



*Sindh Abadgar's Sugar Mills Limited*

**UNAUDITED  
QUARTERLY FINANCIAL STATEMENTS  
1ST QUARTER ENDED DECEMBER 31, 2023**



## 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>	Mr. Saqib Ghaffar	
<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 Ameera 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 our privilege to present the un-audited condensed interim financial statements of the Company for the first quarter ended December 31, 2023.

### OPERATIONAL RESULTS:

Particulars		December 31, 2023	December 31, 2022
Season commenced on		30.11.2023	29.11.2022
Period reporting up to		31.12.2023	31.12.2022
Days worked (gross)	Days	32	33
Cane crushed	Tons	198,744	129,987
Average Crushing per day	Tons	6,411	3,939
Capacity utilization	%	80	49
Sugar recovery	%	10.41	9.88
Sugar produced	Tons	19,610	11,955
Molasses % Cane	%	4.42	4.51
Molasses produced	Tons	8,120	5,235

The Company crushed 198,744/- M. Tons of Sugarcane compared to 129,987 M. Tons in the comparable period of last year reflecting a 80% utilization of capacity which, remarkably increased by 52% from the corresponding period. Accordingly, sugar extracted 19,610 M. Tons compared to 11,955 M. Tons in the corresponding period and sugar recovery at 10.41% as against 9.88% achieved in the corresponding period increased by 64% and 5.36% respectively.

### FINANCIAL RESULTS:

Particulars	December 31, 2023 Rupees	December 31, 2022 Rupee
Sales	635,422,126	841,716,723
Gross Profit	182,458,887	4,838,580
Operating profit / (loss)	140,420,865	(28,967,480)
Profit / (loss) after taxation	129,349,556	(47,648,743)
Earnings / (loss) per share	12.41	(4.57)



The company recorded sales of Rs. 635 million compared to Rs. 842 million in the corresponding period which plummeted by 25% amid low volume of sugar sale. Cost of production per kg has worked out at Rs 100.22 compared to Rs 78.89 per Kg in the corresponding period. Average selling has also sharply arisen to Rs. 101.25 per Kg from Rs. 63.80 per Kg in the corresponding period. Resultantly the company earned a profit after taxation Rs. 129.35 million compared to loss Rs. 47.65 million. The Earning per share accordingly stood at Rs. 12.4 per share compared to a Loss of Rs. 4.57 per share in the corresponding period.

### **FUTURE OUTLOOK**

The government has fixed the price of sugar cane at Rs. 425 per 40 kg in Sindh as compared to Rs. 302-per 40 kg in the preceding season reflecting an increase 41%. In spite of phenomenal increase in sugar cane price announced by the Sindh Government, the Millers are purchasing the sugar cane way above the support price, which consequently spike the cost of production of sugar. On the other hand sugar prices in the local market are very low and depressed compared with the high cost of production amid strict measures are being taken by the Government to keep the prices below cost of production to provide subsidy to the poor masses at the expense of industry, ultimately it will have a direct impact on its cash flow as more bank borrowing is needed to procure sugar cane at very high interest rate. However sugar production during the current season 2023-24 is projected to be less compared to 2022-23 which may prompt the sugar prices to appreciate in the coming months. The company is therefore focused towards achieving optimal operational capacity, allowing maximum yield of sugar from sugarcane, taking austerity measures and reducing fixed cost where ever possible to remain profit making entity in order to earn the confidence of Shareholders and bankers.

It is worthwhile to mention that the cutoff yield witnessed a decline of 62 basis points on the recent auction of treasury bills approximately at 20.40% per annum against the current policy rate of 22% auction. That suggest that the policy rate will decline to 50 to 100 basis point in the medium term to justify this current yield. As such in future reduction in the policy rate will help increase the profitability of the company as it represents significant part of the cost of sugar.

The Board of Directors would like to thanks all the shareholders for their continued trust and confidence reposed on them and assured them that the management is quite capable to achieve success with better planning to overcome the difficult situation faced by the company. The directors also place on record their appreciation of devoted services and hard work put in by the officers and workers of the company Please pray to GOD to guide and help us achieve the desired results and prosperous future.

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**Dr. Tara Chand**  
Chief Executive

Karachi: 30.01.2024

## ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز،

اسلام علیکم!

بورڈ آف ڈائریکٹرز کی جانب سے یہ ہمارا امتیاز ہے کہ ہم کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی گوشوارے برائے پہلی سہ ماہی اختتام پذیر 31 دسمبر 2023 پیش کر رہے ہیں۔

### عملیاتی نتائج

2022 دسمبر 31	2023 دسمبر 31	عملیاتی نتائج:
29-11-2022	30-11-2023	پسائی کا آغاز
31-12-2022	31-12-2023	پسائی کا اختتام
33	32	کام کے ایام (مجموعی) - ایام
129,987	198,744	پیسے گئے گنوں کی تعداد - ٹن
3,939	6,411	روزانہ پیسائی کا تناسب - ٹن
49	80	استعمال کی استعداد - فیصد
9.88	10.41	چینی کی وصولیابی - فیصد
11,955	19,610	چینی کی پیداوار - ٹن
4.51	4.42	گنے میں شیرہ کا تناسب - فیصد
5,235	8,120	شیرہ کی پیداوار - ٹن

کمپنی نے موجودہ دورانیہ میں 80 فیصد استعداد بروئے کار لاتے ہوئے 198,744 میٹرک ٹن گنے کی پیسائی کی جو کہ گذشتہ ممال دورانیہ میں 129,987 میٹرک ٹن تھی یعنی گذشتہ ممال دورانیہ کے مقابلے میں 52 فیصد قابل ذکر اضافہ ہوا۔ اس طرح موجودہ دورانیہ میں 19,610 میٹرک ٹن چینی حاصل کی گئی جو کہ گذشتہ سال ممال دورانیہ میں 11,955 میٹرک ٹن تھی، جبکہ چینی کی وصولی 10.41 فیصد رہی جو کہ پہلے 9.88 فیصد تھی، یعنی ان میں بالترتیب 64 فیصد اور 5.36 فیصد کا اضافہ ہوا۔

## مالیاتی نتائج

31 دسمبر 2022	31 دسمبر 2023	
(روپے میں)	(روپے میں)	
841,716,723	635,422,126	فروخت
4,838,580	182,458,887	جملہ منافع
(28,967,480)	140,420,865	آپریٹن منافع / (نقصان)
(47,648,743)	129,349,556	بعد از ٹیکس منافع / (نقصان)
(4.57)	12.41	فی شیئر کمائی / (خسارہ)

کمپنی نے موجودہ دورانیہ میں 635 ملین روپے کی فروخت کی جو کہ گذشتہ مہماثل دورانیہ میں 842 ملین روپے تھی یعنی فروختگی حجم میں 25 فیصد کمی ہوئی۔ فی کلگرام چینی کی پیداواری لاگت مبلغ 100.22 روپے فی کلو حساب لگائی گئی ہے جو کہ پہلے 78.89 روپے تھی۔ فروختگی نرخ بھی اس دورانیہ میں اندازاً 101.25 روپے فی کلو ہے جو کہ پہلے 63.80 روپے فی کلو تھے۔ نتیجتاً کمپنی نے ٹیکس کے بعد 129.35 ملین روپے منافع حاصل کیا ہے جو کہ پہلے 47.65 ملین روپے خسارہ تھا۔ اس طرح فی شیئر کمائی 12.4 رہی جو کہ گذشتہ مہماثل دورانیہ میں منفی 4.57 روپے تھی۔

## مستقبل کے امکانات:

حکومت نے صوبہ سندھ میں فی من گنے کی قیمت مبلغ 425 روپے مقرر کی ہے جو کہ گذشتہ سیزن میں 302 روپے فی من تھی، یعنی اس میں 41 فیصد اضافہ ہوا ہے۔ حکومت سندھ کی جانب سے گنے کی قیمتوں میں بھی غیر معمولی اضافہ کیا گیا ہے جبکہ مل مالکان سپورٹ قیمت سے کہیں زیادہ قیمت پر گنے کی خریداری کر رہے ہیں، جس کی وجہ سے چینی کی پیداواری لاگت میں اضافہ ہو رہا ہے۔ دوسری جانب، مقامی مارکیٹ میں بھی چینی کی قیمتیں کم ہے اور پیداواری لاگت کو مد نظر رکھا جائے تو دباؤ کا شکار ہیں، حکومت کو پیداواری لاگت چینی کی قیمتوں سے نیچے رکھنے کیلئے سخت اقدامات کرنے کی ضرورت ہے، اس کا براہ راست کیش فلو پر پڑتا ہے اور گنے کی خریداری کیلئے ہماری شرح سود پر بینک سے قرض لینے کی ضرورت پڑتی ہے۔ تاہم موجودہ سیزن 2023-24 میں چینی کی پیداوار گذشتہ سیزن 2022-23 کے مقابلے میں کم رہی ہے جس سے آئندہ مہینوں میں چینی کی قیمتوں میں فوری طور پر اضافہ کا امکان ہے۔

کمپنی نے اپنی توجہ آپریشنل صلاحیت میں اضافے پر مرکوز کی ہوئی ہے تاکہ گئے سے زیادہ سے زیادہ چینی حاصل کی جاسکے، اس حوالے سے ٹھوس اقدامات اٹھائے گئے ہیں اور جہاں تک ممکن ہوا، فحش اخراجات کو کم کرنے کی بھرپور کوشش کی گئی ہے تاکہ شیئر ہولڈرز اور بینکوں کا اعتماد بحال رکھنے کیلئے ادارے کو منافع بخش رکھا جاسکے۔

یہاں یہ بات بیان کرنا اہم ہے کہ ٹریڈری بل کی حالیہ نیلامی جو کہ 22 فیصد نیلامی کے موجودہ پالیسی ریٹ کی بنیاد پر ہوئی اس میں 62 بیس پوائنٹ کی کمی دیکھی گئی ہے۔ اس سے یہ امکان پیدا ہوتا ہے کہ اس موجودہ کھپت کا سدباب کرنے کیلئے پالیسی ریٹ میں درمیانی مدت کیلئے 50 سے 100 بیس پوائنٹ کی کمی ہوگی۔ اس طرح مستقبل میں پالیسی ریٹ میں کمی، کمپنی کے منافع میں اضافہ کیلئے مددگار ثابت ہوگی کیونکہ یہ چینی کی پیداوار کا قابل ذکر حصہ ہے۔

بورڈ آف ڈائریکٹرز کمپنی کے تمام شیئر ہولڈرز کی جانب سے مسلسل بھروسے اور اعتماد پر ان کا شکریہ ادا کرتے ہیں اور انہیں یقین دلاتے ہیں کہ انتظامیہ کمپنی کو درپیش مشکل صورتحال پر قابو پانے کیلئے بہترین منصوبہ بندی کے ساتھ کامیابی حاصل کرنے کی قطعی صلاحیت رکھتی ہے۔ ڈائریکٹرز کمپنی کے افسران اور ملازمین کی تہدیت اور محنت کو سراہتے ہیں۔ براہ کرم رب العزت سے دعا کریں کہ وہ ہماری رہنمائی فرمائے اور حسبِ منشاء نتائج اور شاندار مستقبل کے حصول میں ہماری مدد فرمائے۔

تارا چند  
چیف ایگزیکٹو

تاریخ: 30 جنوری 2024



**STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT DECEMBER 31, 2023**

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>Un-audited December 31, 2023 Rupees</b>	<b>Audited September 30, 2023 Rupees</b>
<b>Share capital and 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		1,652,102,705	1,671,374,503
<b>Revenue reserves</b>			
Accumulated profit		412,924,073	285,152,719
		<u>2,169,276,778</u>	<u>2,060,777,222</u>
Subordinated loans		480,000,000	480,000,000
		<u>2,649,276,778</u>	<u>2,540,777,222</u>
<b>Non current liabilities</b>			
Long term finance - secured	5	41,666,668	62,500,001
Deferred liabilities		913,914,813	922,003,350
		955,581,481	984,503,351
<b>Current liabilities</b>			
Trade and other payables		1,165,824,495	698,708,422
Short term borrowings	6	1,710,191,097	-
Dividend payable		27,341,122	6,491,122
Accrued mark-up		23,008,636	23,779,230
Taxation - net		51,210,271	52,409,979
Current maturity of long term finance		83,333,332	83,333,333
		<u>3,060,908,953</u>	<u>864,722,086</u>
Contingencies and commitments	7	<u>6,665,767,212</u>	<u>4,390,002,659</u>
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	8	2,982,408,639	3,015,168,720
Long term loans		2,149,171	1,918,328
Long term deposits		892,527	792,527
		<u>2,985,450,337</u>	<u>3,017,879,575</u>
<b>Current assets</b>			
Stores and spares - net		111,810,094	66,441,067
Stock in trade		2,579,859,077	842,119,799
Trade debts - unsecured		212,896,287	121,571
Short term loans and advances		431,071,518	241,278,063
Other receivables		76,194,802	76,419,802
Cash and bank balances		268,485,097	145,742,782
		<u>3,680,316,875</u>	<u>1,372,123,084</u>
		<u>6,665,767,212</u>	<u>4,390,002,659</u>

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

**DR. TARA CHAND**  
Chief Executive

**MAHESH KUMAR**  
Director

**SAQIB GHAFFAR**  
CFO





**STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE 1ST QUARTER ENDED DECEMBER 31, 2023**

	Note	December 2023 Rupees	December 2022 Rupees
Revenue - net	9	635,422,126	841,716,723
Cost of sales		<u>(452,963,239)</u>	<u>(836,878,143)</u>
<b>Gross profit</b>		182,458,887	4,838,580
Administrative expenses		<u>(39,329,255)</u>	<u>(32,759,951)</u>
Selling and distribution expenses		<u>(2,708,767)</u>	<u>(1,046,109)</u>
		<u>(42,038,022)</u>	<u>(33,806,060)</u>
<b>Operating profit / (loss)</b>		140,420,865	(28,967,480)
Finance cost		<u>(23,677,266)</u>	<u>(27,922,747)</u>
		116,743,599	(56,890,227)
Other income - net		34,320,592	10,246,743
Other expenses		<u>(11,138,116)</u>	<u>(691,090)</u>
<b>Profit / (loss) before taxation</b>		139,926,075	(47,334,574)
Taxation - net		<u>(10,576,519)</u>	<u>(314,169)</u>
<b>Profit / (loss) after taxation</b>		<u>129,349,556</u>	<u>(47,648,743)</u>
<b>Earnings / (loss) per share - basic and diluted</b>		12.41	(4.57)

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

**DR. TARA CHAND**  
Chief Executive

**MAHESH KUMAR**  
Director

**SAQIB GHAFFAR**  
CFO



**STATEMENT OF COMPREHENSIVE INOCME (UN-AUDITED)  
FOR THE 1ST QUARTER ENDED DECEMBER 31, 2023**

	<b>December 2023 Rupees</b>	<b>December 2022 Rupees</b>
Profit / (loss) after taxation	129,349,556	(47,648,743)
<b>Total comprehensive (loss) / income for the quarter</b>	<u>129,349,556</u>	<u>(47,648,743)</u>

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

**DR. TARA CHAND**  
Chief Executive

**MAHESH KUMAR**  
Director

**SAQIB GHAFFAR**  
CFO



**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
FOR THE 1ST QUARTER ENDED DECEMBER 31, 2023

	Note	December 2023 Rupees	December 2022 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit / (loss) before taxation		139,926,075	(47,334,574)
Adjustments for:			
- Depreciation		38,930,157	41,446,209
- Provision for workers' welfare fund		2,855,634	-
- Provision for Workers' Profit Participation Fund		7,514,827	-
- Finance costs		23,677,266	27,922,747
- Profit on savings accounts		(4,744,321)	(2,765,922)
		<u>68,233,563</u>	<u>66,603,034</u>
Operating profit before working capital changes		208,159,638	19,268,460
<b>Changes in working capital</b>			
Decrease / (increase) in current assets			
- Stores and spares		(45,369,027)	(609,353)
- Stock in trade		(1,737,739,278)	(258,058,058)
- Trade debts - unsecured		(212,774,716)	(22,193,148)
- Short term loans and advances		(189,793,455)	(43,802,098)
- Trade deposits and short term prepayments		-	-
- Other receivables		225,000	(89,049)
		<u>(2,185,451,476)</u>	<u>(324,751,706)</u>
Increase in current liabilities			
- Trade and other payables		456,745,612	665,864,421
<b>Net cash (used in) / generation from operations</b>		<u>(1,520,546,226)</u>	<u>360,381,175</u>
Taxes paid		(19,864,764)	(9,136,639)
Finance costs paid		(24,447,860)	(67,061,030)
		<u>(44,312,624)</u>	<u>(76,197,669)</u>
Net cash (used in) / generated from operating activities		<u>(1,564,858,850)</u>	<u>284,183,506</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(6,170,076)	(4,606,661)
Profit on bank deposits received		4,744,321	2,765,922
Long term deposit		(100,000)	-
Long term loans - net		(230,843)	109,863
Net cash used in investing activities		<u>(1,756,598)</u>	<u>(1,730,876)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term finance		(20,833,334)	(20,833,333)
Pledge financing obtained / (paid-net)		1,012,999,368	(414,952,420)
Dividend paid		-	(39)
Net cash generated / (used in) financing activities		<u>992,166,034</u>	<u>(435,785,792)</u>
Net decrease in cash and cash equivalents		<u>(574,449,414)</u>	<u>(153,333,162)</u>
Cash and cash equivalents at the beginning of the quarter		145,742,782	(311,891,470)
<b>Cash and cash equivalents at the end of the quarter</b>	11	<u>(428,706,632)</u>	<u>(465,224,632)</u>

The annexed notes from 1 to 13 an integral part of these condensed interim financial information.

**DR. TARA CHAND**  
Chief Executive

**MAHESH KUMAR**  
Director

**SAQIB GHAFFAR**  
CFO



**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
FOR THE 1ST QUARTER ENDED DECEMBER 31, 2023

	Issued, Subscribed and Paidup Capital Rupees	Capital reserve Surplus on revaluation of property, plant and equipment Rupees	Revenue reserve Accumulated losses Rupees	Total Rupees
<b>Balance as at Oct 01, 2022</b>	<b>104,250,000</b>	<b>1,753,313,644</b>	<b>(170,155,080)</b>	<b>1,687,408,564</b>
Total comprehensive loss for quarter ended December 31, 2022				
- Income after taxation	-	-	(47,648,743)	(47,648,743)
- Other comprehensive income	-	-	-	-
	-	-	(47,648,743)	(47,648,743)
Incremental depreciation transferred from surplus on revaluation of Property plant and equipment - net of deferred tax	-	(20,651,913)	20,651,913	-
<b>Balance as at December 31, 2022</b>	<b>104,250,000</b>	<b>1,732,661,731</b>	<b>(197,151,910)</b>	<b>1,639,759,821</b>
<b>Balance as at Oct 01, 2023</b>	<b>104,250,000</b>	<b>1,671,374,503</b>	<b>285,152,719</b>	<b>2,060,777,222</b>
Total comprehensive profit for quarter ended December 31, 2023				
-Profit after taxation	-	-	129,349,556	129,349,556
- Other comprehensive income	-	-	-	-
	-	-	129,349,556	129,349,556
Incremental depreciation transferred from surplus on revaluation of Property plant and equipment - net of deferred tax	-	(19,271,798)	19,271,798	-
Transaction with owners Cash dividend @ 20% for the year ended September 30, 2023	-	-	(20,850,000)	(20,850,000)
<b>Balance as at December 31, 2023</b>	<b>104,250,000</b>	<b>1,652,102,705</b>	<b>412,924,073</b>	<b>2,169,276,778</b>

**DR. TARA CHAND**  
Chief Executive

**MAHESH KUMAR**  
Director

**SAQIB GHAFAR**  
CFO



## **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE 1ST QUARTER ENDED DECEMBER 31, 2023**

### **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, 2023

#### **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, 2023.

### 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, 2023

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, 2023.

### 5. LONG TERM FINANCES

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

	Unaudited December 2023 Rupees	Audited September 2023 Rupees
Opening balance	145,833,333	229,166,667
Less: Payment made during the period	<u>(20,833,333)</u>	<u>(83,333,333)</u>
	125,000,000	145,833,334
Less: current maturity shown under current liabilities	<u>(83,333,332)</u>	<u>(83,333,333)</u>
	<u>41,666,668</u>	<u>62,500,001</u>

### 6. SHORT TERM BORROWINGS - Secured

- Cash finance	1,012,999,368	-
- Running finance	<u>697,191,729</u>	<u>-</u>
	<u>1,710,191,097</u>	<u>-</u>

### 7. CONTINGENCIES AND COMMITMENTS

#### 7.1 Contingencies

There is no change in the status of the contingencies and commitments set out in the note 12 to the Company's annual financial statements for the year ended September 30, 2023



	Note	Unaudited December 2023 Rupees	Audited September 2023 Rupees
<b>8 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	8.1	2,926,985,151	2,959,745,232
Capital spares		55,423,488	55,423,488
		<u>2,982,408,639</u>	<u>3,015,168,720</u>
<b>8.1 Operating assets Cost / Revalued amount</b>			
<b>Opening balance</b>		5,224,767,342	5,197,915,709
Additions		6,170,076	27,087,153
Disposal		-	(2,666,520)
		<u>5,230,937,418</u>	<u>5,222,336,342</u>
<b>Accumulated depreciation</b>			
Opening Balance		2,265,022,110	2,099,732,395
Charge for the period		38,930,157	165,289,715
Disposal		-	(2,431,000)
		<u>2,303,952,267</u>	<u>2,262,591,110</u>
Surplus on revaluation		-	
Written down value as at Dec 31, 2023 (Un-Audited) / September 30, 2023 (Audited)		<u>2,926,985,151</u>	<u>2,959,745,232</u>
<b>9 TURNOVER - NET</b>			
Sales - gross			
Local Sales		751,029,400	989,226,400
Less : Sales tax-Sugar		(114,563,837)	(143,733,712)
Less : Advance income tax		(1,043,437)	(3,775,965)
		<u>635,422,126</u>	<u>841,716,723</u>

#### 10 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 quarter, other than those disclosed elsewhere in these financial statements are as follows:



	<b>Unaudited December 2023 Rupees</b>	<b>Unaudited December 2022 Rupees</b>
<b>Transactions during the period</b>		
Remuneration to chief executive and directors	<u>3,000,000</u>	<u>1,050,000</u>
Contribution to staff provident fund	<u>1,681,389</u>	<u>1,499,502</u>
<b>Balances at period end</b>		
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>

## 11 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:

	<b>Unaudited December 2023 Rupees</b>	<b>Unaudited December 2022 Rupees</b>
Cash and bank balances	268,485,097	230,351,326
Short term borrowings (Running finance)	<u>(697,191,729)</u>	<u>(695,575,958)</u>
	<u>(428,706,632)</u>	<u>(465,224,632)</u>

## 12 GENERAL

Figures have been rounded off to the nearest Rupee and are reclassified for better presentation. Certain corresponding figures have been rearranged and reclassified, wherever considered necessary and for the purpose of comparison and better presentation.





<b>Reclassified from component</b>	<b>Reclassified to component</b>	<b>Rupees</b>
Selling & Distribution <i>(Other expenses)</i>	Revenue - net <i>(Revenue from local sales - net)</i>	3,775,965
Administrative expenses <i>(Charity &amp; Donation)</i>	Other expenses <i>(Other expenses)</i>	691,090

### **13 AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorized for issue in the Board of Directors meeting held on 30 January, 2024.

**DR. TARA CHAND**  
Chief Executive

**MAHESH KUMAR**  
Director

**SAQIB GHAFAR**  
CFO

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