



Sindh Abadgar's Sugar Mills Limited

**UNAUDITED
HALF YEARLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2015**



COMPANY PROFILE

DIRECTORS

| | |
|-------------------------|-----------------|
| Mr. Deoo Mal Essarani | Chairman |
| Dr. Tara Chand Essarani | 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 |
| Mr. Shafaqat Ali Shah | Member |
| Mr. Dileep Kumar | Member |
| Dr. Besham Kumar | Member |

HR AND REMUNERATION COMMITTEE

| | |
|-----------------------|----------|
| Mr. Shafaqat Ali Shah | Chairman |
| Mr. Mohan Lal | Member |
| Mr. Dileep Kumar | 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

sasm@unitedgroup.org.pk



DIRECTORS' REPORT

Dear Members,
Assalam-O-Alaiakum,

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, 2015. Most of the sugar mills started crushing season during the month of December, 2014. Comparative salient features of Company's operation for the season 2014-2015 ended on 22nd March, 2015 are as under:

| Operational Results | 2014-2015 Complete Season | 2013-2014 Complete Season | |
|----------------------------|--------------------------------------|--------------------------------------|-------|
| Crushing Commenced | 08-12-2014 | 01-11-2013 | |
| Crushing ended | 22-03-2015 | 18-03-2014 | |
| Days worked | - Days 105 | 138 | |
| Sugarcane Crushed | - Tons 474,511 | 505,185 | |
| Average Crushing per day | - Tons | | |
| | (on gross- 105 days) | 4,519 | 3,661 |
| | (on net- 93 days) | 5,102 | 4470 |
| Capacity utilization | - % 85 | 75 | |
| Sugar produced | - Tons 47,460 | 49,806 | |
| Sugar recovery | - % 10.00 | 9.85 | |
| Molasses produced | - Tons 24,885 | 26,000 | |

As may be seen from the above table, the sugar production during crushing season 2014-2015 stood at 47,460 M.Tons, whereas the sugar production for the previous crushing season of 138 days was 49,806 M.Tons. Thus, the sugarcane crushing and sugar production decreased by about 6% and 5% respectively over the corresponding period of last year. 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 gradual stability in the sugar prices, we anticipate encouraging financial results in the second half of the current year. Although the Government allowed export of 650,000 M.Tons of sugar international market price was not positive. However the Govt. gave Rs.12/- to Sugarcane growers as subsidy in Cost of Cane which brought down the cane for the Mills to Rs. 160/- per 40 Kgs instead of Rs. 182/- per 40 Kgs, as announced by the Sindh Government.



We had to contest litigation in Court of law at Sindh High Court and Supreme Court level to arrive at justified and reasonable return to sugar Mills instead of illogical and uneconomical sugarcane price of Rs.182/- per 40Kg imposed by the Sindh Govt. The High Court of Sindh reviewed the sugarcane price at Rs. 160/- per 40 Kgs for the season 2014-2015 payable by Mills to Sugarcane growers. The supply of sugarcane had been adequate throughout but due to lesser crop than last year the season concluded much earlier than last year with lesser operational days. Not this but the quality of sugarcane was not up-to the expectation in our area hence the sugar recovery remained lower initially but improved subsequently and closed at 10.00% as compared to much higher recovery in upper Sindh and Northern areas where it remained in the vicinity of about 11% and above in average. Constant positive and regular approach and review of Sugar policy by the Government is inevitable.

Financial Results:

| | March 31, 2015 | March 31, 2014 |
|--------------------------------------------|-----------------------|-----------------------|
| Profit before taxation | 43,109,516 | 3,998,871 |
| Taxation - Current | <u>(8,327,831)</u> | <u>(8,656,892)</u> |
| Profit / (Loss) after taxation | 34,781,685 | <u>(4,658,021)</u> |
| Surplus on revaluation net of deferred tax | 28,838,554 | 32,489,205 |
| Accumulated (loss)/ Profit brought forward | <u>(111,470,680)</u> | <u>(90,905,008)</u> |
| Accumulated (loss)/ Profit carried forward | <u>(47,850,441)</u> | <u>(63,073,824)</u> |

Availing the advantage of Government policy, the benefit of export of Sugar with subsidy of Rs.10/- per kg was also availed by your Company. However lately the International Market also witnessed depression and export also became difficult and slowed down. The off take of Sugar was slow during the initial period and the sale volume as compared to the corresponding period of last year remained lesser. The sugar market remained depressed but improved subsequently and the local market price is expected to improve further gradually.

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 cooperation 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: 22nd May, 2015



CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2015

| EQUITY AND LIABILITIES | Note | Un-audited March 31, 2015 Rupees | Audited September 30, 2014 Rupees |
|------------------------------------------------------------|-------------|-----------------------------------------------------|------------------------------------------------------|
| Share capital and reserves | | | |
| Authorized Capital | | | |
| 65,000,000 (September 30, 2014: 65,000,000) | | | |
| Ordinary shares of Rs. 10/- each | | 650,000,000 | 650,000,000 |
| Issued, subscribed and paid up capital | | | |
| 10,425,000 (September 30, 2014: 10,425,000) | | | |
| Ordinary shares of Rs.10/- each fully paid in cash | | 104,250,000 | 104,250,000 |
| Accumulated loss | | (47,850,441) | (111,470,680) |
| | | 56,399,559 | (7,220,680) |
| Surplus on revaluation of property, plant and equipment | | 411,759,757 | 430,504,817 |
| Subordinated loans | | 260,000,000 | 260,000,000 |
| Non-current liabilities | | | |
| Long term finances | 5 | 183,000,000 | 247,000,000 |
| Deferred liabilities | | 345,725,486 | 355,818,980 |
| | | 528,725,486 | 602,818,980 |
| Current liabilities | | | |
| Trade & other payables | 6 | 1,559,437,384 | 547,063,734 |
| Short term finance | | 649,461,627 | 67,346,162 |
| Accrued markup | | 21,076,227 | 11,742,913 |
| Current portion of long term finances | 5 | 128,000,000 | 128,000,000 |
| | | 2,357,975,238 | 754,152,809 |
| Contingencies and commitments | 7 | - | - |
| Total equity and liabilities | | 3,614,860,040 | 2,040,255,926 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 8 | 1,411,062,867 | 1,458,875,323 |
| Long term loans | | 91,092 | 175,267 |
| Long term deposits | | 756,527 | 755,527 |
| | | 1,411,910,486 | 1,459,806,117 |
| Current assets | | | |
| Stores, spares and loose tools | | 119,582,459 | 113,970,425 |
| Stock-in-trade | 9 | 1,693,077,286 | 236,998,928 |
| Trade debtors - considered good | | 88,135,491 | 719,622 |
| Short term loans and advances | | 86,088,730 | 88,190,556 |
| Trade deposits and short term prepayments | | 3,971,276 | 667,962 |
| Other receivables | | 143,728,636 | 76,028,636 |
| Advance tax - net | | 52,290,975 | 55,226,147 |
| Cash and bank balances | | 16,074,700 | 8,647,533 |
| | | 2,202,949,553 | 580,449,809 |
| Total assets | | 3,614,860,040 | 2,040,255,926 |

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

DR. TARA CHAND
Chief Executive

MAHESH KUMAR
Director



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015 (UN-AUDITED)

| | Note | SIX MONTHS PERIOD ENDED | | QUARTER ENDED | |
|---------------------------------------|------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | March 31, 2015 Rupees | March 31, 2014 Rupees | March 31, 2015 Rupees | March 31, 2014 Rupees |
| Net sales | 10 | 729,369,893 | 1,272,753,129 | 420,274,976 | 964,773,389 |
| Cost of sales | 11 | (624,198,130) | (1,155,541,635) | (317,506,446) | (845,287,905) |
| Gross profit | | <u>105,171,763</u> | <u>117,211,494</u> | <u>102,768,530</u> | <u>119,485,484</u> |
| Administrative expenses | | (45,198,254) | (45,278,445) | (23,913,773) | (24,553,287) |
| Selling and distribution cost | | (6,354,077) | (43,599,111) | (5,686,400) | (37,473,085) |
| | | (51,552,331) | (88,877,556) | (29,600,173) | (62,026,372) |
| Operating profit | | <u>53,619,432</u> | <u>28,333,938</u> | <u>73,168,356</u> | <u>57,459,112</u> |
| Finance cost | | (34,859,400) | (24,830,363) | (21,016,100) | (11,278,408) |
| Other income | | 27,769,247 | 705,763 | 25,289,368 | (952,849) |
| Workers' welfare fund | | (1,093,300) | - | (1,093,300) | - |
| Workers' profit participation fund | | (2,326,464) | (210,467) | (2,326,464) | (210,467) |
| | | (10,509,917) | (24,335,067) | 853,505 | (12,441,724) |
| Profit before taxation | | <u>43,109,516</u> | <u>3,998,871</u> | <u>74,021,862</u> | <u>45,017,388</u> |
| Provision for taxation | | (8,327,831) | (8,656,892) | (8,327,831) | (8,656,892) |
| Profit / (Loss) after taxation | | <u>34,781,685</u> | <u>(4,658,021)</u> | <u>65,694,031</u> | <u>36,360,496</u> |
| Earnings / (Loss) per share | | | | | |
| - basic and diluted | | <u>3.34</u> | <u>(0.45)</u> | <u>6.30</u> | <u>3.49</u> |

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

DR. TARA CHAND
Chief Executive

MAHESH KUMAR
Director



CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2015 (UN-AUDITED)

| | SIX MONTHS PERIOD ENDED | |
|----------------------------------------------------------------------|--------------------------------|---------------------------|
| | March 31, 2015 | March 31, 2014 |
| CASH FLOWS FROM OPERATING ACTIVITIES | Rupees | Rupees |
| Profit before taxation | 43,109,516 | 3,998,871 |
| Adjustments for non cash charges and other items: | | |
| Depreciation expense for the period | 67,597,382 | 71,800,507 |
| Finance cost | 34,859,400 | 24,830,363 |
| Exchange (gain) / loss | (558,258) | 6,669,159 |
| Gain on sale of operating fixed assets | (2,027,457) | (19,334) |
| | 99,871,067 | 103,280,695 |
| Operating profit before working capital changes | 142,980,583 | 107,279,566 |
| Working capital changes | | |
| (Increase) / decrease in current assets | | |
| Stores, spares and loose tools | (5,612,034) | (11,726,871) |
| Stock-in-trade | (1,456,078,358) | (1,009,022,099) |
| Trade debtors - considered good | (87,415,869) | (276,372,431) |
| Short term loans and advances | 2,101,826 | 19,952,173 |
| Trade deposits and short term prepayments | (3,303,314) | (7,382,379) |
| Other receivables | (67,700,000) | (62,322,300) |
| | (1,618,007,749) | (1,346,873,907) |
| Increase in current liabilities | | |
| Trade & other payables | 1,012,373,650 | 1,438,613,568 |
| | (605,634,099) | 91,739,661 |
| Cash flow (used) / generated in operating activities | (462,653,516) | 199,019,227 |
| Taxes paid | (5,392,659) | (10,402,116) |
| Finance cost paid | (24,591,771) | (24,351,295) |
| Net cash flow (used) / generated in operating activities | (492,637,946) | 164,265,816 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital expenditure | (21,012,469) | (51,986,552) |
| Proceeds from sale of operating fixed assets | 2,878,942 | 79,684 |
| Long term loans recovered from employees | 84,175 | 422,701 |
| Long term deposits (placed) / refunded during the period | (1,000) | 4,000 |
| Net cash flow (used in) investing activities | (18,050,352) | (51,480,167) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long term finance repaid | (64,000,000) | (49,000,000) |
| Long term finance obtained during the period | - | 150,000,000 |
| Net cash flow (used in) / generated from financing activities | (64,000,000) | 101,000,000 |
| Net (decrease) / increase in cash and cash equivalents | (574,688,298) | 213,785,649 |
| Cash and cash equivalents at the beginning of the period | (58,698,629) | (28,903,113) |
| Cash and cash equivalents at the end of the period | (633,386,927) | 184,882,536 |

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

DR. TARA CHAND
Chief Executive

5

MAHESH KUMAR
Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2015 (UN-AUDITED)**

| | SIX MONTHS PERIOD ENDED | | QUARTER ENDED | |
|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | March 31, 2015 Rupees | March 31, 2014 Rupees | March 31, 2015 Rupees | March 31, 2014 Rupees |
| Profit / (loss) for the period | 34,781,685 | (4,658,021) | 65,694,031 | 36,360,496 |
| Other comprehensive income for the period Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax | 28,838,554 | 32,489,205 | 12,593,064 | 16,243,715 |
| Total comprehensive income for the period | <u>63,620,239</u> | <u>27,831,184</u> | <u>78,287,095</u> | <u>52,604,211</u> |

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

DR. TARA CHAND
Chief Executive

MAHESH KUMAR
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2015 (UN-AUDITED)**

| | Share Capital Rupees | Accumulated Profit/ (Loss) Rupees | Total Rupees |
|---------------------------------------------------------------------------|----------------------------|-----------------------------------------|--------------------|
| 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> |
| Balance as at April 1, 2014 | 104,250,000 | (63,073,824) | 41,176,176 |
| Total comprehensive loss for the six months period September 30, 2014 | - | (48,396,856) | (48,396,856) |
| Balance as at September 30, 2014 (Audited) | <u>104,250,000</u> | <u>(111,470,680)</u> | <u>(7,220,680)</u> |
| Balance as at October 1, 2014 | 104,250,000 | (111,470,680) | (7,220,680) |
| Total comprehensive income for the six months period ended March 31, 2015 | - | 63,620,239 | 63,620,239 |
| Balance as at March 31, 2015 (Un-audited) | <u>104,250,000</u> | <u>(47,850,441)</u> | <u>56,399,559</u> |

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

DR. TARA CHAND
Chief Executive

MAHESH KUMAR
Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL
INFORMATION**
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2015 (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, 2014. The figures for the six months period ended March 31, 2015 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, 2015 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, 2015 which is not subject to a review.



The comparative condensed balance sheet, presented in this condensed interim financial information, as at September 30, 2014 has been extracted from the annual audited financial statements of the Company for the year ended September 30, 2014 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, 2015 have been extracted from the condensed interim financial information for the six months period ended March 31, 2014 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, 2014 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, 2014.

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, 2014.

| | March 31, 2015 Rupees | September 30, 2014 Rupees |
|--------------------------------------|--------------------------------------|------------------------------------------|
| 5 LONG TERM FINANCES | | |
| Opening balance | 375,000,000 | 323,000,000 |
| Obtained during the period | - | 150,000,000 |
| | <u>375,000,000</u> | <u>473,000,000</u> |
| Less: Payment made during the period | (64,000,000) | (98,000,000) |
| | <u>311,000,000</u> | <u>375,000,000</u> |
| Less: Current portion | (128,000,000) | (128,000,000) |
| | <u>183,000,000</u> | <u>247,000,000</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 10.64% to 12.18% (2014:10.51% to 12.09%) 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.

| | March 31, 2015 Rupees | September 30, 2014 Rupees |
|-------------------------------------|--------------------------------------|------------------------------------------|
| 6 TRADE & OTHER PAYABLES | | |
| Creditors: | | |
| -For sugarcane | 869,124,333 | 3,521,302 |
| -For other supplies | 124,016,125 | 82,505,042 |
| -Advance from customers | 543,875,789 | 447,777,538 |
| -Other payables | 22,421,137 | 13,259,852 |
| | <u>1,559,437,384</u> | <u>547,063,734</u> |

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

7.1.1 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, 2014 except that on account of liability for sugarcane @ Rs.10 per 40kg , since the matter is pending for decision in APEX court. This would have reduced its gross profit by Rs.23.2 million besides other consequential effect.

7.2 Commitments

7.2.1 In respect of the quantity of 10,474 Metric Tons (2014: 5,067 Metric Tons) representing un-lifted delivery orders (DOs) of sugar having an aggregate value of Rs. 519.094 million (2014: Rs.264.474 million). The advances received as on March 31, 2015 against these DOs amounted to Rs. 551.192 million (2014:Rs.454.345 million). The sales is to be recognized when the said delivery orders are lifted.

| | Note | March 31, 2015 Rupees | September 30, 2014 Rupees |
|------------------------------------------|------|--------------------------------------|------------------------------------------|
| 8 PROPERTY, PLANT & EQUIPMENT | | | |
| Operating fixed assets | 8.1 | 1,326,704,474 | 1,376,403,054 |
| Capital work in progress | | 84,358,393 | 82,472,269 |
| | | <u>1,411,062,867</u> | <u>1,458,875,323</u> |



| | March 31, 2015 Rupees | September 30, 2014 Rupees |
|---------------------------------------------|-----------------------------|---------------------------------|
| 8.1 Operating fixed assets | | |
| Opening WDV | 1,376,403,054 | 1,439,689,958 |
| Revaluation surplus | - | - |
| | <u>1,376,403,054</u> | <u>1,439,689,958</u> |
| Additions made during the period | | |
| - Factory building | - | - |
| - Plant and machinery | 15,150,085 | 68,866,067 |
| - Office equipment & others | 213,906 | 648,821 |
| - Furniture and fixtures | 37,218 | 231,551 |
| - Computer and allied equipment | 473,811 | 259,620 |
| - Vehicles | 2,797,400 | 12,090,161 |
| - Tools and tackles | 453,925 | 755,105 |
| | 19,126,345 | 82,851,325 |
| Disposals / transfers during the period-WDV | (1,227,543) | (160,250) |
| Depreciation for the period | (67,597,382) | (145,977,979) |
| Closing WDV | <u>1,326,704,474</u> | <u>1,376,403,054</u> |

| | March 31, 2015 Rupees | September 30, 2014 Rupees |
|-------------------------|-----------------------------|---------------------------------|
| 9 STOCK-IN-TRADE | | |
| Sugar in process | 6,484,915 | 6,053,331 |
| Finished goods - sugar | 1,592,118,996 | 230,945,597 |
| Molasses | 94,473,375 | - |
| | <u>1,693,077,286</u> | <u>236,998,928</u> |

| SIX MONTHS PERIOD ENDED | | QUARTER ENDED | |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| March 31, 2015 Rupees | March 31, 2014 Rupees | March 31, 2015 Rupees | March 31, 2014 Rupees |

10 NET SALES

| | | | | |
|--------------------|--------------------|----------------------|--------------------|--------------------|
| Sales Gross | | | | |
| Local | 413,335,410 | 349,589,250 | 75,800,010 | 204,579,100 |
| Export - Note 10.1 | 350,479,100 | 928,011,456 | 350,479,100 | 763,197,068 |
| | 763,814,510 | 1,277,600,706 | 426,279,110 | 967,776,168 |
| Sales tax | (34,444,617) | (4,847,577) | (6,004,134) | (3,002,779) |
| | <u>729,369,893</u> | <u>1,272,753,129</u> | <u>420,274,976</u> | <u>964,773,389</u> |

10.1 Export sales includes Inland Freight Subsidy amounting to Rs. 63.2 million recognized during the period in respect of the export made during the period.



11 COST OF SALES

| | SIX MONTHS PERIOD ENDED | | QUARTER ENDED | |
|-----------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | March 31, 2015 Rupees | March 31, 2014 Rupees | March 31, 2015 Rupees | March 31, 2014 Rupees |
| Sugarcane consumed | 1,959,905,877 | 2,207,105,547 | 1,558,378,907 | 1,453,313,363 |
| Manufacturing expenses - Note 11.1 | 210,034,736 | 216,208,187 | 127,824,653 | 122,777,752 |
| | <u>2,169,940,613</u> | <u>2,423,313,734</u> | <u>1,686,203,560</u> | <u>1,576,091,115</u> |
| Sugar stock in process - opening | 6,053,331 | 8,104,762 | 72,601,965 | 88,492,319 |
| Sugar stock in process - closing | (6,484,915) | (6,053,331) | (6,484,915) | (6,053,331) |
| | <u>(431,584)</u> | <u>2,051,431</u> | <u>66,117,050</u> | <u>82,438,988</u> |
| | <u>2,169,509,029</u> | <u>2,425,365,165</u> | <u>1,752,320,610</u> | <u>1,658,530,103</u> |
| Molasses - opening stock | - | - | 34,500,000 | 65,895,690 |
| Molasses - closing stock | (94,473,375) | (40,250,000) | (94,473,375) | (40,250,000) |
| Sale of molasses (by product) | (89,664,125) | (258,750,000) | (89,664,125) | (221,260,690) |
| | <u>(184,137,500)</u> | <u>(299,000,000)</u> | <u>(149,637,500)</u> | <u>(195,615,000)</u> |
| Cost of goods manufactured | <u>1,985,371,529</u> | <u>2,126,365,165</u> | <u>1,602,683,110</u> | <u>1,462,915,103</u> |
| Sugar finished goods stock - opening | 230,945,597 | 91,195,669 | 306,942,333 | 444,392,001 |
| Sugar finished goods stock - closing | (1,592,118,996) | (1,062,019,199) | (1,592,118,996) | (1,062,019,199) |
| | <u>(1,361,173,399)</u> | <u>(970,823,530)</u> | <u>(1,285,176,663)</u> | <u>(617,627,198)</u> |
| | <u>624,198,130</u> | <u>1,155,541,635</u> | <u>317,506,447</u> | <u>845,287,905</u> |

| | SIX MONTHS PERIOD ENDED | | QUARTER ENDED | |
|------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | March 31, 2015 Rupees | March 31, 2014 Rupees | March 31, 2015 Rupees | March 31, 2014 Rupees |
| 11.1 Manufacturing Expenses | | | | |
| Salaries, wages and other benefits | 57,385,602 | 58,250,205 | 37,544,975 | 32,524,149 |
| Production stores consumed | 42,165,919 | 45,404,128 | 33,878,743 | 32,111,439 |
| Fuel and power | 2,859,050 | 2,956,007 | 709,251 | 628,509 |
| Repairs and maintenance | 37,993,529 | 36,563,593 | 20,903,555 | 19,396,967 |
| Vehicle running and maintenance | 756,253 | 741,745 | 330,513 | 331,020 |
| Insurance | 3,051,317 | 2,407,378 | 64,936 | 1,350,426 |
| Depreciation | 60,837,644 | 64,620,456 | 30,460,084 | 32,918,384 |
| Others | 4,985,422 | 5,264,675 | 3,932,596 | 3,516,858 |
| | <u>210,034,736</u> | <u>216,208,187</u> | <u>127,824,653</u> | <u>122,777,752</u> |



12 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, 2015 Rupees | September 30, 2014 Rupees |
|------------------------------------------------|-----------------------------|---------------------------------|
| Transactions during the period | | |
| Contribution to staff provident fund | <u>1,554,810</u> | <u>590,033</u> |
| 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> |

13 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, 2014.

14 AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue in the Board of Directors meeting held on May 22, 2015.

15 GENERAL

Figure have been rounded off to the nearest rupee.

DR. TARA CHAND
Chief Executive

MAHESH KUMAR
Director

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Sindh Abadgar's Sugar Mills Limited

209, 2nd Floor, Progressive Plaza, Beaumont Road, Karachi-Pakistan.
Tel : 35638212-13 Fax : (92-21) 35638219 E-mail : sasm@unitedgroup.org.pk

Mill : Deh Deenpur, Taluka Bulri Shah Karim, Distt. Tando Mohammad Khan Sindh, Pakistan.
Phones : 0315-2001617, E-mail : sasmtmk@unitedgroup.org.pk

CORPORATE