



Sindh Abadgar's Sugar Mills Limited

**UNAUDITED
QUARTERLY FINANCIAL STATEMENTS
1ST QUARTER ENDED DECEMBER 31, 2017**



COMPANY PROFILE

DIRECTORS	Mr. Deoo Mal Essarani Dr. Tara Chand Essarani Mr. Dileep Kumar Mr. Pehlaj Rai Mr. Mohan Lal Dr. Besham Kumar Mr. Mahesh Kumar Dr. Shafaqat Ali Shah	Chairman Chief Executive Director Director Director Director Director Independent Director
CHIEF FINANCIAL OFFICER	Mr. Nisar H. Virani	
COMPANY SECRETARY	Mr. Aziz Ahmed	
BANKERS	Allied Bank Limited Askari Bank Limited Bank Al-Falah Limited MCB Bank Limited United Bank Limited Meezan Bank Limited	
AUDIT COMMITTEE	Mr. Pehlaj Rai Dr. Shafaqat Ali Shah Mr. Dileep Kumar Dr. Besham Kumar	Chairman Member Member Member
HR AND REMUNERATION COMMITTEE	Dr. Shafaqat Ali Shah Mr. Mohan Lal Mr. Dileep Kumar	Chairman Member 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 Ameer Centre, Shahrah e Iraq, Saddar, Karachi.	
EMAIL ADDRESS	sasm@unitedgroup.org.pk	



DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors, it is my privilege to present the un-audited condensed interim financial statements of the Company for the first quarter ended December 31, 2017. The crushing season 2017-18 commenced from 28th November, 2017.

Operational Results :

	December 31, 2017	December 31, 2016
Season commenced on	28.11.2017	15-11-2016
Period reporting upto	31.12.2017	31-12-2016
Days worked (Gross) - Days	34	47
Cane crushed - Tons	67,555	117,158
Average Crushing per day - Tons	1,987	2492
Capacity utilization - %	33	35
Sugar recovery - %	9.885	9.47
Sugar produced - Tons	5,824	10,045
Molasses % Cane - %	4.763	4.815
Molasses produced - Tons	2,760	5,040

The net turnover increased to Rs.902.885 million from Rs.125.383 million of last year's same period mainly due to sale of carryover stock of last season 2016-2017. After tax loss recorded at Rs.236.925 million as compared to Rs.30.937 million of the 1st quarter of last year with loss per share of Rs.(22.73) compared to Rs.(2.97) of corresponding quarter. The average selling price remained depressed, achieved at Rs.39,665 per ton while cost of production spiraling at Rs.60,413 per ton. The company has accounted for export subsidy at Rs.10.70 per kg on export sales during the quarter under review in accordance with the decision of the Govt.

Despite all odds, the Company continued to focus its attention on sale of sugar but due to lesser demand, the Mills preferred to export, because of lucrative anticipated subsidy. The value of stock in trade stood at Rs.299.958 million as against Rs.322.733 million as on 31st December, 2016.

First quarter ended on 31st December, 2017 does not properly reflect the correct view of the profit/loss of the company due to lesser operational days, lesser and intermittent crushing and lower sugar recovery. Due to various factors we anticipate huge sugarcane crop and higher sugar recovery during the current season. The company has undertaken BMRE & added latest modernized equipments to achieve better and efficient results which we are obtaining as is evident from above operational data.



Future Prospects

The prospects of the crushing season 2017-2018 has remained uncertain and a lot of challenges are ahead to control the rising prices of sugarcane to save totally uneconomical industry. The government has allowed exports also with subsidy but certain conditionalities including international prices of sugar are not very encouraging. Definite measures are needed to control the sugarcane prices to enable the sugar mills to sell their sugar at a reasonable price to the consumers. The Sugar Mills are approaching at various levels viz. at Govt., Sindh High Court and Supreme Court level to avail incentives in sugar price to get reasonable rate of return.

The future prospects of the Company are greatly dependent on the trend of sugar prices in the next three quarters with unequivocal government policies. We understand the current sugar stock levels are more than sufficient for the present requirements. Therefore, proper planning should be made based on realistic and logical statistics of actual sugar production, its consumption and deficit or surplus etc., as the case may be, with the hope of stability sugar prices during the next three quarters, we anticipate reasonably better financial results for the remaining three quarters.

The Board of Directors wishes to keep on record and convey assurance to the respectable shareholders of our dedicated efforts and honest working which would strengthen our determination to achieve success with better planning to overcome the difficult situation and conditions. The Directors also place on record their appreciation of the devoted services and hard work put in by the officers and workers of the Company. Please pray to God to guide us and help us to achieve desired results and prosperous future.

On behalf of the Board of Directors

Dr. Tara Chand Essarani
Chief Executive

Mahesh Kumar
Director

Karachi: January 22, 2018

ڈائریکٹرز کی رپورٹ

محترم حصص داران،

بورڈ آف ڈائریکٹرز کی جانب سے، یہ میرے اعزاز ہے کہ میں پہلی سہ ماہی اختتام پذیر مورخہ 31 دسمبر، 2017 کے آن-آڈیٹڈ، خالص عبوری مالیاتی گوشوارے پیش کر رہا ہوں۔ پیسائی کے سیزن 18-2017 کا آغاز مورخہ 28 نومبر 2017 سے ہوا۔

عملیاتی نتائج:

31 دسمبر 2017	31 دسمبر 2016	
28-11-2017	15-11-2016	سیزن کا آغاز ہوا
31-12-2017	31-12-2016	نتائج کا دورانیہ
34	47	کام کے ایام (جملہ) - ایام
67555	117158	گنے کی پیسائی - ٹن
1987	2492	فی یوم پیسائی کا تناسب - ٹن
33	35	استعمال کی استعداد - فیصد
9.885	9.47	چینی کی وصولی - فیصد
5824	10045	چینی کی پیداوار - ٹن
4.763	4.815	گنے میں گڑ کا تناسب - فیصد
2760	5040	گڑ کی پیداوار - ٹن

پچھلے سال اسی دورانیہ میں ہمارا ٹرن آور 125.383 ملین روپے سے بڑھ کر 902.885 ملین روپے تک ہو گیا جس کی اصل وجہ پچھلے سیزن 17-2016 کا غیر فروخت شدہ اسٹاک ہے۔ ٹیکس کٹوتی کے بعد نقصان کا تخمینہ 236.925 ملین روپے رہا جبکہ اس کے مقابلے میں پچھلے سال پہلی سہ ماہی میں ٹیکس کٹوتی کے بعد نقصان

30.937 ملین روپے تھا۔ جس کی وجہ سے فی حصص نقصان 22.73 روپے رہا جبکہ پچھلی سہ ماہی میں فی حصص نقصان 2.97 روپے رہا۔ چینی کی قیمت فروخت اوسطاً مایوس کن رہی جو کہ کل 39665 روپے فی ٹن رہی جبکہ پیداواری لاگت 60413 روپے فی ٹن رہی۔ کمپنی نے رواں سہ ماہی میں ایکسپورٹ سبسڈی قیمت کی مد میں 10.70 روپے فی کلو کے حساب سے حکومت سے وصول کرنے ہیں۔

تمام تر دشواریوں کے باوجود، کمپنی نے چینی کی فروخت کیلئے مسلسل اپنی توجہ مرکوز رکھی لیکن کم مانگ وجہ سے، ملز نے برآمد کو ترجیح دی کیونکہ یہ زیادہ منافع بخش ہے۔ کاروبار میں اسٹاک کی شرح 299.958 ملین روپے پر کھڑی ہے جبکہ 31 دسمبر 2016 تک یہ شرح 322.733 ملین روپے تھی۔

پہلی سہ ماہی کا اختتام 31 دسمبر 2017 کو ہوا لیکن اس دورانہ میں نفع و نقصان کا صحیح اندازہ نہیں ہو سکا۔ جس کی وجہ کام کے ایام میں کمی، کم پیسائی اور پیسائی میں رکاوٹ اور کم چینی کا حاصل ہونا ہے۔ ہم سال رواں میں مختلف وجوہات کی بناء پر پرامید ہیں کہ گنے کی فصل میں اضافہ ہوگا اور چینی کی پیداوار بڑھے گی۔ کمپنی نے BMRE کا فیصلہ کیا اور جدید آلات کی تعداد میں اضافہ کیا تاکہ بہتر اور موثر نتائج کا حصول ممکن ہو جس کا ثبوت بالاعلیٰ ثبوتی ڈیٹا ہے۔

متوقع ممکنات:

امکان ہے کہ سیزن 18-2017 میں کاروباری حالات متغیر رہیں گے اور بہت ساری دشواریوں کا سامنا کرنا پڑے گا۔ اسکی وجہ گنے کی قیمتوں میں مسلسل اضافے کی روک تھام اور اس غیر معاشی صنعت کو تحفظ دینا ہے۔ حکومت نے بچ سبسڈی برآمدات کی اجازت دی ہے لیکن اس کی شرائط کا دارومدار چینی کی بین الاقوامی قیمتوں پر منحصر ہے مگر بین الاقوامی سطح پر چینی کی قیمتیں حوصلہ افزا نہیں۔ اس وجہ سے شوگر کی قیمتوں کی موثر روک تھام ناگزیر ہے تاکہ صارفین کو معقول شرح پر چینی فروخت کی جاسکے۔ اس مد میں شوگر ملز مختلف تنگ و دو مثلاً حکومت، سندھ ہائی کورٹ اور سپریم کورٹ سطحوں پر کر رہی ہے تاکہ چینی کی قیمت میں اعتدال قائم کیا جاسکے اور بہتر منافع حاصل کیا جاسکے۔

اگلے تین سہ ماہی میں کمپنی کے مستقبل کا دارومدار حکومت کی واضح پالیسیوں کے ساتھ چینی کی قیمتوں کی شرح پر منحصر ہے۔ ہم یہ سمجھتے ہیں کہ چینی کا موجودہ اسٹاک ضروریات کو پورا کرنے کیلئے کافی ہے۔ لہذا، چینی کی پیداواری



استعداد کیلئے حقیقی اور منطقی جائزہ کی بنیاد پر باقاعدہ منصوبہ بندی کی جانی چاہئے، تاکہ اس کا مصرف اور خسارہ یا بہتات وغیرہ کی ضرورت کے مطابق کیا جاسکے، اس کے ساتھ ہم امید کرتے ہیں کہ اگلے تین سہ ماہی کے دوران چینی کی قیمتوں میں استحکام ہوگا، اور اس کے نتیجے میں ہم اگلے تین سہ ماہیوں میں بہتر مالی نتائج حاصل کر سکیں گے۔

بورڈ آف ڈائریکٹرز چاہتے ہیں کہ تمام محترم حصص داران کو باخبر اور پر امید رکھا جائے کہ ہم تندہی اور ایمانداری سے کام کر رہے ہیں جو کہ ہمیں اپنے بہتر منصوبہ بندی کے ساتھ مقاصد کے حصول کیلئے تمام تر دشواریوں و حالات کے باوجود ثابت قدم رکھے گا۔ ڈائریکٹر صاحبان ان تمام آفیسرز اور کمپنی کے ملازمین کو قدر کی نگاہ سے دیکھتے ہیں جنہوں نے انتہک محنت و کوششوں سے کمپنی کو اس مقام تک پہنچایا۔ ہم خدا سے دعا گو ہیں کہ وہ کہ ہمارے متوقع امکانات اور روشن نتائج کو حاصل کرنے میں ہماری رہنمائی اور مدد فرمائے۔

بورڈ آف ڈائریکٹرز کی جانب سے

مہیش کمار
ڈائریکٹر

ڈاکٹر تارا چندا ایسرانی
چیف ایگزیکٹو آفیسر

کراچی، 22 جنوری، 2018



CONDENSED INTERIM BALANCE SHEET (UNAUDITED)
AS AT DECEMBER 31, 2017

EQUITY AND LIABILITIES		Un-audited December 31, 2017 Rupees	Audited September 30, 2017 Rupees
SHARE CAPITAL & RESERVES			
Authorized Capital 65,000,000 (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 ordinary shares of Rs. 10/- each		104,250,000	104,250,000
Accumulated loss		(641,173,885)	(427,498,936)
		(536,923,885)	(323,248,936)
Surplus on revaluation of Property, Plant and Equipment		788,929,084	812,179,558
Subordinated loans		260,000,000	260,000,000
NON-CURRENT LIABILITIES			
Long term finance - secured	6	749,043,382	697,002,219
Deferred liabilities		489,029,469	489,029,469
CURRENT LIABILITIES			
Trade and other payables		480,370,225	484,828,411
Accrued mark-up		23,091,075	42,315,960
Current portion of non current liabilities		145,956,618	151,956,618
Short term running finance		472,193,992	878,677,673
		1,121,611,910	1,557,778,662
CONTINGENCIES AND COMMITMENTS			
	7	-	-
		2,871,689,960	3,492,740,972
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,905,493,899	1,932,954,585
Long term loans		325,236	272,729
Long term deposits		792,527	792,527
CURRENT ASSETS			
Stores and spares		226,363,197	183,147,991
Stock-in-trade		356,188,272	1,012,996,017
Trade debts - unsecured		28,516,226	105,621,289
Short term loans and advances		70,892,596	112,024,506
Trade deposits and short term prepayments		2,938,137	3,011,970
Other receivables		203,465,636	76,028,636
Advance tax - net		48,036,007	45,870,909
Cash and bank balances	11	28,678,226	20,019,813
		965,078,297	1,558,721,131
		2,871,689,960	3,492,740,972

The annexed notes from 1 to 14 form an integral part of the condensed interim financial information.

DR. TARA CHAND
Chief Executive

MAHESH KUMAR
Director

NISAR H. VIRANI
CFO



**CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE 1ST QUARTER ENDED DECEMBER 31, 2017**

	Note	December 2017 Rupees	December 2016 Rupees
Net Sales	9	902,884,787	125,382,975
Cost of sales	10	(1,053,533,877)	(129,616,876)
Gross profit / loss		<u>(150,649,090)</u>	<u>(4,233,901)</u>
Operating expenses			
Administrative expenses		(27,798,764)	(25,882,569)
Selling and distribution cost		(25,499,004)	(984,427)
		<u>(53,297,768)</u>	<u>(26,866,996)</u>
Operating loss		(203,946,858)	(31,100,897)
Finance cost		(27,203,361)	(13,255,115)
		<u>(231,150,219)</u>	<u>(44,356,012)</u>
Other income		2,338,904	13,418,921
Loss before taxation		<u>(228,811,315)</u>	<u>(30,937,091)</u>
Taxation - Current		(8,114,108)	-
Loss after taxation		<u>(236,925,423)</u>	<u>(30,937,091)</u>
Earning / loss per share - basic & diluted		<u>(22.73)</u>	<u>(2.97)</u>

The annexed notes from 1 to 14 form an integral part of the condensed interim financial information.

DR. TARA CHAND
Chief Executive

MAHESH KUMAR
Director

NISAR H. VIRANI
CFO



**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UNAUDITED)
FOR THE 1ST QUARTER ENDED DECEMBER 31, 2017**

	December 2017 Rupees	December 2016 Rupees
Loss for the quarter	(236,925,423)	(30,937,091)
Other comprehensive income		
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	23,250,474	29,061,727
Total comprehensive loss for the quarter transferred to equity.	<u>(213,674,949)</u>	<u>(1,875,364)</u>

The annexed notes from 1 to 14 form an integral part of the condensed interim financial information.

DR. TARA CHAND
Chief Executive

MAHESH KUMAR
Director

NISAR H. VIRANI
CFO



CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE 1ST QUARTER ENDED DECEMBER 31, 2017

	December 2017 Rupees	December 2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(228,811,315)	(30,937,091)
Adjustment for:		
Depreciation	45,856,864	47,770,008
Financial cost	27,203,361	13,255,115
Gain on disposal of Property, Plant & Equipment	(449,267)	(11,503,141)
	<u>72,610,958</u>	<u>49,521,982</u>
Operating profit / (loss) before working capital changes	(156,200,357)	18,584,891
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(43,215,206)	(19,354,454)
Stock in trade	656,807,745	(527,752,148)
Trade debts - Unsecured	77,105,063	26,106,222
Short term loans and advances	41,131,910	(22,376,425)
Trade deposits, prepayment and other receivables	73,833	(3,756,000)
Other receivables	(127,437,000)	-
	<u>604,466,345</u>	<u>(547,132,805)</u>
(Decrease) / Increase in current liabilities		
Trade and other payables	(4,458,186)	71,923,729
	<u>600,008,159</u>	<u>(475,209,076)</u>
Cash generated from/(used in) operating activities	443,807,802	(456,624,185)
Finance cost paid	(46,426,246)	(12,986,588)
Taxes paid	(10,279,206)	(1,604,680)
Net cash generated from/(used in) operating activities	<u>387,102,350</u>	<u>(471,215,453)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(3,831,064)	(3,978,305)
Capital work in progress	(14,868,147)	(828,103)
Sales Proceeds of assets	750,299	12,538,000
Long term loans	(52,507)	(44,696)
Net cash (used in) investing activities	<u>(18,001,419)</u>	<u>7,686,896</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term loan	(71,000,000)	(56,000,000)
Long term finance obtained	117,041,163	-
Net cash generated from/ (used in) financing activities	<u>46,041,163</u>	<u>(56,000,000)</u>
Net increase/(decrease) in cash and cash equivalents	415,142,094	(519,528,557)
Cash and cash equivalents at the beginning of the period	(858,657,860)	83,194,818
Cash and cash equivalents at the end of the period	<u>(443,515,766)</u>	<u>(436,333,739)</u>

The annexed notes from 1 to 14 form an integral part of the condensed interim financial information.

DR. TARA CHAND
Chief Executive

MAHESH KUMAR
Director

NISAR H. VIRANI
CFO



**CONDENSED INTERIM STATEMENT OF
CHANGES IN EQUITY (UNAUDITED)
FOR THE 1ST QUARTER ENDED DECEMBER 31, 2017**

	Issued, Subscribed and Paidup Capital Rupees	Accumulated Loss Rupees	Total Rupees
Balance as at October 1, 2016 (Audited)	104,250,000	(129,979,060)	(25,729,060)
Loss for the period (Oct - Dec. 2016)	-	(30,937,091)	(30,937,091)
Incremental depreciation transfer from surplus on revaluation of fixed assets-net off deferred tax	-	29,061,727	29,061,727
Total Comprehensive loss for the quarter	-	(1,875,364)	(1,875,364)
Balance as at December 31, 2016 (Unaudited)	104,250,000	(131,854,424)	(27,604,424)
Loss for the period (Jan - Sept. 2017)	-	(369,652,918)	(369,652,918)
Incremental depreciation transfer from surplus on revaluation of fixed assets-net off deferred tax	-	73,423,072	73,423,072
Surplus realized on disposal of assets-net off deferred tax	-	585,334	585,334
Total comprehensive loss for the period	-	(295,644,512)	(295,644,512)
Balance as at September 30, 2017 (Audited)	104,250,000	(427,498,936)	(323,248,936)
Loss for the period (Oct - Dec. 2017)	-	(236,925,423)	(236,925,423)
Incremental depreciation transfer from surplus on revaluation of fixed assets-net off deferred tax	-	23,250,474	23,250,474
Total Comprehensive loss for the quarter	-	(213,674,949)	(213,674,949)
Balance as at December 31, 2017 (Unaudited)	104,250,000	(641,173,885)	(536,923,885)

The annexed notes from 1 to 14 form an integral part of the condensed interim financial information.

DR. TARA CHAND
Chief Executive

MAHESH KUMAR
Director

NISAR H. VIRANI
CFO



**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENT (UNAUDITED)
FOR THE 1ST QUARTER ENDED DECEMBER 31, 2017**

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 Mohammed Khan in the province of Sindh and its registered office is situated at 209, Progressive Plaza, Beaumont Road, Karachi in the province of Sindh. The company is principally engaged in the manufacturing and sale of sugar.

2 BASIS OF PREPARATION

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 Regulation of the Pakistan Stock Exchange Limited. 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, 2017.

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, 2017.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the condensed interim financial statement in conformity with approved accounting standards 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 statement, 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 information of the Company as at and for the year ended September 30, 2017.

5 SEASONALITY OF OPERATIONS

Due to the seasonal availability of sugarcane, the manufacturing of sugar is carried out during the period of availability of sugarcane and costs incurred / accrued upto the reporting date have been accounted for. Accordingly, the costs incurred / accrued after the reporting date will be reported in the annual financial statements.



	Unaudited December 2017 Rupees	Audited September 2017 Rupees
6 LONG TERM FINANCES - SECURED		
Opening balance	848,958,837	629,000,000
Obtained during the period	117,041,163	382,958,837
	966,000,000	1,011,958,837
Less: Repaid during the period	(71,000,000)	(163,000,000)
Current portion	(145,956,618)	(151,956,618)
	(216,956,618)	(314,956,618)
Closing balance	749,043,382	697,002,219

7 CONTINGENCIES & COMMITMENTS

7.1 Contingencies

There is no change in the status of contingencies as disclosed in the published annual financial statements for the year ended September 30, 2017.

7.2 Commitments

In respect of the quantity of 378.95 M.T (September 30, 2017 : 317.55 M.T) representing sale commitments of sugar having aggregate value of Rs. 18.179 million (September 30, 2017 : Rs. 15.07 million).

	Unaudited December 2017 Rupees	Audited September 2017 Rupees
8 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	1,836,447,483	1,878,776,016
Capital work in progress	69,046,416	54,178,569
	1,905,493,899	1,932,954,585

	Unaudited December 2017 Rupees Acquisitions/ Deletion	Audited September 2017 Rupees Acquisitions
8.1 Operating fixed assets		
Factory building on free hold land	1,100,003	4,207,782
Plant & machinery	1,911,915	69,746,626
	-	(5,107,684)
Office equipment	20,000	1,141,331
	-	(41,268)
Furniture & fixture	47,683	1,497,275
Computers	143,275	304,189
Vehicles	427,415	8,998,760
	(2,425,000)	(927,438)
Tents and tarpouline	-	180,293
Tools & tackles	180,773	300,386
	1,406,064	80,300,252



	Unaudited December 2017 Rupees	Unaudited December 2016 Rupees
9 SALES		
Local	95,624,100	137,187,375
Export	691,880,687	-
Inland Freight subsidy	127,437,000	-
Less: Sales Tax	(12,057,000)	(11,804,400)
	<u>902,884,787</u>	<u>125,382,975</u>
10 COST OF GOODS SOLD		
Sugarcane consumed	310,119,305	562,972,329
Manufacturing expenses	86,606,827	94,396,695
	<u>396,726,132</u>	<u>657,369,024</u>
Stock in process - opening	11,351,217	7,915,258
Stock in process - closing	(39,670,572)	(53,104,927)
	<u>(28,319,355)</u>	<u>(45,189,669)</u>
	<u>368,406,777</u>	<u>612,179,355</u>
Stock of by-product - closing	(16,560,000)	(42,860,000)
	<u>(16,560,000)</u>	<u>(42,860,000)</u>
Cost of goods manufactured	351,846,777	569,319,355
Stock of finished goods - opening	1,001,644,800	25,048,015
Stock of finished goods - closing	(299,957,700)	(464,750,494)
	<u>701,687,100</u>	<u>(439,702,479)</u>
	<u>1,053,533,877</u>	<u>129,616,876</u>
10.1 Manufacturing Expenses		
Salaries, wages and other benefits	22,680,285	26,541,597
Production stores consumed	3,774,005	7,440,629
Fuel and power	1,497,347	1,230,188
Repairs and maintenance	14,667,819	11,897,653
Vehicle running and maintenance	446,669	455,859
Insurance	1,330,101	2,061,809
Depreciation	41,272,978	42,993,007
Others	937,623	1,775,953
	<u>86,606,827</u>	<u>94,396,695</u>



11 CASH AND CASH EQUIVALENTS

For the purpose of cash flow statement, cash and cash equivalents include cash in hand and in banks and investments having maturity of less than 3 months and insignificant risk of changes in value till maturity, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the condensed interim cash flow statement are reconciled to the related items as follows:

	Unaudited December 2017 Rupees	Unaudited December 2016 Rupees
Cash and bank balances	28,678,226	253,426,926
Short term running finance	<u>(472,193,992)</u>	<u>(689,760,665)</u>
	<u>(443,515,766)</u>	<u>(436,333,739)</u>

12 RELATED PARTY TRANSACTIONS

Related parties constitute transactions with Directors, key management personnel and retirement benefit plan. Material transactions with related parties are given below:

	Unaudited December 2017 Rupees	Audited September 2017 Rupees
Directors	2,215,997	9,725,227
Key Management personnel	3,430,475	13,378,202
Provident fund contribution	923,402	3,902,162
Loans from Directors	183,000,000	183,000,000
Loans from Related Parties	<u>77,000,000</u>	<u>77,000,000</u>
	<u>266,569,874</u>	<u>287,005,591</u>

13 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors of the company at their meeting held on January 22, 2018.

14 GENERAL

14.1 Figure have been rounded off to the nearest Rupee.

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CORPORATE