



*Sindh Abadgar's Sugar Mills Limited*

**UNAUDITED  
QUARTERLY FINANCIAL STATEMENTS  
1ST QUARTER ENDED DECEMBER 31, 2021**



## COMPANY PROFILE

<b>DIRECTORS</b>	Mr. Deoo Mal Essarani Dr. Tara Chand Essarani Mr. Mahesh Kumar Mr. Dileep Kumar Mr. Pehlaj Rai Mr. Mohan Lal Dr. Besham Kumar Mr. Muhammad Siddiq Khokhar Mr. Zafar Ahmed Ghori Ms. Maheshwari Osha	Chairman Chief Executive Director Director Director Director Director Independent Director Independent Director Independent Director
<b>CHIEF FINANCIAL OFFICER</b>	Syed Abid Hussain	
<b>COMPANY SECRETARY</b>	Mr. Aziz Ahmed	
<b>BANKERS</b>	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	
<b>AUDIT COMMITTEE</b>	Mr. Zafar Ahmed Ghori Mr. Pehlaj Rai Mr. Dileep Kumar Dr. Besham Kumar	Chairman Member Member Member
<b>HR AND REMUNERATION COMMITTEE</b>	Ms. Maheshwari Osha Mr. Mohan Lal Mr. Dileep Kumar	Chairman Member Member
<b>AUDITORS</b>	M/s. Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants	
<b>REGISTERED OFFICE</b>	209, 2nd Floor, Progressive Plaza, Beaumont Road, Karachi-Pakistan.	
<b>MILLS</b>	Deh: Deenpur, Taluka. Bulri Shah Karim, Distt. Tando Muhammad Khan, Sindh-73024.	
<b>REGISTRAR</b>	JWAFFS Registrar Services (Pvt) Ltd. 407- 408, Al Ameer Centre, Shahrah e Iraq, Saddar, Karachi.	
<b>EMAIL ADDRESS</b>	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 of the first quarter ended December 31, 2021.

### OPERATIONAL RESULTS:

Particulars	December 31, 2021	December 31, 2020
Season commenced on	28.11.2021	29.11.2020
Period reporting upto	31.12.2021	31.12.2020
Days worked (Gross) - Days	34	33
Cane crushed - Tons	75,935	130,943
Average Crushing per day - Tons	2,233	3,967
Capacity utilization - %	28	50
Sugar recovery - %	9.86	9.71
Sugar produced - Tons	6,625	11,710
Molasses % Cane - %	4.57	4.44
Molasses produced - Tons	2,800	5,210

The Company crushed 75,935 M.Tons of Sugarcane compared to 130,943 M.Tons in the comparable period of last year reflecting a 28% utilization of capacity constrained by availability of expensive Sugar-cane against the support price fixed at Rs.250 per 40 Kgs. Accordingly sugar extracted 6,625 M.Tons compared to 11,710 M.Tons in the corresponding period. The sugar recovery stood at 9.86% as against 9.71% achieved in the corresponding period. The company is consciously procuring the Sugarcane in view of high rate demanding by the growers, which often occurred no cane situation resulting intermittent stoppages of Mills.

### FINANCIAL RESULTS:

Particulars	December 31, 2021 Rupees	December 31, 2020 Rupees
Sales	1,229,162,489	50,668,423
Gross Profit / (Loss)	123,029,126	(15,263,084)
Operating Profit / (Loss)	90,747,921	(43,193,964)
Profit / (Loss) after Taxation	63,517,660	(54,541,379)
Earnings Profit/ (Loss) per share	6.09	(5.23)



The company achieved sales at Rs. 1.23 billion compared to Rs. 50.67 million in the corresponding period. The increase in sales is attributed to liquidation of last year carry over stock. The gross profit worked out at 7% compared to negative in the corresponding period in view of better selling prices achieved. The administrative expenses has increased at Rs. 31.28 million due to annual increments compared to Rs.26.25 in the corresponding period and financial cost also increased to Rs. 14.39 million amid increase in kibar rates as against Rs. 11.74 million in the corresponding period. In view of better sales the company earned profit after tax Rs. 63.52 million during the quarter compared to Rs. 54.54 million losses sustained in the comparable period. The earning per share stood at Rs. 6.09 per share as against loss per share at Rs. 5.23 in the last period.

#### **FUTURE OUTLOOK.**

The government has fixed the price of sugar cane at Rs. 250/= per 40 Kgs in Sindh as compared to Rs. 202 per 40 Kgs in the preceding season increased by 24%. In spite of significant increase in price, the growers are reluctant to sell Sugarcane at this price and demanding throat cut prices at which production of sugar is not viable and accordingly no relief will be available to the masses despite anticipated bumper crop of Sugarcane. The government should play its role and take strict action against the growers, those who are maligning the millers. Even at procuring sugarcane at notified price will make the production of sugar very expensive and in the event sugar price do not increase from their current level the financial health of sugar industry will adversely be effected particular the mills which are situated in lower Sindh.

The SBP move to contain inflation has increased the policy rate from 6.25% to 9.75% which is likely to increase further, will also have negative impact on the company. As such the profitability of the company in future is dependent on the trend of sugar prices. To mitigate the impact of anticipated weak prices of sugar and unviable higher price of sugarcane, the company is more focused towards achieving operational efficiency by improving sucrose recovery from sugarcane with optimal use of capacity, taking necessary steps to reduce the fixed cost and sell the sugar at better price to remain profitable venture and the earn the confidence of shareholders.

The Board of Directors would like to thanks all the shareholders for their continued trust and confidence reposed on them and assured them, the management is quite capable to achieve success with better planning to overcome the difficult situation facing by the company. 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 the desired results and prosperous future.

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**Dr. Tara Chand**  
Chief Executive

Karachi: January 26th, 2022

## ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز،

بورڈ آف ڈائریکٹرز کی جانب سے یہ میرا امتیاز ہے کہ میں کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی گوشوارے برائے سہ ماہی

اختتام پذیر 31 ستمبر 2021 پیش کر رہا ہوں۔

### آپریٹیشنل نتائج

31 دسمبر 2020	31 دسمبر 2021	کوائف
29-11-2020	28-11-2021	بیزنس کا آغاز
31-12-2020	31-12-2021	رپورٹنگ کی تاریخ
33	34	کام کے کل ایام
130,943	75,935	پیسے لگائے گئے
3,967	2,233	فی دن پیسائی کا تناسب
50	28	پیداواری صلاحیت
9.71	9.86	چینی کی وصولیابی
11,710	6,625	چینی کی پیداوار
4.44	4.57	شیرے کا تناسب
5,210	2,800	شیرے کی پیداوار

کمپنی نے اس مدت کے دوران، 75,935 میٹرک ٹن گنے کی پہاٹی کی جبکہ گزشتہ سال مماثل دورانیہ میں 130,943 میٹرک ٹن پیسائی کی گئی تھی، اس طرح کمپنی کی پیداواری صلاحیت 28 فیصد رہی جس کی وجہ مقررہ قیمت 250 روپے فی 40 کلو گنے کی دستیابی کے بجائے منگنے والی قیمتوں کی خریداری ہے۔ لہذا اس دورانیہ میں 6,625 میٹرک ٹن چینی حاصل کی گئی جبکہ گزشتہ سال دورانیہ میں 11,710 میٹرک ٹن چینی حاصل کی گئی تھی۔ اس طرح چینی کی وصولیابی 9.86 فیصد رہی جبکہ گزشتہ سال دورانیہ میں 9.71 فیصد تھی۔ کمپنی کسانوں کی جانب سے بھاری قیمتوں کے مطالبہ کو مد نظر رکھتے ہوئے انتہائی احتیاط کے ساتھ گنے کی خریداری کر رہی ہے، کیونکہ اکثر گنے کی عدم دستیابی کی صورتحال پیدا ہو جاتی ہے جو کہ ملوں کے وقفے وقفے سے بند ہو جانے کا باعث بنتی ہے۔

## مالیاتی نتائج

31 دسمبر 2020	31 دسمبر 2021	کوائف
روپے میں	روپے میں	
50,668,423	1,229,162,489	فروخت
(15,263,084)	123,029,126	کل منافع/(خسارہ)
(43,193,964)	90,747,921	آپریٹنگ منافع/(خسارہ)
(54,541,379)	63,517,660	ٹیکس کی ادائیگی کے بعد منافع/(خسارہ)
(5.23)	6.09	فی شیئر منافع/(خسارہ)

کمپنی نے اس دورانیہ میں مبلغ 1.23 بلین روپے کا فروختگی حجم حاصل کیا جبکہ گزشتہ مہماثل دورانیہ میں یہ حجم 50.67 بلین روپے تھا۔ فروخت میں اضافے کی وجہ گزشتہ سال کا بقیہ اسٹاک نکالنا تھا۔ جملہ منافع کا حساب 7 فیصد لگایا گیا ہے جبکہ مہماثل دورانیہ میں یہ تناسب خفی تھا۔ انتظامی اخراجات بڑھ کر مبلغ 31.28 بلین روپے ہو گئے ہیں جس کی وجہ سالانہ اضافے ہیں، یہی اخراجات گزشتہ مہماثل دورانیہ میں 26.25 بلین روپے تھے، جبکہ مالیاتی اخراجات بھی 14.39 بلین روپے تک بڑھ گئے ہیں جس کی وجہ KIBOR کی شرح میں اضافہ ہے، گزشتہ مہماثل دورانیہ میں یہ اخراجات 11.74 بلین تھے۔ فروختگی حجم میں بہتری کے پیش نظر کمپنی نے مبلغ 63.52 بلین روپے منافع حاصل کیا ہے، جبکہ گزشتہ مہماثل دورانیہ میں کمپنی نے 54.54 بلین روپے کا خسارہ برداشت کیا تھا۔ اس طرح فی شیئر کمائی مبلغ 6.09 روپے ہوئی جبکہ مہماثل دورانیہ میں فی شیئر 5.23 روپے کا خسارہ ہوا تھا۔

## مستقبل کے امکانات:

حکومت نے سندھ میں فی 40 کلو گنے کی قیمت مبلغ 250 روپے مقرر کی ہے جبکہ گزشتہ مہماثل دورانیہ میں یہ قیمت 202 روپے فی 40 کلو گنے، یعنی مقررہ قیمت میں 21 فیصد اضافہ ہوا ہے۔ قیمت میں قابل ذکر اضافہ ہونے کے باوجود، کسان اس قیمت پر گنا فروخت کرنے سے گریزاں ہیں اور انتہائی زیادہ قیمتوں کا مطالبہ کر رہے ہیں جس پر چینی کی پیداوار عملی طور پر ممکن نہیں لہذا اگر دیکھا جائے تو گنے کی وافر مقدار میں فصل ہونے کے امکان کے باوجود، بڑے پیمانے پر کسی قسم کی دادرسی نہیں ہوگی۔ حکومت کو چاہئے کہ وہ اس سلسلے میں اپنا کردار ادا کرے اور کسانوں کے خلاف سخت کارروائی کے جو کہ مل مکان کو ضرر پہنچا رہے ہیں۔ یہاں تک کہ طے شدہ قیمت پر گنا حاصل کرنے پر بھی چینی کی پیداوار انتہائی مہنگی ہو جائے گی اور اگر چینی کی قیمت میں مزید اضافہ نہیں کیا گیا تو صنعت کی معاشی صحت بری طرح متاثر ہوگی، خصوصی ایسی مل کو زیادہ نقصان پہنچے گا جو کہ اندرون سندھ میں واقع ہیں۔

اسٹیٹ بینک پاکستان نے مہنگائی کے پیش نظر پالیسی ریٹ کی شرح 6.25 فیصد سے 9.75 فیصد بڑھادی ہے جو کہ آئندہ مزید بڑھنے کا امکان ہے، اس سے بھی کمپنی پر منفی اثرات مرتب ہوں گے۔ جیسا کہ کمپنی کا منافع چینی کی قیمتوں پر انحصار کرتا ہے، کمپنی نے اپنی توجہ آپریشنل صلاحیت میں اضافہ پر مرکوز کر دی ہے اور صلاحیت کا زیادہ سے زیادہ استعمال کرتے ہوئے گئے سے شیرے کی حصولی کیلئے کوششیں تیز کر دی ہیں، جبکہ مقررہ لاگت کو کم کرنے کیلئے ضروری اقدامات اٹھائے ہیں اور بہترین قیمتی پرفورمنس کے حوالے سے کوششیں بروئے کار لاری ہے تاکہ کمپنی کو منافع بخش رکھا جائے اور شیئرز ہولڈرز کا اعتماد بحال رکھا جائے۔

بورڈ آف ڈائریکٹرز تمام شیئرز ہولڈرز کا شکریہ ادا کرنا چاہیں گے جنہیں نے ہم پر مسلسل اعتماد اور بھروسہ قائم کیے رکھا اور انہیں یقین دلاتی ہے کہ انتظامیہ بہترین حکمت عملی کے ساتھ کمپنی کو درپیش مشکلات پر قابو پانے کیلئے باصلاحیت ہے۔ ڈائریکٹرز مزید کمپنی کے افسران اور ملازمین کی انتہک محنت اور تہدیت کو براہ سراہتے ہیں۔ براہ کرم رب العزت سے دعا کریں کہ وہ مطلوبہ نتائج اور خوشحال مستقبل کیلئے ہماری رہنمائی اور مدد فرمائے۔

ڈاکٹر تارا چند

چیف ایگزیکٹو

کراچی، 26 جنوری، 2022



**STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
AS AT DECEMBER 31, 2021

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>Un-audited December 31, 2021 Rupees</b>	<b>Audited September 30, 2021 Rupees</b>
<b>Share Capital &amp; Reserves</b>			
Authorized capital		650,000,000	650,000,000
Issued, subscribed and paid-up capital		104,250,000	104,250,000
<b>Capital reserves</b>			
Surplus on revaluation of property, plant and equipment -net		1,819,027,684	1,841,172,213
<b>Revenue reserves</b>			
Accumulated losses		(131,411,386)	(217,073,575)
		1,791,866,298	1,728,348,638
Subordinated loans		480,000,000	480,000,000
		2,271,866,298	2,208,348,638
<b>Non current liabilities</b>			
Long term finance - secured	5	229,166,667	229,166,667
Deferred liabilities		879,717,502	889,917,432
		1,108,884,169	1,119,084,099
<b>Current liabilities</b>			
Trade and other payables		574,696,509	361,945,095
Short term borrowings		850,221,409	908,564,854
Unclaimed dividend		6,496,765	6,499,447
Accrued mark-up		12,866,671	24,873,080
Current maturity of long term finance		70,833,333	120,833,333
		1,515,114,687	1,422,715,809
Contingencies and commitments	6	4,895,865,154	4,750,148,546
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	7	3,200,924,322	3,245,126,564
Long term loans		452,229	452,229
Long term deposits		792,527	792,527
		3,202,169,078	3,246,371,320
<b>Current assets</b>			
Stores and spares - net		149,207,344	108,662,813
Stock in trade		656,727,890	1,017,211,456
Trade debts - unsecured		56,634,101	93,695,728
Short term loans and advances		159,184,736	111,364,100
Trade deposits and short term prepayments		-	1,630,862
Other receivables		76,379,887	76,431,187
Tax refunds due from government		46,625,908	68,844,154
Cash and bank balances	10	548,936,210	25,936,926
		1,693,696,076	1,503,777,226
		4,895,865,154	4,750,148,546

The annexed notes from 1 to 0 form an integral part of these financial statements.

**DR. TARA CHAND**  
Chief Executive

**MAHESH KUMAR**  
Director

**SYED ABID HUSSAIN**  
CFO





**STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE 1ST QUARTER ENDED DECEMBER 31, 2021**

	Note	December 2021 Rupees	December 2020 Rupees
Net Sale	8	1,229,162,489	50,668,423
Cost of sales		(1,106,133,363)	(65,931,507)
<b>Gross profit / (loss)</b>		<u>123,029,126</u>	<u>(15,263,084)</u>
Administrative expenses		(31,227,578)	(26,255,847)
Selling and distribution expenses		(1,053,627)	(1,675,033)
		<u>(32,281,205)</u>	<u>(27,930,880)</u>
<b>Operating profit / (loss)</b>		90,747,921	(43,193,964)
Finance cost		(14,388,915)	(11,737,742)
		<u>76,359,006</u>	<u>(54,931,706)</u>
Other income - net		8,937,137	809,627
<b>Profit / (loss) before taxation</b>		<u>85,296,143</u>	<u>(54,122,079)</u>
Taxation - net		(21,778,483)	(419,300)
<b>Profit / (loss) after taxation</b>		<u>63,517,660</u>	<u>(54,541,379)</u>
<b>Earnings / (loss) per share - basic and diluted</b>		<u>6.09</u>	<u>(5.23)</u>

The annexed notes from 1 to 13 form an integral part of these financial statements.

**DR. TARA CHAND**  
Chief Executive

**MAHESH KUMAR**  
Director

**SYED ABID HUSSAIN**  
CFO



**STATEMENT OF COMPREHENSIVE INOCME (UN-AUDITED)  
FOR THE 1ST QUARTER ENDED DECEMBER 31, 2021**

	<b>December 2021 Rupees</b>	<b>December 2020 Rupees</b>
Profit / (loss) after taxation	63,517,660	(54,541,379)
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income/(loss) for the period</b>	<u>63,517,660</u>	<u>(54,541,379)</u>

The annexed notes from 1 to 13 form an integral part of these financial statements.

**DR. TARA CHAND**  
Chief Executive

**MAHESH KUMAR**  
Director

**SYED ABID HUSSAIN**  
CFO



**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
FOR THE 1ST QUARTER ENDED DECEMBER 31, 2021

	Note	December 2021 Rupees	December 2020 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit / (loss) before taxation		85,296,143	(54,122,079)
Adjustments for:			
- Depreciation		44,282,549	51,231,812
- Finance costs		13,897,900	11,737,742
- Gain on disposal of property, plant and equipment		(6,865,372)	-
		<u>51,315,077</u>	<u>62,969,554</u>
Operating profit before working capital changes		136,611,220	8,847,475
<b>Changes in working capital</b>			
Decrease / (increase) in current assets			
- Stores and spares		(40,544,531)	(44,581,945)
- Stock in trade		360,483,566	(726,765,929)
- Trade debts - unsecured		37,061,627	435,254,000
- Short term loans and advances		(47,820,636)	(117,414,397)
- Trade deposits and short term prepayments		1,630,862	76,000
- Other receivables		51,300	150
		<u>310,862,188</u>	<u>(453,432,121)</u>
Increase in current liabilities			
- Trade and other payables		212,751,414	90,591,012
		<u>660,224,822</u>	<u>(353,993,634)</u>
<b>Net cash generated from / (used in) operations</b>		<b>660,224,822</b>	<b>(353,993,634)</b>
Taxes paid		(9,760,167)	(16,436,912)
Finance costs paid		(25,904,309)	(16,142,503)
		<u>(35,664,476)</u>	<u>(32,579,415)</u>
<b>Net cash generated from/ (used in) operating activities</b>		<b>624,560,346</b>	<b>(386,573,049)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		1,804,321	(5,640,933)
Proceeds from sale of property, plant and equipment		4,980,744	-
Long term loans - net		-	52,114
<b>Net cash generated from/ (used in) investing activities</b>		<b>6,785,065</b>	<b>(5,588,819)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term finance		(50,000,000)	-
Dividend paid		(2,682)	(815)
<b>Net cash used in financing activities</b>		<b>(50,002,682)</b>	<b>(815)</b>
<b>Net Increase/(decrease) in cash and cash equivalents</b>		<b>581,342,729</b>	<b>(392,162,683)</b>
Cash and cash equivalents at the beginning of the period		(882,627,928)	(169,478,996)
<b>Cash and cash equivalents at the end of the period</b> 10		<b><u>(301,285,199)</u></b>	<b><u>(561,641,679)</u></b>

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

**DR. TARA CHAND**  
Chief Executive

**MAHESH KUMAR**  
Director

**SYED ABID HUSSAIN**  
CFO



**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
FOR THE 1ST QUARTER ENDED DECEMBER 31, 2021

	Issued, Subscribed and Paidup Capital Rupees	Surplus on revaluation of property, plant and equipment Rupees	Accumulated losses Rupees	Total Rupees
<b>Balance as at October 01, 2020</b>	104,250,000	1,250,971,892	(213,312,511)	1,141,909,381
Total comprehensive loss for the quarter ended December 31, 2020				
- Loss after taxation	-	-	(54,541,379)	(54,541,379)
- Other comprehensive income	-	-	-	-
	-	-	(54,541,379)	(54,541,379)
Incremental depreciation transferred from surplus on revaluation of Property plant and equipment - net of deferred tax	-	(24,023,714)	24,023,714	-
<b>Balance as at December 31, 2020 (un-audited)</b>	<b>104,250,000</b>	<b>1,226,948,178</b>	<b>(243,830,176)</b>	<b>1,087,368,002</b>
<b>Balance as at October 01, 2021</b>	<b>104,250,000</b>	<b>1,841,172,213</b>	<b>(217,073,575)</b>	<b>1,728,348,638</b>
Total comprehensive income for the quarter ended December 31, 2021				
- Profit after taxation	-	-	63,517,660	63,517,660
- Other comprehensive income	-	-	-	-
	-	-	63,517,660	63,517,660
Incremental depreciation transferred from surplus on revaluation of Property plant and equipment - net of deferred tax	-	(22,144,529)	22,144,529	-
<b>Balance as at December 31, 2021 (un-audited)</b>	<b>104,250,000</b>	<b>1,819,027,684</b>	<b>(131,411,386)</b>	<b>1,791,866,298</b>

**DR. TARA CHAND**  
Chief Executive

**MAHESH KUMAR**  
Director

**SYED ABID HUSSAIN**  
CFO



## **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE 1ST QUARTER ENDED DECEMBER 31, 2021**

### **1. STATUS AND NATURE OF BUSINESS**

Sindh Abadgar's Sugar Mills Limited ("the Company") is a public listed company incorporated in Pakistan under the repealed Companies Ordinance, 1984 ('the Ordinance') which has now been replaced by Companies Act, 2017 ('the Act'). The shares of the Company are quoted on Pakistan Stock Exchange Limited ("the Exchange"). The principal business of the Company is the production and sale of white sugar.

The geographical location and address of Company's business units, including plant are as under:

Head office: The Company's registered office is situated at 209, Progressive Plaza, Beaumont Road, Karachi, Pakistan.

Mill: The Company's plant is located at Deh Deenpur, District Tando Muhammad Khan, Sindh, Pakistan.

### **2. BASIS OF PREPARATION**

#### **2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended September 30, 2021

#### **2.2 Basis of measurement**

These condensed interim financial statements have been prepared under the historical cost convention except for land, buildings and plant & machinery which are carried under the revaluation model of accounting.



### 2.3 Functional and presentation currency

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These condensed interim financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

### 3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended September 30, 2021.

### 4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial information requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimating the uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended September 30, 2021.

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the audited annual financial statements as at and for the year ended September 30, 2021.

### 5. LONG TERM FINANCES

#### Mark-up based financing from conventional banks

	Unaudited December 2021 Rupees	Audited September 2021 Rupees
Opening balance	350,000,000	400,000,000
Less: Payment made during the period	<u>(50,000,000)</u>	<u>(50,000,000)</u>
	300,000,000	350,000,000
Less: current maturity shown under current liabilities	<u>(70,833,333)</u>	<u>(120,833,333)</u>
	<u>229,166,667</u>	<u>229,166,667</u>

### 6. CONTINGENCIES AND COMMITMENTS

#### 6.1 Contingencies

There is no change in the status of the contingencies and commitments set out in the note 13 to the Company's annual financial statements for the year ended September 30, 2021.



		<b>Unaudited December 2021 Rupees</b>	<b>Audited September 2021 Rupees</b>
<b>7 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	7.1	<u>3,200,924,322</u>	<u>3,245,126,564</u>
		<u>3,200,924,322</u>	<u>3,245,126,564</u>
<b>7.1 Operating assets Cost / Revalued amount</b>			
<b>Opening balance</b>		5,176,342,731	4,100,481,561
Additions		1,964,935	182,729,104
Disposal		<u>(8,776,989)</u>	<u>(3,689,720)</u>
		5,169,530,677	4,279,520,945
<b>Accumulated depreciation</b>			
Opening Balance		1,931,216,167	1,768,931,731
Charge for the period		44,282,549	165,167,959
Disposal		<u>(6,892,361)</u>	<u>(2,883,523)</u>
		1,968,606,355	1,931,216,167
Surplus on revaluation			
Written down value as at December 31, 2021 (Un-Audited)		-	896,821,786
Written down value as at September 30, 2021 (Audited)		<u>3,200,924,322</u>	<u>3,245,126,564</u>
<b>8 TURNOVER - NET</b>		<b>Unaudited December 2021 Rupees</b>	<b>Unaudited December 2020 Rupees</b>
Sales - gross Local		1,389,804,850	59,286,250
Sales tax-Sugar		(160,642,361)	-
		<u>1,229,162,489</u>	<u>(8,617,827)</u>
		<u>1,229,162,489</u>	<u>50,668,423</u>

## 9 RELATED PARTY TRANSACTIONS

Related parties comprise associated undertakings, staff provident fund, major shareholders, directors, key management personnel of the Company and their close family members. Transaction with related parties are on arm's length basis. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment. Transaction with related parties during the year, other than those disclosed elsewhere in these financial statements are as follows:



	Unaudited December 2021 Rupees	Unaudited December 2020 Rupees
<b>Transactions during the period</b>		
Remuneration to chief executive and directors	700,000	700,000
Contribution to staff provident fund	1,065,466	709,643
<b>Balances at year end</b>		
Advance against supplies	5,454,199	3,001,835
Subordinated loan		
-from Directors	403,000,000	403,000,000
-from Related parties	77,000,000	77,000,000
	<u>480,000,000</u>	<u>480,000,000</u>

## 10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the reporting period as shown in the cash flow statement are reconciled to the related items in the statement of financial position as follows:

	Unaudited December 2021 Rupees	Audited September 2021 Rupees
Cash and bank balances	548,936,210	25,936,926
Short term borrowings	(850,221,409)	(908,564,854)
	<u>(301,285,199)</u>	<u>(882,627,928)</u>

## 11 AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue in the Board of Directors meeting held on 26 January, 2022.

## 12 GENERAL

Figures have been rounded off to the nearest Rupee.

**DR. TARA CHAND**  
Chief Executive

**MAHESH KUMAR**  
Director

**SYED ABID HUSSAIN**  
CFO



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