



Sindh Abadgar's Sugar Mills Limited

**UNAUDITED
QUARTERLY FINANCIAL STATEMENTS
1ST QUARTER ENDED DECEMBER 31, 2019**



COMPANY PROFILE

DIRECTORS	Mr. Deo Mal Essarani Dr. Tara Chand Essarani Mr. Mahesh Kumar Mr. Dileep Kumar Mr. Pehlaj Rai Mr. Mohan Lal Dr. Besham Kumar Dr. Shafaqat Ali Shah	Chairman Chief Executive Director Director Director Director Director Independent Director
CHIEF FINANCIAL OFFICER	Syed Abid Hussain	
COMPANY SECRETARY	Mr. Aziz Ahmed	
BANKERS	Allied Bank Limited Askari Bank Limited Bank Al-Falah Limited MCB Bank Limited Bank AL Habib Limited United Bank Limited Meezan Bank Limited HBL Foreign Exch. Bank Limited	
AUDIT COMMITTEE	Dr. Shafaqat Ali Shah Mr. Pehlaj Rai 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	
LEGAL ADVISOR	Yasin Ali, Advocate	
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 Ameera 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, 2019.

Operational Results :

	December 31, 2019	December 31, 2018
Season commenced on	29.11.2019	13.12.2018
Period reporting upto	31.12.2019	31.12.2018
Days worked (Gross) - Days	33	19
Cane crushed - Tons	53,953	77,711
Average Crushing per day - Tons	1,635	4,090
Capacity utilization - %	21	51
Sugar recovery - %	9.33	9.963
Sugar produced - Tons	4,165	6,865
Molasses % Cane - %	4.80	4.9371
Molasses produced - Tons	1,691	3,280

The Company crushed only 53,953 M.Tons of Sugarcane compared to 77,771 M.Tons in the corresponding period and sugar produced there from 4,165 M.Tons at 9.33% sucrose recovery. The capacity utilization achieved at 21% indicates that procurement of Sugarcane at viable rate remained difficult as the growers held supply of sugarcane anticipating higher procurements rates resulted no sugarcane situation due to which the mill lost 18 crushing days out of 33 days available. The sucrose recovery was also too low which further aggravated the financial results of the period.

The net turnover achieved at Rs. 469.603 million attributed to sale of last year's carryover stock and no sale was made from current season production during the period. The average procurement of sugarcane cost Rs. 210 /- per 40 kg is higher by 15.38% compared to last period's Rs. 182/- per 40 kg. The manufacturing cost is also higher by Rs. 17,000/- per ton of sugar from last year's period due to less crushing of sugarcane.



Accordingly the company suffered after tax loss Rs. 77.998 million compared to Rs. 103.787 million in the corresponding period with loss per share stood at Rs. 7.48 compared to Rs. 9.96 in the corresponding period of last year. However, the loss sustained during the quarter somehow, will be compensated in the forthcoming quarter wherein sales will be recognized of sugar produced during the quarter.

Future Outlook

Sugarcane production in the current season has significantly declined amid change of cultivation area to other crops for the last couple of years with sucrose recovery is also not very encouraging right now on which the whole profitability of the sugar industry is dependent. Although the sugarcane price has been fixed at Rs. 192 per 40 kgs, the actual procurement price is much higher leading to closure of mills in most part of the season till to-date. Definite measures are needed to control the sugarcane prices to render the mills to remain in operation. The prices of Sugar, however have improved recently which will help mitigate the impact of higher sugarcane cost. We anticipate sugarcane crushing during the remaining part of the season will also be less by which fixed cost associated with the operation of the mills remains unabsorbed to some extent. The Company however, is strategizing its operational activities, concentrating interalia on continuous improvement of process flow, better utilization of capacity, control wastages and cost reduction. With the implementation of these initiatives and sustainability in sugar prices. We look forward for better financial results for the remainder of the year.

The Board of Directors wishes to keep on record and convey assurance to all the stakeholders 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 achieve desired results and prosperous future.

On behalf of the Board of Directors

Dr. Tara Chand
Chief Executive

Karachi: January 28, 2020

ڈائریکٹرز رپورٹ

محترم حصص داران!

بورڈ آف ڈائریکٹرز کی جانب سے، یہ میرا امتیاز ہے کہ میں آپ کے سامنے کمپنی کی غیر آڈٹ شدہ مجموعی عبوری معاشی گوشوارے کی جائزہ رپورٹ برائے دورانیہ پہلی سہ ماہی اختتام پذیر 31 دسمبر، 2019 پیش کر رہا ہوں۔

31 دسمبر 2018	31 دسمبر 2019	عملیاتی نتائج:
13-12-2018	29-11-2019	پسائی کا آغاز
31-12-2018	31-12-2019	پسائی کا اختتام
19	33	کام کے ایام (مجموعی) - ایام
77,711	53,953	پیسے گئے گنوں کی تعداد - ٹن
4,090	1,635	روزانہ پیسائی کا تناسب - ٹن
51	21	استعمال کی استعداد - فیصد
9.963	9.33	شکر کی وصولیائی - فیصد
6,865	4,165	شکر کی پیداوار - ٹن
4.9371	4.80	گئے میں شیرہ کا تناسب - فیصد
3,280	1,691	شیرہ کی پیداوار - ٹن

کمپنی نے اس دورانیہ میں صرف 53,953 میٹرک ٹن گئے کی پیسائی کی جبکہ گزشتہ مہماثل دورانیہ میں 77,711 میٹرک ٹن گئے کی پیسائی کی گئی تھی اس طرح 4,165 میٹرک ٹن 9.33 فیصد سکروز پر چھٹی حاصل کی گئی۔ ملز کے استعمال کی استعداد 21 فیصد تک رہی جس سے یہ نشاندہی ہوتی ہے کہ زیر غور دورانیہ میں ہمہ وقت گنا بڑھتی چڑھتی قیمتوں پر حاصل کیا گیا ہے۔ جیسا کہ گئے کی صورت حال عدم استحکام کا شکار رہی، اس وجہ سے کمپنی نے دستیاب 33 ایام میں سے 18 ایام ضائع کیے ہیں۔ سکروز کی حصولی بھی انتہائی کم رہی جس سے زیر غور دورانیہ کے مالیاتی نتائج پر مزید منفی اثرات مرتب ہوئے ہیں۔

اس دوران کل ٹرن آؤر مبلغ 469.603 ملین روپے رہا جس کی وجہ گزشتہ سال کے اسٹاک کی فروخت ہے جبکہ حالیہ بیزنس کے دوران پیداوار میں سے کوئی فروختگی عمل میں نہیں لائی گئی ہے۔ گنا حاصل کرنے کی لاگت مبلغ 210 روپے فی 40 کلوری جو کہ گزشتہ مہماثل دورانیہ میں -182/نی 40 کلو کے مقابلے میں 15.38 فیصد اضافے کو ظاہر کرتا ہے۔ اسی طرح گئے کی پیسائی میں کمی کی وجہ سے گزشتہ سال چھٹی کی پیداواری لاگت کے مقابلے میں -17/روپے فی ٹن تک اضافہ ہوا ہے۔

لہذا کمپنی نے مابعد ٹیکس مبلغ 77.998 ملین کا خسارہ برداشت کیا جبکہ مماثل یہ خسارہ 103.787 ملین روپے تھا لہذا فی ہس خسارہ مماثل دورانہ میں مبلغ 9.96 روپے کے مقابلے میں اس سہ ماہی میں 7.48 روپے رہا۔ تاہم، اس سہ ماہی کے دوران ہونے والے خسارہ سے کسی حد تک سے آئندہ سہ ماہی میں نمٹنا جائے گا جس میں اس سہ ماہی کے دوران حاصل ہونے والی چینی کی فروخت عمل میں لائی جائے گی۔

مستقبل کے امکانات:

اس سیزن میں گنے کی پیداوار میں قابل دید کمی ہوئی جس کی وجہ گذشتہ دو سالوں سے گنے کی کاشت کے علاقوں کا دیگر فصلوں کی جانب منتقل ہونا ہے اس کے ساتھ سکروز کی وصولی بھی حوصلہ افزا نہیں جس پر چینی کی کل صنعت کا دار و مدار ہوتا ہے۔ اگرچہ گنے کے نرخ مبلغ 192 فی 40 کلو طے کی جا چکی ہے مگر گنے کی خرید کی اصل قیمت اس سے کہیں زیادہ ہے جو کہ سیزن کے زیادہ تر دورانہ میں ملز کی بندش کی وجہ بنی ہے۔ گنے کے نرخوں کو قابو میں لانے کیلئے ٹھوس اقدامات کرنے کی ضرورت ہے تاکہ ملز کو زیر عمل رکھا جائے۔ چینی کے نرخ میں حالیہ طور پر بہتری آئی ہے جس سے گنے کی بڑھتی قیمت کی وجہ سے مرتب ہونے والے ضمنی اثرات پر کسی حد تک قابو پایا جاسکے گا۔ ہم پیش بندی کرتے ہیں کہ بقیہ سیزن کے دوران بھی پیسائی کم ہی رہے گی جس کی وجہ سے ملز کے اخراجات بلز کے مقابلے زیادہ رہینگے۔ تاہم کمپنی اپنی عملیاتی سرگرمیوں کے حوالے سے حکمت عملی کر رہی ہے جس میں منجملہ دیگر امور، حصولیابی کے عمل میں بہتری، زیادہ سے زیادہ استعمال لانے، لاگت میں کمی کرنے اور ضائع ہونے والے مواد میں تخفیف کرنے پر توجہ دی جا رہی ہے۔ ہم بقیہ سال کیلئے بہتر مالی نتائج کیلئے پرامید ہیں۔

آپ کے کمپنی کے ڈائریکٹرز ہمارے شیئر ہولڈرز، ملازمین، بینکرز اور کسانوں کی جانب سے مسلسل حمایت کو دل کی گہرا بیوں کے ساتھ سراہتے ہیں اور ان کی جانب سے مسلسل کمپنی پر بھروسے کی قدر کرتے ہیں۔ آئیں سب مل کر کمپنی کے استحکام اور مسلسل ترقی کے سلسلے میں اللہ کی رحمت کیلئے دعا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

ڈاکٹر تارا چند

چیف ایگزیکٹو

کراچی، 28 جنوری، 2020



CONDENSED INTERIM BALANCE SHEET (UNAUDITED)
AS AT DECEMBER 31, 2019

	Note	Un-audited December 31, 2019 Rupees	Audited September 30, 2019 Rupees
EQUITY AND LIABILITIES			
Share Capital & Reserves			
Authorized capital 65,000,000 (2019: 65,000,000) ordinary shares of Rs. 10/- each		650,000,000	650,000,000
Issued, subscribed and paid-up capital		104,250,000	104,250,000
Revaluation surplus on property, plant and equipment-net		1,330,776,355	1,357,507,095
Accumulated losses		(195,293,720)	(144,026,214)
		1,239,732,635	1,317,730,881
Advance against future issue of shares	6	260,000,000	260,000,000
		1,499,732,635	1,577,730,881
NON-CURRENT LIABILITIES			
Long term finance - secured	7	350,000,000	350,000,000
Deferred liabilities		760,943,396	766,348,446
		1,110,943,396	1,116,348,446
CURRENT LIABILITIES			
Trade and other payables		457,117,620	334,273,176
Short term borrowing		428,532,994	338,348,587
Unclaimed dividend		5,279,578	5,312,636
Accrued mark-up		18,718,382	25,515,416
Current maturity of long term finance		50,000,000	100,000,000
		959,648,574	803,449,815
CONTINGENCIES AND COMMITMENTS			
	8	-	-
		3,570,324,606	3,497,529,142
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	2,562,763,176	2,604,746,154
Long term loans		430,422	612,319
Long term deposits		792,527	792,527
		2,563,986,125	2,606,151,000
CURRENT ASSETS			
Stores and spares		195,702,459	166,064,297
Stock-in-trade		373,577,532	460,551,452
Short term loans and advances		112,188,933	106,682,919
Trade deposits and short term prepayments		141,754	141,754
Other receivables		76,031,436	76,028,636
Advance tax - net		59,734,552	58,782,733
Cash and bank balances	11	188,961,815	23,126,351
		1,006,338,481	891,378,142
		3,570,324,606	3,497,529,142

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

DR. TARA CHAND
Chief Executive

MAHESH KUMAR
Director

SYED ABID HUSSAIN
CFO



**CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE 1ST QUARTER ENDED DECEMBER 31, 2019**

	Note	December 2019 Rupees	December 2018 Rupees
Net sales	10	469,603,490	-
Cost of sales	11	(486,873,227)	(75,610,610)
Gross loss		<u>(17,269,737)</u>	<u>(75,610,610)</u>
Operating expenses			
Administrative expenses		(28,033,748)	(24,669,200)
Selling and distribution cost		(13,105,873)	(784,782)
		<u>(41,139,621)</u>	<u>(25,453,982)</u>
Operating loss		(58,409,358)	(101,064,592)
Finance cost		(19,187,195)	(17,132,772)
		<u>(77,596,553)</u>	<u>(118,197,364)</u>
Other income		859,802	1,268,671
Loss before taxation		<u>(76,736,751)</u>	<u>(116,928,693)</u>
Taxation -current and deferred-net		(1,261,494)	13,141,332
Loss after taxation		<u>(77,998,246)</u>	<u>(103,787,361)</u>
Loss per share - basic & diluted		<u>(7.48)</u>	<u>(9.96)</u>

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

DR. TARA CHAND
Chief Executive

MAHESH KUMAR
Director

SYED ABID HUSSAIN
CFO



**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UNAUDITED)
FOR THE 1ST QUARTER ENDED DECEMBER 31, 2019**

	December 2019 Rupees	December 2018 Rupees
Loss for the quarter	(77,998,246)	(103,787,361)
Other comprehensive income	-	-
Total comprehensive loss for the quarter transferred to equity.	<u>(77,998,246)</u>	<u>(103,787,361)</u>

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

DR. TARA CHAND
Chief Executive

MAHESH KUMAR
Director

SYED ABID HUSSAIN
CFO



CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE 1ST QUARTER ENDED DECEMBER 31, 2019

	December 2019 Rupees	December 2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(76,736,751)	(116,928,693)
Adjustment for:		
Depreciation	56,690,850	63,307,660
Financial cost	19,187,195	17,132,772
Gain on disposal of Property, Plant & Equipment	-	55,122
	<u>75,878,045</u>	<u>80,495,554</u>
Operating loss before working capital changes	(858,706)	(36,433,139)
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(29,638,162)	(33,213,653)
Stock in trade	86,973,920	(387,358,541)
Trade debts - Unsecured	-	214,640,257
Short term loans and advances	(5,506,014)	(29,356,303)
Trade deposits, prepayment and other receivables	-	3,001,500
Other receivables	(2,800)	(14,193,248)
	<u>51,826,944</u>	<u>(246,479,988)</u>
Increase in current liabilities		
Trade and other payables	122,844,444	186,787,826
	<u>174,671,388</u>	<u>(59,692,162)</u>
Cash (used in)/generated from operating activities	173,812,682	(96,125,301)
Finance cost paid	(25,984,229)	(17,872,445)
Taxes paid	(7,618,363)	(2,233,034)
Net cash (used in)/generated from operating activities	140,210,090	(116,230,780)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(10,006,828)	(2,352,766)
Capital work in progress	(4,701,044)	(4,687,248)
Sales Proceeds of assets	-	15,000
Long term loans	181,897	173,309
Long term deposits	-	-
Net cash (used in) investing activities	<u>(14,525,975)</u>	<u>(6,851,705)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term loan	(50,000,000)	(70,833,333)
Long term finance obtained	-	-
Dividend paid	(33,058)	-
Net cash (used in)/generated from financing activities	<u>(50,033,058)</u>	<u>(70,833,333)</u>
Net increase/(decrease) in cash and cash equivalents	75,651,057	(193,915,818)
Cash and cash equivalents at the beginning of the period	(315,222,236)	25,761,889
Cash and cash equivalents at the end of the period	<u>(239,571,179)</u>	<u>(168,153,929)</u>

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

DR. TARA CHAND
Chief Executive

MAHESH KUMAR
Director

SYED ABID HUSSAIN
CFO



**CONDENSED INTERIM STATEMENT OF
CHANGES IN EQUITY (UNAUDITED)
FOR THE 1ST QUARTER ENDED DECEMBER 31, 2019**

	Issued, Subscribed and Paidup Capital Rupees	Revaluation surplus on property, plant and equipment Rupees	Accumulated Profit / (Loss) Rupees	Total Rupees
Balance as at October 1, 2018 (Audited)	104,250,000	1,476,249,189	(295,741,993)	1,284,757,196
Loss for the period (Oct - Dec 2018)	-	-	(103,787,361)	(103,787,361)
Incremental depreciation transferred from surplus on revaluation of fixed assets-net of deferred tax	-	(29,699,292)	29,699,292	-
	-	(29,699,292)	(74,088,069)	(103,787,361)
Balance as at December 31, 2018 (Unaudited)	-	(29,699,292)	(74,088,069)	(103,787,361)
Profit for the period (Jan - Sept. 2019)	-	-	153,441,046	153,441,046
Other comprehensive income	-	-	-	-
Incremental depreciation transferred from surplus on revaluation of fixed assets-net of deferred tax	-	(89,042,802)	89,042,802	-
	-	-	-	-
Cash dividend paid @16% for the year ended September 30, 2018	-	-	(16,680,000)	(16,680,000)
	-	(89,042,802)	225,803,848	136,761,046
Balance as at September 30, 2019 (Audited)	104,250,000	1,357,507,095	(144,026,214)	1,317,730,881
Loss for the period (Oct - Dec 2019)	-	-	(77,998,246)	(77,998,246)
Other comprehensive income	-	-	-	-
	-	-	(77,998,246)	(77,998,246)
Incremental depreciation transferred from surplus on revaluation of fixed assets-net of deferred tax	-	(26,730,740)	26,730,740	-
Balance as at December 31, 2019	104,250,000	1,330,776,355	(195,293,720)	1,239,732,635

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

DR. TARA CHAND
Chief Executive

MAHESH KUMAR
Director

SYED ABID HUSSAIN
CFO



**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENT (UNAUDITED)
FOR THE 1ST QUARTER ENDED DECEMBER 31, 2019**

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 237 of the Companies Act, 2017 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, 2019.

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, 2019.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the condensed interim financial information 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 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 information of the Company as at and for the year ended September 30, 2019.

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 up to 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 2019 Rupees	Audited September 2019 Rupees
6 ADVANCE AGAINST FUTURE ISSUE OF SHARES		
Directors	183,000,000	183,000,000
Sponsors	<u>77,000,000</u>	<u>77,000,000</u>
	<u>260,000,000</u>	<u>260,000,000</u>

These are unsecured and interest-free loans obtained from the Company's directors and sponsors and are re-classified as "Advance against the future issue of shares" from "Subordinated loans", upon request of loaners. These funds will be utilized only against the future issue of shares, in accordance, with Companies Act 2017 and applicable laws and regulations. They shall not be repaid in accordance with Company' agreement with its bankers stipulating that the financing availed by the company from such banks are extinguished in full before any payments are made against these funds.

	Unaudited December 2019 Rupees	Audited September 2019 Rupees
7 LONG TERM FINANCES - SECURED		
Opening balance	450,000,000	779,166,667
Obtained during the period	-	-
	450,000,000	779,166,667
Less: repaid during the period	(50,000,000)	(329,166,667)
Current portion	<u>(50,000,000)</u>	<u>(100,000,000)</u>
	<u>(100,000,000)</u>	<u>(429,166,667)</u>
Closing balance	<u>350,000,000</u>	<u>350,000,000</u>

8 CONTINGENCIES & COMMITMENTS

8.1 Contingencies

There is no change in the status of contingencies as disclosed in the published annual financial statements for the year ended September 30, 2019.

	Unaudited December 2019 Rupees	Audited September 2019 Rupees
9 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	2,489,518,716	2,536,202,738
Capital work in progress	<u>73,244,460</u>	<u>68,543,416</u>
	<u>2,562,763,176</u>	<u>2,604,746,154</u>



	Unaudited December 2019 Rupees Acquisitions/ (Deletions)	Unaudited December 2018 Rupees Acquisitions/ (Deletions)
9.1 Operating fixed assets		
Factory building on free hold land	108,240	675,000
Non factory building on free hold land	-	-
Plant & machinery	9,186,740	539,291
Office equipment	78,769	675,075
	-	(86,500)
Furniture & fixture	80,242	-
Computers	127,334	-
Vehicles	425,503	341,897
Tools & tackles	-	121,503
	<u>10,006,828</u>	<u>2,266,266</u>
	Unaudited December 2019 Rupees	Unaudited December 2018 Rupees
10 SALES		
Local	467,456,650	-
Export	75,901,000	-
Inland Freight subsidy	-	-
Less: Sales tax	(73,754,160)	-
	<u>469,603,490</u>	<u>-</u>
11 COST OF GOODS SOLD		
Sugarcane consumed	283,756,662	353,594,198
Manufacturing expenses	116,142,645	109,374,953
	399,899,307	462,969,151
Stock in process - opening	3,740,859	9,292,544
Stock in process - closing	(53,463,620)	(40,090,085)
	(49,722,761)	(30,797,541)
	350,176,546	432,171,610
Stock of by-product - opening	27,606,240	-
Sale of by-product	-	-
Stock of by-product - closing	(64,382,912)	(31,160,000)
	(36,776,672)	(31,160,000)
Cost of goods manufactured	313,399,874	401,011,610
Stock of finished goods - opening	429,204,353	-
Stock of finished goods - closing	(255,731,000)	(325,401,000)
	173,473,353	(325,401,000)
	<u>486,873,227</u>	<u>75,610,610</u>



	Unaudited December 2019 Rupees	Unaudited December 2018 Rupees
11.1 Manufacturing expenses		
Salaries, wages and other benefits	30,004,728	27,262,832
Production stores consumed	5,071,718	6,968,928
Fuel and power	2,523,792	1,495,132
Repairs and maintenance	25,556,083	13,546,942
Vehicle running and maintenance	106,900	547,288
Insurance	1,857,659	1,378,981
Depreciation	51,021,765	56,976,894
Others	-	1,197,956
	<u>116,142,645</u>	<u>109,374,953</u>

12 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 2019 Rupees	Audited September 2019 Rupees
Cash and bank balances	188,961,815	23,126,351
Short term running finance	<u>(428,532,994)</u>	<u>(338,348,587)</u>
	<u>(239,571,179)</u>	<u>(315,222,236)</u>

13 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 2019 Rupees	Unaudited December 2018 Rupees
Directors	1,416,374	1,484,432
Key Management personnel	2,634,454	3,422,824
Provident fund contribution	1,095,356	999,632



	Unaudited December 2019 Rupees	Audited September 2019 Rupees
Loans from Directors	183,000,000	183,000,000
Loans from Related Parties	<u>77,000,000</u>	<u>77,000,000</u>
	<u>260,000,000</u>	<u>260,000,000</u>

14 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 28, 2020.

15 GENERAL

Figure have been rounded off to the nearest Rupee.

DR. TARA CHAND
Chief Executive

MAHESH KUMAR
Director

SYED ABID HUSSAIN
CFO

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