



Sindh Abadgar's Sugar Mills Limited

**UNAUDITED
HALF YEARLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2016**



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	Independent Director

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Mr. Nisar H. Virani

BANKERS

Allied Bank Limited
Askari Bank Limited
Bank Al-Falah Limited
Bank Islami Limited
MCB Bank Limited
Meezan Bank Limited
NIB Bank Limited
United Bank Limited

AUDIT COMMITTEE

Mr. Pehlaj Rai	Chairman
Mr. Shafaqat Ali Shah	Member (Independent Director)
Mr. Dileep Kumar	Member
Dr. Besham Kumar	Member

HR AND REMUNERATION COMMITTEE

Mr. Shafaqat Ali Shah	Chairman (Independent Director)
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.
407- 408, Al Aameera Centre,
Shahrah e Iraq, Saddar,
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, 2016. Most of the sugar mills started crushing season during the month of November, 2015 Comparative salient features of Company's operation for the season 2015-2016 are as under:

Operational Results	2015-2016 Complete Season	2014-2015 Complete Season	
Crushing Commenced	29-11-2015	08-12-2014	
Crushing ended	26-02-2016	22-03-2015	
Days worked	- Days 90	105	
Sugarcane Crushed	- Tons 490,605	474,511	
Average Crushing per day	- Tons		
	(on gross- 90 days)	5,451	4,519
	(on net- 85 days)	5,772	5,102
Capacity utilization	- % 90	85	
Sugar produced	- Tons 48,671	47,460	
Sugar recovery	- % 9.92	10.00	
Molasses produced	- Tons 24,195	24,885	
Molasses % Cane	- % 4.9398	5.2470	

As may be seen from the above table, the sugar production during crushing season 2015-2016 stood at 48,671M.Tons, against the sugar production for the previous crushing season of 105 days at 47,460M.Tons. Thus, the sugarcane crushing and sugar production remained almost the same i.e. 1% positive over the corresponding period of last year. The market conditions did not remain positive initially and with the passage of time and with more availability of sugar, it kept on decreasing. However with gradual stability in the sugar prices subsequently, we anticipate better financial results in the second half of the current year. Although the Government allowed export of 500,000 M.Tons of sugar but the international market price was also not very encouraging and it could hardly done 50% of total exports allowed. However the Govt. announced Rs.13/- per kg to the exporters with certain conditionalities which unfortunately were not applicable to Sugar Mills of Sindh. Despite this the momentum of export did not accelerate and exports remained at the level of 50% of which was allowed by the Govt. The outcome of case filed by Sindh Sugar Mills and sugarcane growers in the Sindh High Court and Supreme Court is still awaited.



The litigation was preferred 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 supply of sugarcane had been adequate throughout but due to lesser crop the mills witnessed price competition which unnecessarily the price of sugarcane went as high as Rs.240/- per 40kg in certain cases. While for others it remained in the vicinity of around Rs.200/- which also affected the cost of Sugar produced by Sugar Mills having lower capacity like us. The season concluded much earlier than last year with lesser operational days. The quality of sugarcane was not up-to the expectation in our area hence the sugar recovery remained lower and closed at 9.92% as compared to much higher recovery in upper Sindh and Northern areas where it remained at 11% and above in average. Constant positive and regular approach and review of Sugar policy by the Government is inevitable.

Financial Results:

	March 31, 2016	March 31, 2015
(Loss)/ Profit before taxation	(46,709,152)	20,697,043
Taxation - Current	(11,230,695)	(8,327,831)
(Loss)/ Profit after taxation	(57,939,847)	12,369,212
Surplus on revaluation net of deferred tax	<u>25,936,966</u>	<u>28,838,554</u>
	(32,002,881)	41,207,766
Accumulated(Loss)/ Profit brought forward	(107,686,537)	(111,470,680)
Accumulated(Loss)/ Profit carried forward	<u>(139,689,418)</u>	<u>(70,262,914)</u>

Your company has undertaken third phase of BMR to enhance the Sugarcane crushing capacity to around 7000 TCD.

The Board of Directors sincerely thank 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

Karachi: 20th May, 2016

Dr. Tara Chand
Chief Executive



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, 2016** 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, 2016 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, 2016 and March 31, 2015 in the condensed interim financial information have not been reviewed by us and we do not express a conclusion on them.

Karachi
Dated: 20th May, 2016

**Rahman Sarfaraz Rahim Iqbal Rafiq,
Chartered Accountants
Muhammad Rafiq Dosani**



CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2016

EQUITY AND LIABILITIES	Note	Un-audited March 31, 2016 Rupees	Audited September 30, 2015 Rupees
Share capital and reserves			
Authorized Capital			
65,000,000 (September 30, 2015: 65,000,000)			
Ordinary shares of Rs. 10/- each		650,000,000	650,000,000
Issued, subscribed and paid up capital 10,425,000 (Sep 30, 2015: 10,425,000)			
Ordinary shares of Rs.10/- each fully paid in cash		104,250,000	104,250,000
Accumulated loss		(139,689,418)	(107,686,537)
		(35,439,418)	(3,436,537)
Surplus on revaluation of property, plant and equipment		395,965,171	403,466,946
Subordinated loans		260,000,000	260,000,000
Non-current liabilities			
Long term finances	5	491,200,000	356,000,000
Deferred liabilities		306,783,959	325,219,150
		797,983,959	681,219,150
Current liabilities			
Trade and other payables	6	622,449,934	767,263,420
Accrued markup		30,389,216	11,690,651
Short term borrowings	7	1,645,836,140	-
Current portion of long term finances	5	128,000,000	103,000,000
		2,426,675,290	881,954,071
Contingencies and commitments	8	-	-
Total equity and liabilities		3,845,185,002	2,223,203,630
ASSETS			
Non-current assets			
Property, plant and equipment	9	1,305,804,938	1,353,513,590
Long term loans		468,924	444,176
Long term deposits		791,527	757,527
		1,307,065,389	1,354,715,293
Current assets			
Stores, spares and loose tools		128,093,807	124,413,764
Stock-in-trade	10	1,990,730,172	466,771,184
Trade debtors - considered good		137,192,760	550,221
Short term loans and advances		82,924,414	52,780,869
Trade deposits and short term prepayments		1,152,454	458,702
Other receivables		76,028,636	76,048,061
Advance tax - net		58,351,681	66,105,280
Cash and bank balances		63,645,689	81,360,256
		2,538,119,613	868,488,337
Total assets		3,845,185,002	2,223,203,630

The annexed notes 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, 2016 (UN-AUDITED)

	Note	SIX MONTHS PERIOD ENDED		QUARTER ENDED	
		March 31, 2016 Rupees	March 31, 2015 Rupees Restated	March 31, 2016 Rupees	March 31, 2015 Rupees Restated
Net sales	11	954,152,635	729,369,893	284,181,906	420,274,976
Cost of sales	12	(941,338,027)	(648,085,898)	(284,918,940)	(341,394,215)
Gross profit		12,814,608	81,283,995	(737,034)	78,880,761
Administrative expenses		(46,008,919)	(45,198,254)	(25,777,846)	(23,913,773)
Selling and distribution cost		(4,376,711)	(6,354,077)	(3,253,132)	(5,686,400)
		(50,385,630)	(51,552,331)	(29,030,978)	(29,600,173)
Operating (loss) / profit		(37,571,022)	29,731,664	(29,768,012)	49,280,588
Finance cost		(42,290,594)	(34,859,400)	(30,658,952)	(21,016,100)
Other income		33,152,464	27,769,247	26,429,475	25,289,368
Workers' welfare fund		-	(812,392)	-	(812,392)
Workers' profit participation fund		-	(1,132,076)	-	(1,132,076)
		(9,138,130)	(9,034,621)	(4,229,477)	2,328,800
(Loss) / profit before taxation		(46,709,152)	20,697,043	(33,997,489)	51,609,388
Provision for taxation		(11,230,695)	(8,327,831)	(11,230,695)	(8,327,831)
(Loss) / profit after taxation		(57,939,847)	12,369,212	(45,228,184)	43,281,557
(Loss)/earnings per share					
- basic and diluted		(5.56)	1.19	(4.34)	4.15

The annexed notes 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, 2016 (UN-AUDITED)

	SIX MONTHS PERIOD ENDED	
	March 31, 2016 Rupees	March 31, 2015 Rupees Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(46,709,152)	20,697,043
Adjustments for non cash charges and other items:		
Depreciation expense for the period	66,759,126	67,597,382
Finance cost	42,290,594	34,859,400
Exchange gain	-	(558,258)
Gain on sale of operating fixed assets	(1,264,345)	(2,027,457)
	107,785,375	99,871,067
Operating profit before working capital changes	61,076,223	120,568,110
Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(3,680,043)	(5,612,034)
Stock-in-trade	(1,523,958,988)	(1,550,853,365)
Trade debtors - considered good	(136,642,539)	(87,415,869)
Short term loans and advances	(30,143,545)	2,101,826
Trade deposits and short term prepayments	(693,752)	(3,303,314)
Other receivables	19,425	(67,700,000)
	(1,695,099,442)	(1,712,782,756)
(Decrease) / increase in current liabilities		
Trade and other payables	(144,813,486)	1,129,561,130
	(1,839,912,928)	(583,221,626)
Cash flow used in operating activities	(1,778,836,705)	(462,653,516)
Taxes paid	(3,477,096)	(5,392,659)
Finance cost paid	(23,592,029)	(24,591,771)
Net cash flow used in operating activities	(1,805,905,830)	(492,637,946)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(19,151,129)	(21,012,469)
Proceeds from sale of operating fixed assets	1,365,000	2,878,942
Long term loans recovered / (provided) to employees	(24,748)	84,175
Long term deposits placed during the period	(34,000)	(1,000)
Cash flow used in investing activities	(17,844,877)	(18,050,352)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance repaid	(79,000,000)	(64,000,000)
Long term finance obtained during the period	239,200,000	-
Net cash inflow / (outflow) from financing activities	160,200,000	(64,000,000)
Net decrease in cash and cash equivalents	(1,663,550,707)	(574,688,298)
Cash and cash equivalents at the beginning of the period	81,360,256	(58,698,629)
Cash and cash equivalents at the end of the period	(1,582,190,451)	(633,386,927)

The annexed notes form an integral part of this condensed interim financial information.

DR. TARA CHAND
Chief Executive

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MAHESH KUMAR
Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016 (UN-AUDITED)**

	SIX MONTHS PERIOD ENDED		QUARTER ENDED	
	March 31, 2016 Rupees	March 31, 2015 Rupees Restated	March 31, 2016 Rupees	March 31, 2015 Rupees Restated
(Loss) / profit for the period	(57,939,847)	12,369,212	(45,228,184)	43,281,557
Other comprehensive income for the period Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	25,936,966	28,838,554	12,357,447	12,593,064
Total comprehensive (loss) / income for the period	<u>(32,002,881)</u>	<u>41,207,766</u>	<u>(32,870,737)</u>	<u>55,874,621</u>

The annexed notes 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, 2016 (UN-AUDITED)**

	Share Capital Rupees	Accumulated Profit/ (Loss) Rupees	Total Rupees
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 (Restated)	-	41,207,766	41,207,766
Balance as at March 31, 2015 (Un-audited)	<u>104,250,000</u>	<u>(70,262,914)</u>	<u>33,987,086</u>
Balance as at April 1, 2015	104,250,000	(70,262,914)	33,987,086
Total comprehensive loss for the six months period ended September 30, 2015	-	(37,423,623)	(37,423,623)
Balance as at September 30, 2015 (Audited)	<u>104,250,000</u>	<u>(107,686,537)</u>	<u>(3,436,537)</u>
Balance as at October 1, 2015	104,250,000	(107,686,537)	(3,436,537)
Total comprehensive loss for the six months period ended March 31, 2016	-	(32,002,881)	(32,002,881)
Balance as at March 31, 2016 (Un-audited)	<u>104,250,000</u>	<u>(139,689,418)</u>	<u>(35,439,418)</u>

The annexed notes 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, 2016 (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 Pakistan Stock Exchange Limited. 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 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, 2015. The figures for the six months period ended March 31, 2016 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, 2016 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, 2016 which is not subject to a review.

The comparative condensed balance sheet, presented in this condensed interim financial information, as at September 30, 2015 has been extracted from the annual audited financial statements of the Company for the year ended September 30, 2015 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, 2016 have been extracted from the condensed interim financial information for the six months period ended March 31, 2015 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, 2015 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, 2015.

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, 2015.

5 LONG TERM FINANCES

	March 31, 2016 Rupees	September 30, 2015 Rupees
Opening balance	459,000,000	375,000,000
Obtained during the period	<u>239,200,000</u>	<u>212,000,000</u>
	698,200,000	587,000,000
Less: Payment made during the period	<u>(79,000,000)</u>	<u>(128,000,000)</u>
	619,200,000	459,000,000
Less: Current portion	<u>(128,000,000)</u>	<u>(103,000,000)</u>
	<u><u>491,200,000</u></u>	<u><u>356,000,000</u></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 7.62% to 9.06% (2015:10.64% to 12.18%) 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, 2016 Rupees	September 30, 2015 Rupees
6 TRADE AND OTHER PAYABLES		
Creditors:		
-For sugarcane	494,802,972	135,045,567
-For other supplies	86,893,438	60,171,687
-Advance from customers	74,993	525,682,470
-Other payables	40,678,531	46,363,696
	<u>622,449,934</u>	<u>767,263,420</u>

7 SHORT TERM BORROWING

Cash Finance		
Bank Al-Falah Limited	484,686,220	-
Meezan Bank Limited	400,000,000	-
Askari Bank Limited	699,534,353	-
	<u>1,584,220,573</u>	<u>-</u>
Running Finance		
Askari Bank Limited	32,844,351	-
Bank Al-Falah Limited	28,771,216	-
	61,615,567	-
	<u>1,645,836,140</u>	<u>-</u>

7.1 The company has obtained cash and running finance facilities from various banks during the current year to meet capital expenditure and working capital requirements. Markup on these facilities range from 7.38% to 8.6%. These facilities are secured by pledge of white crystalline sugar, 1st joint pari passu charge on current assets and personal guarantees of directors.

8 CONTINGENCIES AND COMMITMENTS

8.1 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, 2015.

8.2 Commitments

8.2.1 No material commitments exist at balance sheet date. (2015: 9,669 Metric Tons representing un-lifted delivery orders (DOs) of sugar having an aggregate value of Rs.483.758 million).



9 PROPERTY, PLANT AND EQUIPMENT

	Note	March 31, 2016 Rupees	September 30, 2015 Rupees
Operating fixed assets	9.1	1,298,466,907	1,353,437,301
Capital work in progress		7,338,031	76,289
		<u>1,305,804,938</u>	<u>1,353,513,590</u>

9.1 Operating fixed assets

Opening WDV		1,353,437,301	1,376,403,054
Additions made during the period			
- Factory building		126,000	72,786,157
- Non Factory building		14,900	4,312,651
- Plant and machinery		891,362	26,745,850
- Office equipment and others		141,176	1,069,844
- Furniture and fixtures		49,851	99,093
- Computer and allied equipment		137,915	526,311
- Vehicles		10,137,580	11,163,839
- Tents and Tarpaulins		104,765	340,648
- Tools and tackles		285,838	426,409
		11,889,387	117,470,802
Disposals / transfers during the period-WDV		(100,655)	(1,127,754)
Depreciation for the period / year		(66,759,126)	(139,308,801)
Closing WDV		<u>1,298,466,907</u>	<u>1,353,437,301</u>

10 STOCK-IN-TRADE

Sugar in process		7,893,388	6,888,540
Finished goods - sugar		1,933,238,612	459,882,644
Molasses		49,598,172	-
		<u>1,990,730,172</u>	<u>466,771,184</u>

SIX MONTHS PERIOD ENDED

QUARTER ENDED

	March 31, 2016 Rupees	March 31, 2015 Rupees	March 31, 2016 Rupees	March 31, 2015 Rupees
11 NET SALES				
Sales Gross				
Local	1,051,552,340	413,335,410	313,217,250	75,800,010
Export	-	350,479,100	-	350,479,100
	1,051,552,340	763,814,510	313,217,250	426,279,110
Federal excise duty	(97,399,705)	(34,444,617)	(29,035,344)	(6,004,134)
	<u>954,152,635</u>	<u>729,369,893</u>	<u>284,181,906</u>	<u>420,274,976</u>



12 COST OF SALES

	SIX MONTHS PERIOD ENDED		QUARTER ENDED	
	March 31, 2016 Rupees	March 31, 2015 Rupees Restated	March 31, 2016 Rupees	March 31, 2015 Rupees Restated
Sugarcane consumed	2,403,741,693	2,078,568,652	1,648,893,919	1,677,041,682
Manufacturing expenses - Note 12.1	200,678,150	210,034,736	112,483,878	127,824,653
	<u>2,604,419,843</u>	<u>2,288,603,388</u>	<u>1,761,377,797</u>	<u>1,804,866,335</u>
Sugar stock in process - opening	6,888,540	6,053,331	110,057,129	72,601,965
Sugar stock in process - closing	(7,893,388)	(6,888,540)	(7,893,388)	(6,888,540)
	<u>(1,004,848)</u>	<u>(835,209)</u>	<u>102,163,741</u>	<u>65,713,425</u>
	<u>2,603,414,995</u>	<u>2,287,768,179</u>	<u>1,863,541,538</u>	<u>1,870,579,760</u>
Molasses - opening stock	-	-	59,826,000	34,500,000
Molasses - closing stock	(49,598,172)	(94,473,375)	(49,598,172)	(94,473,375)
Sale of molasses (by product)	(139,122,828)	(89,664,125)	(139,122,828)	(89,664,125)
	<u>(188,721,000)</u>	<u>(184,137,500)</u>	<u>(128,895,000)</u>	<u>(149,637,500)</u>
Cost of goods manufactured	<u>2,414,693,995</u>	<u>2,103,630,679</u>	<u>1,734,646,538</u>	<u>1,720,942,260</u>
Sugar finished goods stock - opening	459,882,644	230,945,597	483,511,014	306,942,333
Sugar finished goods stock - closing	(1,933,238,612)	(1,686,490,378)	(1,933,238,612)	(1,686,490,378)
	<u>(1,473,355,968)</u>	<u>(1,455,544,781)</u>	<u>(1,449,727,598)</u>	<u>(1,379,548,045)</u>
	<u>941,338,027</u>	<u>648,085,898</u>	<u>284,918,940</u>	<u>341,394,215</u>

	SIX MONTHS PERIOD ENDED		QUARTER ENDED	
	March 31, 2016 Rupees	March 31, 2015 Rupees Restated	March 31, 2016 Rupees	March 31, 2015 Rupees Restated
12.1 Manufacturing Expenses				
Salaries, wages and other benefits	63,173,898	57,385,602	38,073,529	37,544,975
Production stores consumed	35,641,475	42,165,919	23,749,406	33,878,743
Fuel and power	2,305,280	2,859,050	585,339	709,251
Repairs and maintenance	29,250,966	37,993,529	13,120,110	20,903,555
Vehicle running and maintenance	1,028,556	756,253	521,150	330,513
Insurance	5,096,549	3,051,317	3,354,235	64,936
Depreciation	60,083,213	60,837,644	30,463,260	30,460,084
Others	4,098,213	4,985,422	2,616,849	3,932,596
	<u>200,678,150</u>	<u>210,034,736</u>	<u>112,483,878</u>	<u>127,824,653</u>



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, 2016 Rupees	September 30, 2015 Rupees
Transactions during the period		
Contribution to staff provident fund	<u>1,664,965</u>	<u>1,554,810</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>

14 PRIOR YEAR ADJUSTMENT

The cost of purchase of sugar cane for the season 2014-15 was recorded at Rs. 160/maund in last interim condensed financial statements and Rs. 10/maund was disclosed as contingent liability in note 7.1.1 of financial statements for the period ended March 31, 2015. The additional cost of Rs. 10/maund was incorporated in cost of cane consumed in financial statements for the year ended September 30, 2015 thus making the cost of cane at Rs. 170/maund. Therefore the cost of sugar cane during the period ended March 31, 2015 is now being restated and following are the effects of this restatement.

	March 31, 2015	
	As previously reported	Restated
 Rupees	
Profit and Loss		
Cost of sales	624,198,130	648,085,898
Workers' Profit Participation Fund	2,326,464	1,132,076
Workers' Welfare Fund	1,093,300	812,392
Earning per share- basic and diluted	3.34	1.19



15 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, 2015.

16 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and better presentation

17 AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue in the Board of Directors meeting held on 20th May 2016.

18 GENERAL

Figure have been rounded off to the nearest rupee.

DR. TARA CHAND
Chief Executive

MAHESH KUMAR
Director

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CORPORATE