loans and advances	6,535,111	(4,803,034)
Prepayments and other receivables	2,259,110	(1,297,983)
	<u>(53,288,693)</u>	<u>(493,017,136)</u>
	<u>(187,680,064)</u>	<u>(432,177,326)</u>
Increase / (Decrease) in current liabilities		
Trade and other payables	184,944,531	235,008,646
Cash used in operating activities	<u>(2,735,533)</u>	<u>(197,168,680)</u>
Taxes paid	(12,790,539)	(37,925,215)
Finance cost paid	(62,910,922)	(57,619,204)
Gratuity paid	(708,156)	(652,811)
	<u>(76,409,617)</u>	<u>(96,197,230)</u>
Net cash used in operating activities	<u>(79,145,150)</u>	<u>(293,365,910)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,059,432)	(16,990,004)
Proceeds from disposal of property, plant and equipment	755,000	2,563,664
Long term deposits	(59,100)	(70,807)
Long term loans	(144,661)	(77,912)
Net cash used in investing activities	<u>(4,508,193)</u>	<u>(14,575,059)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term finance	(24,999,999)	(24,999,999)
Net cash used in financing activities	<u>(24,999,999)</u>	<u>(24,999,999)</u>
Net decrease in cash and cash equivalents	<u>(108,653,342)</u>	<u>(332,940,968)</u>
Cash and cash equivalents at the beginning of the period	<u>(414,660,806)</u>	<u>(239,824,451)</u>
Cash and cash equivalents at the end of the period	<u>(523,314,148)</u>	<u>(572,765,419)</u>
Cash and cash equivalents comprises of:		
Short term finances	(528,707,319)	(583,132,204)
Cash and bank balances	5,393,171	10,366,785
	<u>(523,314,148)</u>	<u>(572,765,419)</u>

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

DINSHAW H. ANKLESARIA
Chief Executive

Dated: July 30, 2013

SYED ABID HUSSAIN
Director



STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED JUNE 30, 2013
(UNAUDITED)

	Issued, subscribed & paid-up capital	Accumulated Loss	Total
	(Rupees)		
Balance as at October 01, 2011	223,080,000	(192,351,248)	30,728,752
Total comprehensive income			
-Net loss for the period		(87,239,604)	(87,239,604)
-Other comprehensive income for the period		22,584,746	22,584,746
Balance as at June 30, 2012	<u>223,080,000</u>	<u>(257,006,106)</u>	<u>(33,926,106)</u>
Balance as at October 01, 2012	223,080,000	(291,516,430)	(68,436,430)
Total comprehensive income			
-Net loss for the period		(253,380,069)	(253,380,069)
-Other comprehensive income for the period		36,917,643	36,917,643
Balance as at June 30, 2013	<u>223,080,000</u>	<u>(507,978,856)</u>	<u>(284,898,856)</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED JUNE 30, 2013

- These financial statements are unaudited and are being submitted to the shareholder as required by the Securities and Exchange Commission of Pakistan vide circular No.2(52)SE/2001 dated November 05, 2001, with reference to SRO No. 764(1)2001.
- These financial statements have been prepared in compliance with the requirements of International Accounting Standard-34 "Interim financial reporting" as adopted by the Institute of Chartered Accountants of Pakistan which are applicable to the Company.
- 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, 2012.
- Figures have been rounded off to the nearest rupee.

DINSHAW H. ANKLESARIA
Chief Executive

Dated: July 30, 2013

SYED ABID HUSSAIN
Director



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**QUARTERLY
UNAUDITED ACCOUNTS
30TH JUNE, 2013**

SAKRAND SUGAR MILLS LIMITED

CORPORATE

COMPANY PROFILE

BOARD OF DIRECTORS	Mr. Dinshaw H. Anklesaria	Chief Executive/ Director
	Mr. Jamil Akberi	Director
	Syed Abid Hussain	Director
	Mr. Abdul Naeem Quraishi	Director
	Mr. Neville Mehta	Director
	Mrs. Fatma Gulamali	Director
	Dr. Jamshed H. Anklesaria	Director

AUDIT COMMITTEE	Mr. Abdul Naeem Quraishi	Chairman
	Mr. Jamil Akberi	Member
	Mr. Neville Mehta	Member

HR & R COMMITTEE	Syed Abid Hussain	Chairman
	Mr. Jamil Akberi	Member
	Mr. Neville Mehta	Member

CHIEF FINANCIAL OFFICER Mr. Ahsan Mukhtar, FCMA

COMPANY SECRETARY Mr. Mustafa Kanani

BANKERS
Habib Bank Limited
MCB Bank Limited
National Bank of Pakistan
Summit Bank Limited
United Bank Limited

AUDITORS
M/s. Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

LEGAL ADVISOR
Abdul Naeem Quraishi, Adv.

REGISTRAR
M/s Evolution Factor (Private) Limited
407-408, Al Ameera Centre
Shahrah-e-Iraq, Saddar
Karachi-74400

REGISTERED OFFICE
41-K, Block 6, P.E.C.H.S, Karachi
Tel: 111-484-848
Fax: 021-34546456
www.sakrandsugar.com

FACTORY
Deh Tharo Unar, Taluka Sakrand,
District Shaheed Benazirabad, Sindh.

DIRECTORS' REPORT

On behalf of the Board of Directors, it is my privilege to present to you the unaudited interim condensed financial statements of the Company for the third quarter ended June 30, 2013.

The Company's overall performance can be seen from the following comparative statistics.

OPERATING RESULTS		2012-2013	2011-2012
Season started		30-11-2012	16-12-2011
Season closed		18-03-2013	01-04-2012
Duration of season	Days	109	108
Sugarcane crushed	Tonnes	516,227	559,969
Sugar produced	Tonnes	51,050	54,575
Sugar recovery	%	9.890	9.750
Molasses produced	Tonnes	22,306	23,800
Molasses recovery	%	4.322	4.251

The Mill commenced the crushing season 2012-13 on November 30, 2012 and closed on March 18, 2013. The Company crushed 516,227 M.T. of sugarcane as compared to 559,969 M.T. during the corresponding period 2011-12. The Management is continuing the policy to achieve optimum capacity with economy and efficiency. The Mill conceded sugar production of 51,050 M.T. as compared to 54,575 M.T. in the corresponding season 2011-12. The Company focused on better recovery percentage of sucrose and succeeded in achieving 9.89%, as compared to 9.75% in the last season.

The Government of Sindh vide Notification dated November 01, 2012 fixed sugarcane minimum price for the season 2012-13 at Rs. 172 per 40 kg and Rs. 0.50 per 40 kg for each 0.1 percent of excess sucrose recovery above 8.7 percent as quality premium. The price has been enhanced from Rs. 154 per 40 kg translating an impact of 12 percent increase in the cost of sugar cane. The industry is continuously agitating the unilateral increase in basic raw material price. On the other hand, the prices of sugar fell due to the glut in the market, both locally as well as internationally. The Government allowed incentives by permitting export of sugar, however the surplus supply in the international market lead to fall in prices internationally.

The management / labour relations remained very cordial and helpful. I take this opportunity to thank and appreciate the spirit of understanding, good will and co-operation shown by our workers and the creditors and wish to place on record my appreciation for the devotion, sense of responsibility and loyalty.

DINSHAW H. ANKLESARIA
Chief Executive
Dated: July 30, 2013

BALANCE SHEET

AS AT JUNE 30, 2013

	Un-audited June 30, 2013	Audited September 30, 2012
	(Rupees)	
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	1,583,859,479	1,641,428,110
Long term investments	106,422,592	100,327,686
Long term loans	289,937	145,276
Long term deposits	1,579,266	1,520,166
CURRENT ASSETS		
Stores, spares and loose tools	25,849,745	29,716,267
Stock in trade	495,888,037	432,360,526
Trade debts - unsecured (considered good)	187,230,607	184,808,682
Loans and advances	19,558,682	26,093,791
Prepayments and other receivables	14,886,603	17,145,713
Taxation	23,446,929	12,295,876
Cash and bank balances	5,393,171	5,395,650
	772,253,774	707,816,505
	2,464,405,048	2,451,237,743
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital		
25,000,000 Ordinary shares of Rs. 10/- each	250,000,000	250,000,000
Issued, subscribed and paid-up capital	223,080,000	223,080,000
Accumulated loss	(507,978,856)	(291,516,430)
	(284,898,856)	(68,436,430)
SURPLUS ON REVALUATION OF FIXED ASSETS		
	757,465,311	781,461,781
LIABILITIES		
NON CURRENT LIABILITIES		
Deferred liabilities	289,307,481	302,228,665
Long term finance - secured		
- Markup bearing	317,635,514	347,018,869
- Markup free	6,418,046	6,235,738
	324,053,560	353,254,607
PROVISION FOR GRATUITY		
	6,268,130	6,073,509
CURRENT LIABILITIES		
Trade and other payables	683,257,643	498,313,111
Short term finances	528,707,319	420,056,456
Mark up accrued	41,226,410	45,142,944
Current portion of non current liabilities	119,018,050	113,143,100
	1,372,209,422	1,076,655,611
	2,464,405,048	2,451,237,743

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

DINSHAW H. ANKLESARIA
Chief Executive
Dated: July 30, 2013

SYED ABID HUSSAIN
Director

PROFIT AND LOSS ACCOUNT

FOR THE THIRD QUARTER ENDED JUNE 30, 2013
(UNAUDITED)

	2012-2013		2011-2012	
	April-June 3 months	Year to date 9 months	April-June 3 months	Year to date 9 months
	(Rupees)			
Sales-net	362,979,012	2,346,537,849	631,389,489	2,037,910,625
Cost of sales	(392,096,145)	(2,443,295,412)	(623,599,667)	(1,935,215,556)
Gross profit / (loss)	(29,117,133)	(96,757,563)	7,789,822	102,695,069
Operating expenses				
Administrative expenses	(25,720,041)	(87,650,496)	(25,771,974)	(85,804,642)
Distribution cost	(407,372)	(3,703,711)	(546,347)	(2,874,109)
	(26,127,413)	(91,354,207)	(26,318,321)	(88,678,751)
Operating profit / (loss)	(55,244,546)	(188,111,770)	(18,528,499)	14,016,318
Finance cost	(23,866,348)	(62,448,267)	(26,591,849)	(64,280,374)
Other charges	(165,000)	(10,023,965)	(3,733,062)	(13,149,852)
Other income	174,290	968,525	696,070	5,836,562
	(23,857,058)	(71,503,707)	(29,628,841)	(71,593,664)
	(79,101,604)	(259,615,477)	(48,157,340)	(57,577,346)
Unrealised gain on amortisation of investments / loans	-	7,874,896	-	1,702,291
Loss before taxation	(79,101,604)	(251,740,581)	(48,157,340)	(55,875,055)
Taxation				
- Current	8,737,391	(1,639,488)	(6,313,931)	(20,379,394)
- Deferred	-	-	630,420	(10,985,155)
	8,737,391	(1,639,488)	(5,683,511)	(31,364,549)
Loss after taxation	(70,364,213)	(253,380,069)	(53,840,851)	(87,239,604)
Earning per share - Basic	(3.15)	(11.36)	(2.41)	(3.91)

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

DINSHAW H. ANKLESARIA
Chief Executive
Dated: July 30, 2013

SYED ABID HUSSAIN
Director