



Sindh Abadgar's Sugar Mills Limited

**UNAUDITED
HALF YEARLY FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2025**



COMPANY PROFILE

DIRECTORS

Mr. Deeo Mal Essarani	Chairman
Dr. Tara Chand Essarani	Chief Executive
Mr. Mahesh Kumar	Director
Mr. Dileep Kumar	Director
Mr. Pehlaj Rai	Director
Mr. Mohan Lal	Director
Dr. Besham Kumar	Director
Mr. Muhammad Siddiq Khokhar	Independent Director
Mr. Zafar Ahmed Ghori	Independent Director
Ms. Maheshwari Osha	Independent Director

CHIEF FINANCIAL OFFICER Mr. Saqib Ghaffar**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 Bank Limited
Dubai Islamic Bank Pakistan Limited

AUDIT COMMITTEE

Mr. Zafar Ahmed Ghori	Chairman
Mr. Pehlaj Rai	Member
Mr. Dileep Kumar	Member
Dr. Besham Kumar	Member

HR AND REMUNERATION COMMITTEE

Ms. Maheshwari Osha	Chairman
Mr. Mohan Lal	Member
Mr. Dileep Kumar	Member

AUDITORS

M/s. Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

REGISTERED OFFICE

209, 2nd Floor, Progressive Plaza, Beaumont Road,
Karachi-Pakistan.

MILLS

Deh: Deenpur,
Taluka. Bulri Shah Karim,
Distt. Tando Muhammad Khan,
Sindh-73024.

REGISTRAR

JWAFFS Registrar Services (Pvt) Ltd.
Office # 20, 5th Floor, Arkays Square Extension,
New Challi Shahrah-e-Liaquat, Karachi.

EMAIL ADDRESS

sasm@unitedgroup.org.pk



DIRECTORS' REPORT

Dear Members
Assalam o-alaikum,

On behalf of the Board of Directors, we are pleased to place before you the un-audited Condensed Interim Financial Statements of the company for the six months ended on March 31, 2025 together with the auditors' review report thereon;

Operational Results:

		FY 2024-25	FY 2023-24
Crushing Commenced		21.11.2024	30.11.2023
Crushing Ended		23.02.2025	24.02.2024
Days Worked (Gross)		95	87
Sugarcane crushed	- Tons	405,205	521,657
Net crushing days	- Days	74	85
Daily average crushing	- Gross days	4,265	5,996
Daily average crushing	- Net days	5,475	6,137
Capacity utilization	- %	68	77
Sugar produced	- Tons	40,445	56,855
Sugar recovery	- %	9.98	10.9
Molasses produced	- Tons	18,800	23,320
Molasses % Cane	- %	4.64	4.47

Crushing of Sugarcane commenced on 21st November, 2024 and mills remained in operation for 95 days as compared to 87 days in the corresponding season. The Sugarcane crushed at 405,205 M.T declined by 22% compared to 521,657 in the preceding season attributed by abnormally high temperatures and below normal rainfall, altogether these conditions resulted in reduction of Sugarcane output in the country. Similarly, the Sugar extracted also significantly decreased to 40,445 M.T compared to 56,853 M.T during the last season at a recovery of 9.98% compared to 10.9% in the previous season, which will reduce the profit of the company.



Financial Results

	FY 2024-25 (Rupees)	FY 2023-24 (Rupees)
Profit before tax	102,065,924	125,806,868
Taxation net	(24,719,719)	(33,321,237)
Profit after taxation	<u>77,346,205</u>	<u>92,485,631</u>
Incremental depreciation transferred from surplus on revaluation of fixed assets - net of deferred tax.	66,692,779	59,347,884
Final Dividend 20% paid for the year 2023	-	(20,850,000)
Accumulated Profit brought forward	41,500,781	285,152,719
Accumulated Profit carried forward	<u>185,539,765</u>	<u>416,136,234</u>
Earnings per share	7.42	8.87

The net sales declined to 1.80 billion compared to 2.25 billion in the corresponding period attributed to decrease in sales volume by 29%. The selling price of sugar in local market remained the same as achieved in the corresponding period. The profit earned during the period mainly resulted from the export sales. The financial results would have been otherwise, had the export not been allowed.

The financial cost during the period under review incurred at Rs.121 million compared to Rs. 246 million in the corresponding period nose-dived by 51% resulted due to frequent decline in mark-up rate. The earning per share stood at Rs. 7.42 as against the corresponding period of Rs.8.87

Future Outlook:

The country's sugar production decreased by appropriately 15% due to below average Sugarcane yield leading to surge in the price of sugar in the local market. Since the start of the year, sugar prices have been appreciating driven by surplus Sugar export allowed by the government. This upward trend will remain continue with anticipation that the country will have no surplus sugar stock rather some import will be required if the actual consumption exceeds the estimated consumption set by the government. Resultantly, we are positive that the company will be able to make reasonable profit during the current financial year.



The SBP has reduced the discount rate to 11% in an effort to stimulate economic activities which was at one time hovering at 22% attributed to all time low inflation. This would result in potentially high economic growth in the country and lower borrowing cost which will help improve the industry's profitability since almost all of the profit was eaten up by the financial cost during the last year. The company is also cognizant of the adverse impact of unabating increase in the production cost of Sugar and is making all-out effort to mitigate its adverse impact by productivity and austerity measures across the board.

Acknowledgement:

The board wishes to appreciate the efforts and dedication of all its employees who worked with full devotion during the crushing season to attain the desired results to overcome the challenges faced by the company. The board also places on record appreciation and thanks to the bankers, growers and shareholders for their continued support cooperation and confidence reposed on us. Let's pray together to Almighty ALLAH for the success and betterment of the company.

Tara Chand
Chief Executive

Mahesh Kumar
Director

Date: May 23rd, 2025

ڈائریکٹر پورٹ

معزز نمبران

اسلام علیکم!

بورڈ آف ڈائریکٹر کی جانب سے، ہم انتہائی سرت کے ساتھ کمپنی کے غیر آڈٹ شدہ مجموعی عبوری معاشی گوشوارے معج آڈٹر کی جائزہ رپورٹ برائے دورانیہ ششمی انتظام پذیر 31 مارچ، 2025 پیش کرتے ہیں۔

عملیاتی نتائج:	2024-25	2023-24
پسائی کا آغاز	21-11-2024	30-11-2023
پسائی کا انتظام	23-02-2025	24-02-2024
کام کے ایام (مجموعی) - ایام	95	87
پیسے گئے گنوں کی تعداد - ٹن	405,205	521,657
کل پیسائی کے ایام - ایام	74	85
روزانہ پیسائی کا تناسب - جملہ ایام	4,265	5,996
روزانہ پیسائی کا تناسب - کل	5,475	6,137
استعمال کی استعداد - فیصد	68	77
چینی کی پیداوار	- ٹن	40,445
شکر کی وصولیابی	- فیصد	56,855
شیرہ کی پیداوار	- ٹن	10.9
شیرہ کی وصولیابی	- فیصد	23,320
4.64	4.67	4.47

گنے کی پیسائی مورخہ 21 نومبر 2024 کو شروع ہوئی اور مطہرے 95 دن تک کام جاری رکھا، جبکہ گزشتہ سیزن میں یہ دورانیہ 87 دن تھا۔ روایتی سیزن میں گنے کی مقدار 405,205 میٹر کٹن رہی جو کہ گزشتہ سیزن کی 521,657 میٹر کٹن مقدار کے مقابلے میں 22 فیصد کم ہے۔ اس کی بنیادی وجہ غیر معمولی گرمی اور معمول سے کم بارشیں رہیں، جس کے باعث ملک بھر میں گنے کی مجموعی پیداوار میں کمی واقع ہوئی۔ اسی طرح چینی کی پیداوار بھی نمایاں طور پر گھٹ کر 40,445 میٹر کٹن رہی، جو کہ گزشتہ سیزن میں 56,855 میٹر کٹن تھی۔ چینی کی وصولیابی (ریکورڈ) بھی کم ہو کر 9.98 فیصد رہی، جو کہ گزشتہ سیزن میں 10.9 فیصد تھی۔ یہ امور کمپنی کے منافع میں کمی کا سبب ہوں گے۔



مالیاتی منابع:

مالی سال 2023-24	مالی سال 2024-25	
(روپے میں)	(روپے میں)	
125,806,868	102,065,924	قبل ازٹکس منافع
(33,321,237)	(24,719,719)	ٹکس
92,485,631	77,346,205	بعد ازٹکس منافع
59,347,884	66,692,779	مخداماٹوں نو مالیت پر سامنے آنے والی اضافت سے منتقل شدہ فرسودگی
(20,850,000)	-	آگے لا یا گیا جملہ خسارہ
285,152,719	41,500,781	حاصل سابق جملہ منافع
416,136,234	185,539,765	حاصل سابق جملہ منافع
8.87	7.42	فی شیر کمائی

کمپنی کی جملہ فروخت 1.80 ارب روپے رہی جو کہ گزشتہ دورانیہ میں 2.25 ارب روپے کے مقابلے میں کم ہے، اس کی کی بنیادی وجہ فروختگی جنم میں 29 فیصد کی ہے۔ تاہم، مقامی مارکیٹ میں چینی کی فروخت کی قیمت گذشتہ سال کے برابر ہی ہے۔ اس دورانیہ میں حاصل ہونے والے منافع کا بنیادی حصہ برآمدات سے حاصل ہوا ہے۔ اگر حکومت برآمدات کی اجازت نہ دیتی تو مالی منابع مختلف ہوتے۔

اس دورانیہ میں مالیاتی اخراجات 121 ملین روپے رہے جو کہ پہلے 246 ملین روپے کے مقابلے میں 51 فیصد کی کو ظاہر کرتے ہیں، جس کی بنیادی وجہ شرح سود میں مسلسل کی ہے۔ فی شیر آمدن 7.42 روپے رہی، جو کہ گزشتہ ممالی دورانیہ میں 8.87 روپے تھی۔

آئندہ کے امکانات:

ملک میں گئے کی پیداوار میں تقریباً 15 فیصد کی واقع ہوئی ہے جس کی وجہ سے مقامی مارکیٹ میں چینی کی قیمتیوں میں اضافہ ہوا ہے۔ سال کے آغاز سے چینی کی قیمتیوں میں اضافہ دیکھا گیا ہے جو حکومت کی جانب سے برآمدات کی اجازت ملنے کے باعث ہوا ہے۔ یہ روحان برقرار رہنے کی توقع ہے کیونکہ ملک میں چینی کا فاضل ذخیرہ موجود نہیں ہے بلکہ اگر حقیقی کھپت، حکومت کی جانب سے اندازہ لکائی گئی کھپت سے بڑھ جاتی ہے تو برآمدکی ضرورت پیش آسکتی ہے۔ لہذا ہمیں یقین ہے کہ کمپنی موجودہ مالی سال کے دوران معقول منافع حاصل کرنے کے قابل ہوگی۔

اسٹیٹ بینک آف پاکستان نے شرح سود کو کم کر کے 11 فیصد کر دیا ہے تاکہ معیشت کو فروغ دیا جاسکے، جو کہ ایک وقت میں 22 فیصد کی بلند سطح پر پہنچ گیا تھا۔ مہنگائی کی شرح میں کمی کی وجہ سے شرح سود میں کمی کا فیصلہ کیا گیا ہے۔ اس سے ملکی معیشت میں بہتری اور قرضہ لینے کی لaggت میں موقع ہے، جس سے صنعت کی مجموعی صورتحال بہتر ہو گی، کیوں کہ گزر شستہ سال منافع کا زیادہ تر حصہ مالی اخراجات میں صرف ہوا تھا۔ کمپنی چینی کی پیداوار پر آنے والی لaggت میں مسلسل اضافے کے نقی اثرات سے بھی بخوبی آگاہ ہے اور ان کے اثرات کو کم کرنے کے لیے پیداواری صلاحیت اور کفایت شعاراتی سے متعلق جامع اقدامات کر رہی ہے۔

تسلیمات:-

بورڈ، کمپنی کو درپیش چینی بجز سے منٹنے اور مطلوبہ متانج کے حصول کیلئے، پیساں کے سیزان کے دوران، تمام ملازمیں کی محنت اور تہذیت کو سراہتا ہے۔ اس کے علاوہ بورڈ شیئر ہولڈرز، ملازمین، بیکرز اور کسانوں کی جانب سے مسلسل حمایت اور بھروسہ پر انہیں سراہتا ہے اور اظہار تشکر کرتا ہے۔ آئینی سب مل کر کمپنی کی کامیابی اور ترقی کیلئے اللہ رب العزت کے حضور دعا کریں۔

بورڈ آف ڈائریکٹرز کی جانب سے

مہیش کمار

ڈائریکٹر

ڈاکٹر تارا چند

چیف ایگزیکیوٹو

تاریخ: 23 مئی 2025



INDEPENDENT AUDITORS' REVIEW REPORT

To The Members of Sindh Abadgar's Sugar Mills Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Sindh Abadgar's Sugar Mills Limited** ("the Company") as at **March 31, 2025** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity.' A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As per the terms of our engagement, we were only required to review the cumulative figures for the six-month period ended March 31, 2025. Accordingly, we have not reviewed the figures in the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the three-month period ended March 31, 2025.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditors' review report is **Mr. Muhammad Rafiq Dosani**.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: May 27, 2025

UDIN: RR202510210x8D5AUKZk



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025**

EQUITY AND LIABILITIES	Note	Un-audited	Audited
		March 31, 2025 Rupees	September 30, 2024 Rupees
Share capital and reserves			
Authorized capital		650,000,000	650,000,000
Issued, subscribed and paid-up capital		104,250,000	104,250,000
Capital reserves			
Surplus on revaluation of property, plant and equipment -net		2,689,931,501	2,756,624,280
Revenue reserves			
Unappropriated profits		185,539,765	41,500,781
		2,979,721,266	2,902,375,061
Subordinated loans		480,000,000	480,000,000
		3,459,721,266	3,382,375,061
Non current liabilities			
Deferred liabilities		1,175,729,738	1,155,610,760
		1,175,729,738	1,155,610,760
Current liabilities			
Trade and other payables	3	1,566,112,510	866,278,797
Short term borrowings	4	4,220,112,445	1,248,230,165
Unclaimed dividend		10,430,587	10,430,587
Accrued mark-up	5	96,080,747	78,527,479
Current maturity of long term finance		20,833,335	62,500,001
		5,913,569,624	2,265,967,029
Contingencies and commitments	6	10,549,020,628	6,803,952,850
ASSETS			
Non current assets			
Property, plant and equipment	7	4,444,475,538	4,545,824,136
Long term loans		1,499,831	1,240,787
Long term deposits		792,527	792,527
		4,446,767,896	4,547,857,450
Current assets			
Stores and spares - net		125,957,013	104,012,715
Stock in trade	8	5,065,023,756	1,752,797,631
Trade debts - unsecured	9	369,022,940	68,219,976
Loans, advances and deposit - unsecured	10	163,392,114	107,190,138
Other receivables		77,048,069	96,425,775
Taxation - net		114,890,809	80,040,308
Cash and bank balances		186,918,031	47,408,857
		6,102,252,732	2,256,095,400
		10,549,020,628	6,803,952,850

The annexed notes from 1 to 22 form an integral part of these financial statements.

DR. TARA CHAND
Chief Executive

MAHESH KUMAR
Director

SAQIB GHAFFAR
Chief Financial Officer



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE HALF YEAR AND QUARTER ENDED MARCH 31, 2025 (UN-AUDITED)

	Note	Half year ended		Quarter ended	
		March 31, 2025 Rupees	March 31, 2024 Rupees	March 31, 2025 Rupees	March 31, 2024 Rupees
Sales revenue - net	11	1,798,986,313	2,247,454,092	456,499,922	1,612,031,966
Cost of sales	12	(1,508,346,866)	(1,903,483,037)	(199,115,155)	(1,450,519,798)
Gross profit		290,639,447	343,971,055	257,384,767	161,512,168
Administrative expenses		(94,045,065)	(87,545,764)	(49,960,191)	(48,216,509)
Selling and distribution cost		(9,882,056)	(6,340,297)	(5,677,977)	(3,631,530)
Other income	13	79,241,607	134,251,873	73,201,443	99,931,281
Other expenses	14	(4,412,804)	(2,904,400)	(4,212,043)	(2,136,745)
		(29,098,318)	37,461,412	13,351,232	45,946,497
Operating profit		261,541,129	381,432,467	270,735,999	207,458,665
Finance cost	15	(121,445,103)	(245,946,124)	(96,872,409)	(222,268,858)
Profit / (loss) before levies and taxation		140,096,026	135,486,343	173,863,590	(14,810,193)
Levies	16	(38,030,102)	(9,679,475)	(19,788,098)	690,986
Profit / (loss) before taxation		102,065,924	125,806,868	154,075,492	(14,119,207)
Taxation-net	17	(24,719,719)	(33,321,237)	(39,060,943)	(22,744,718)
Profit / (loss) after taxation		77,346,205	92,485,631	115,014,549	(36,863,925)
Earnings / (loss) per share - basic and diluted		7.42	8.87	11.03	(3.54)

The annexed notes from 1 to 22 form an integral part of these financial statements.

DR. TARA CHAND
Chief Executive

MAHESH KUMAR
Director

SAQIB GHAFFAR
Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR AND QUARTER ENDED MARCH 31, 2025 (UN-AUDITED)**

	Half year ended		Quarter ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	Rupees	Rupees	Rupees	Rupees
Profit / (loss) after taxation	77,346,205	92,485,631	115,014,549	(36,863,925)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the year	77,346,205	92,485,631	115,014,549	(36,863,925)

The annexed notes from 1 to 22 form an integral part of these financial statements.

DR. TARA CHAND
Chief Executive

MAHESH KUMAR
Director

SAQIB GHAFFAR
Chief Financial Officer



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED MARCH 31, 2025 (UN-AUDITED)

	Issued, Subscribed and Paidup Capital	Surplus on revaluation of property, plant and equipment	Revenue reserve		Total
			Capital reserve	Accumulated (losses) / profit	
			Rupees		
Balance as at September 30, 2022 (audited)	104,250,000	1,671,374,503	285,152,719	480,000,000	2,540,777,222
Total comprehensive income for the half year ended March 31, 2024					
-Profit after taxation	-	-	92,485,631	-	92,485,631
- Other comprehensive income	-	-	-	-	-
	-	-	92,485,631	-	92,485,631
Incremental depreciation transferred from surplus on revaluation of Property plant and equipment - net of deferred tax	-	(59,347,884)	59,347,884	-	-
Final dividend @ 20% for the year ended September 30, 2023	-	-	(20,850,000)	-	(20,850,000)
Balance as at March 31, 2024 (Un-audited)	104,250,000	1,612,026,619	416,136,234	480,000,000	2,612,412,853
Balance as at September 30, 2024 (audited)	104,250,000	2,756,624,280	41,500,781	480,000,000	3,382,375,061
Total comprehensive income for the period ended March 31, 2025					
-Profit after taxation	-	-	77,346,205	-	77,346,205
- Other comprehensive income	-	-	-	-	-
	-	-	77,346,205	-	77,346,205
Incremental depreciation transferred from surplus on revaluation of Property plant and equipment - net of deferred tax	-	(66,692,779)	66,692,779	-	-
Balance as at March 31, 2025	104,250,000	2,689,931,501	185,539,765	480,000,000	3,459,721,266

The annexed notes from 1 to 22 form an integral part of these financial statements.

DR. TARA CHAND
 Chief Executive

MAHESH KUMAR
 Director

SAQIB GHAFFAR
 Chief Financial Officer



CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED MARCH 31, 2025 (UN-AUDITED)

	Note	March 31, 2025 Rupees	March 31, 2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before levies and taxation		140,096,026	135,486,343
Adjustments for:			
- Depreciation		121,368,875	78,331,844
- Provision for compensated absences		-	3,521,417
- Finance costs		121,445,103	245,946,124
- Profit on savings accounts		(9,729,518)	(14,403,515)
		233,084,460	313,395,870
Operating profit before working capital changes		373,180,486	448,882,213
Changes in working capital			
Decrease / (Increase) in current assets			
- Stores and spares		(21,944,298)	(16,123,450)
- Stock in trade		(3,312,226,125)	(4,376,179,085)
- Trade debts - unsecured		(300,802,964)	(1,360,645,180)
- Short term loans and advances		(56,201,976)	101,221,528
- Other receivables		19,377,706	(18,775,223)
		(3,671,797,657)	(5,670,501,410)
Increase in current liabilities			
- Trade and other payables		698,202,050	1,340,330,427
Net cash used in operations		(2,600,415,121)	(3,881,288,770)
Taxes paid		(65,154,291)	(76,237,548)
Payments against compensated absence		(645,372)	-
Workers' Welfare Fund paid		(10,050,018)	-
Finance costs paid		(103,891,835)	(65,044,786)
		(179,741,516)	(141,282,334)
Net cash used in operating activities		(2,780,156,637)	(4,022,571,104)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(20,020,277)	(22,329,287)
Profit on bank deposits received		9,729,518	14,403,515
Long term deposit		-	(100,000)
Long term loans - net		(259,044)	20,709
Net cash used in investing activities		(10,549,803)	(8,005,063)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term finance		(41,666,666)	(41,666,667)
Pledge financing obtained - net		2,570,581,199	2,639,904,135
Dividend paid		-	(14,339,621)
Net cash generated from financing activities		2,528,914,533	2,583,897,847
Net Increase in cash and cash equivalents		(261,791,907)	(1,446,678,320)
Cash and cash equivalents at the beginning of the period		(427,771,104)	145,742,782
Cash and cash equivalents at the end of the period	21	(689,563,011)	(1,300,935,538)

The annexed notes from 1 to 22 form an integral part of these financial statements.

DR. TARA CHAND
Chief Executive

MAHESH KUMAR
Director

SAQIB GHAFFAR
Chief Financial Officer



**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS**
FOR THE HALF YEAR AND QUARTER ENDED MARCH 31, 2025 (UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

Sindh Abadgar's Sugar Mills Limited ("the Company") is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984, which has now been repealed with the enactment of Companies Act, 2017, on May 30, 2017. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The principal business of the Company is the production and sale of white sugar.

The geographical location and address of the 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 (here-in-after referred to as the '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 for interim financial reporting comprise of:

- International Accounting Standard 34: 'Interim Financial Reporting' (IAS 34), 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 statement do not include all the information and disclosures as 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, 2024.

2.2 Basis of measurement of items in the financial statements

In these condensed interim financial statements, all items have been measured at their historical cost except freehold land, factory building, non-factory building and plant and machinery which are stated at revalued amount less accumulated depreciation and accumulated impairment losses thereon, if any.

2.3 Functional and presentation currency

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

2.4 Judgements and sources of estimation uncertainty

In preparing these condensed interim financial statements, 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 applied in the annual financial statements of the Company for the year ended September 30, 2024.

2.5 Material accounting policies

The material accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended September 30, 2024.



	(Un-audited) March 31, 2025 Rupees	(Audited) September 30, 2024 Rupees
Note		

3. TRADE AND OTHER PAYABLES

Trade Creditors:

- for sugarcane	505,645,161	232,853,574
- for other supplies	325,377,852	18,125,067
	<u>831,023,013</u>	<u>250,978,641</u>

Other payables:

Advances from customers	582,460,392	413,522,535
Accrued expenses	2,529,080	16,954,934
Sales tax payable	122,643,704	152,714,179
Withholding sales tax payable	1,343,247	1,142,505
Income tax deducted at source	339,956	6,821,548
Provision for compensated absences	3,751,408	4,396,780
Workers' Welfare Fund	14,846,472	19,574,238
Workers' Profit Participation Fund	7,004,801	-
Contractors' retention money	26,437	26,437
Others	<u>144,000</u>	<u>147,000</u>
	<u>1,566,112,510</u>	<u>866,278,797</u>

4. SHORT TERM BORROWINGS - Secured

Cash finance	3,343,631,403	773,050,204
Running finance	876,481,042	475,179,961
	<u>4,220,112,445</u>	<u>1,248,230,165</u>



- 4.1** The Company has obtained a Cash Finance Facility of Rs. 3,850 million (September 30 2024: Rs. 3250 million) from various commercial bank to meet the working capital requirements. The rate of mark-up ranges from 1-Month KIBOR plus 1% to 9-Month KIBOR plus 1%. The validity of these facilities ranges from March 31, 2024 to September 30, 2025.
- (a) 1st joint pari passu hypothecation charge over stocks of sugarcane and receivables of the company range from Rs. 266.67 million to Rs 400 million with 25% margin registered with SECP,
 - (b) Pledge over white crystalline refined sugar with 10% margin at factory godown situated at Deh Deenpur, Taluka & District Tando Mohammad Khan, Sindh,
 - (c) Personal guarantee of all the directors of the Company and
 - (d) Subordinated loan agreement amounting to Rs. 480 million.
- 4.2** The Company has a total finance facility of Rs. 1200 million (September 30, 2024: Rs. 1500 million) from various commercial banks to meet the working capital requirements. The rate of mark-up ranges from 1-Month KIBOR plus 1% per annum to 1-Month KIBOR plus 1% per annum. The validity of these facilities ranges from March 31, 2024 to September 30, 2025.
- (a) 1st joint pari passu hypothecation charge over stocks of sugarcane and receivables of the company range from Rs. 266.67 million to Rs 400 million with 25% margin registered with SECP,
 - (b) Pledge over white crystalline refined sugar with 10% margin at factory godown situated at Deh Deenpur, Taluka & District Tando Mohammad Khan, Sindh and
 - (c) Personal guarantee of all the directors of the Company.
- 4.3** As of reporting date, the Company had unutilized facilities for short term borrowings available from various banks amounting to Rs. 887.251 million (September 30 2024: Rs. 251.77 million).



(Un-audited) March 31, 2025 Rupees	(Audited) September 30, 2024 Rupees
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5. ACCRUED MARK-UP

Mark-up accrued on:		
Long term financing	645,206	3,259,384
Short term borrowings	95,435,541	75,268,095
	<u>96,080,747</u>	<u>78,527,479</u>

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There has been no change in the status of contingencies as disclosed in annual financial statements for the year ended September 30, 2024 except the below:

The Competition Commission of Pakistan (CCP), through its order dated August 13, 2021, imposed a penalty of Rs. 110.56 million on the Company for allegedly sharing information with the Pakistan Sugar Mills Association (PSMA) in connection with sugar export permissions. The Company challenged this order by filing Suit No. 2272 of 2021 before the Honorable High Court of Sindh, which initially suspended the CCP order. Subsequently, based on a Joint Statement by the parties, the Court directed that no recovery action be taken by the CCP until final disposal of the appeals pending before the Competition Appellate Tribunal (CAT) and returned the bank guarantees submitted by the Company.

As of reporting period, the matter has been transferred to the Court of the Senior Civil Judge / Assistant Sessions Judge XV, Karachi South (City Court, Karachi), for further proceedings. The Company's appeal before the CAT also remains pending. Based on the opinion of its legal counsel, the Company believes it has a strong case on merits and expects a favourable outcome. Accordingly, no provision has been recorded in respect of the penalty in the accompanying interim financial statements.

6.2 Commitments

As of the reporting date, there were no financial commitments of the Company.
(September 30, 2024: None)



	Note	(Un-audited) March 31, 2025 Rupees	(Audited) September 30, 2024 Rupees
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7. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	7.1	4,392,010,959	4,493,359,557
Capital spares		52,464,579	52,464,579
		<u>4,444,475,538</u>	<u>4,545,824,136</u>

7.1 Operating fixed assets

Cost / revalued amount			
Opening balance		4,614,210,799	5,222,336,342
Additions during the period / year		20,020,277	98,435,647
Disposals during the period / year		-	(5,221,135)
Revaluation during the period / year		-	(701,340,055)
		<u>4,634,231,076</u>	<u>4,614,210,799</u>
Accumulated depreciation			
Opening balance		120,851,242	2,262,591,110
Charge for the period / year		121,368,875	158,191,151
Disposal during the period / year		-	(4,426,647)
Revaluation during the period / year		-	(2,295,504,372)
		<u>242,220,117</u>	<u>120,851,242</u>
Written down value at the end of period / year		<u>4,392,010,959</u>	<u>4,493,359,557</u>

8. STOCK IN TRADE

Finished goods inventory:			
- Sugar	8.1	4,964,935,618	1,716,831,663
- Bagasse		76,659,229	13,476,068
		<u>5,041,594,847</u>	<u>1,730,307,731</u>
Work-in-process inventory:			
- Sugar		21,146,345	20,165,954
- Molasses		2,282,564	2,323,946
		<u>23,428,909</u>	<u>22,489,900</u>
		<u>5,065,023,756</u>	<u>1,752,797,631</u>

8.1 This includes stock amounting to Rs. 3,723 million (September 30, 2024: Rs. 3,571 million) pledged with banks as security against financing facilities.



Note	(Un-audited) March 31, 2025 Rupees	(Audited) September 30, 2024 Rupees
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9. TRADE DEBTS - UNSECURED

Receivable against local sale of:

- Sugar	144,000	144,000
- Molasses	343,110,486	67,936,986
- Bagasse	25,768,454	138,990
	<u>369,022,940</u>	<u>68,219,976</u>

10. LOANS, ADVANCES AND DEPOSIT - UNSECURED

Loan to growers	85,861,443	50,953,788
Security deposit - Nazir Sindh High Court	-	-
Security deposit - Utility Stores Corporation	1,147,644	14,200,000
Advance to suppliers and contractors	69,035,490	38,955,391
Prepaid Insurance	4,414,929	-
Due from employees	2,932,608	3,080,959
Current portion of long term loan to employees	<u>-</u>	<u>-</u>
	<u>163,392,114</u>	<u>107,190,138</u>

Note	Six-month period ended (Un-audited)	
	March 31, 2025 Rupees	March 31, 2024 Rupees

11. REVENUE - NET

Revenue from local sales - net	11.1	1,039,264,590	2,247,454,092
Revenue from export sales	11.2	759,721,723	-
		<u>1,798,986,313</u>	<u>2,247,454,092</u>

11.1 Revenue from local sales - net

Sale of goods to local customers - gross	1,248,905,350	2,662,820,150
Less: sales tax	(190,522,453)	(406,193,340)
Less: advance income tax	(19,118,307)	(9,172,718)
	<u>1,039,264,590</u>	<u>2,247,454,092</u>



**Six-month period ended
(Un-audited)**

Note	March 31, 2025 Rupees	March 31, 2024 Rupees
------	--------------------------------------	--------------------------------------

11.2 Revenue from export sales

Sale of goods to foreign customers	700,946,623	-
Export subsidy		
(from provincial government)	58,775,100	-
	<u>759,721,723</u>	<u>-</u>

12. COST OF SALES

Sugarcane consumed	4,967,055,289	6,717,554,560
Manufacturing expenses	12.1 425,939,862	387,527,562
	<u>5,392,995,151</u>	<u>7,105,082,122</u>
 Sugar stock in process - opening	20,165,954	13,059,876
Sugar stock in process - closing	(21,146,345)	(19,580,191)
	(980,391)	(6,520,315)
	<u>5,392,014,760</u>	7,098,561,807
 Molasses stock in process - opening	2,323,946	2,955,400
Molasses stock in process - closing	(2,282,564)	(2,323,946)
Molasses Stock - closing	-	-
Sale of molasses (by-product)	(572,422,160)	(825,420,000)
	(572,380,778)	(824,788,546)
 Cost of goods manufactured	<u>4,819,633,982</u>	6,273,773,261
 Finished stock of Sugar - opening	1,716,831,663	796,703,764
Finished stock of Sugar - closing	(4,964,935,618)	(5,183,333,328)
	(3,248,103,955)	(4,386,629,564)
 Stock of Bagasse - opening	13,476,068	29,400,759
Stock of Bagasse - closing	(76,659,229)	(13,061,419)
	(63,183,161)	16,339,340
	<u>1,508,346,866</u>	1,903,483,037



Six-month period ended
(Un-audited)

	Note	March 31, 2025 Rupees	March 31, 2024 Rupees
12.1 Manufacturing expenses			
Salaries, wages and other benefits		139,352,182	137,026,514
Production stores consumed		74,736,860	100,568,337
Fuel and power		11,294,058	14,812,664
Repairs and maintenance		81,429,394	56,775,928
Vehicles running		-	-
Insurance		6,558,855	4,834,858
Transportation		3,052,615	2,722,070
Depreciation		109,231,988	70,498,660
Others		283,910	288,531
		<u>425,939,862</u>	<u>387,527,562</u>

13. OTHER INCOME

Sale of bagasse	69,512,089	119,848,358
Profit on deposit accounts	9,729,518	14,403,515
Others	-	-
	<u>79,241,607</u>	<u>134,251,873</u>

13.1 Sale of bagasse - net

Gross Sale of Bagasse	82,024,265	141,448,754
Less: sales tax	(12,512,176)	(21,600,396)
	<u>69,512,089</u>	<u>119,848,358</u>

14. OTHER EXPENSES

Exchange loss on export sales	114,591	-
Charity and donation	2,133,082	2,904,400
Provision for slow moving		
stores and spares	2,165,131	-
	<u>4,412,804</u>	<u>2,904,400</u>

14.1 None of the directors of the Company or their spouses had any interest in the donee organizations.



**Six-month period ended
(Un-audited)**

Note	March 31, 2025 Rupees	March 31, 2024 Rupees
------	--------------------------------------	--------------------------------------

15. FINANCE COSTS

Markup on long term finance	2,363,379	12,864,721
Markup on short term finance		
- running finance	57,850,378	68,707,434
- cash finance	59,531,663	159,944,238
	117,382,041	228,651,672
Bank charges	119,745,420	241,516,393
	1,699,683	4,429,731
	<u>121,445,103</u>	<u>245,946,124</u>

16. LEVIES

Income tax under final tax regime	-	-
Excess of minimum tax over normal tax	25,703,049	-
	<u>25,703,049</u>	<u>-</u>
Provision for Worker's Profit Participation Fund	7,004,801	6,774,317
Provision for Worker's Welfare Fund	5,322,252	2,905,158
	<u>38,030,102</u>	<u>9,679,475</u>

17. TAXATION - net

Current	4,600,741	41,500,086
Prior year	-	791,847
	<u>4,600,741</u>	<u>42,291,933</u>
Deferred	20,118,978	(8,970,696)
	<u>24,719,719</u>	<u>33,321,237</u>

18. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of group companies, major shareholders, key management personnel and directors of the company and their close family members, and the staff provident fund. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment. Remuneration of the Chief Executive, Directors and executives is disclosed in note 31 to the financial statements. Transactions entered into, and balances held, with related parties, other than those disclosed elsewhere in these financial statements, are as follows:



(Un-audited)
March 31,
2025
Rupees

(Un-audited)
March 31,
2024
Rupees

Transactions during the period

Name of the related parties	Basis of relationship with the party	Particulars		
Tara Chand	Key management personnel	Remuneration of the Chief Executive	3,000,000	3,000,000
Mahesh Kumar		Remuneration of the Director	3,000,000	3,000,000
Contribution to Staff Provident Fund	Other related party	Contribution to Staff Provident Fund	3,662,361	3,458,603

(Un-audited)
March 31,
2025
Rupees

(Audited)
September 30,
2024
Rupees

Balances outstanding as of the reporting date

Name of the related parties	Basis of relationship with the party	Nature of the balance outstanding		
Mahesh Kumar	Director	Subordinate loan payable	32,000,000	32,000,000
Pehlaj Rai	Director	Subordinate loan payable	230,000,000	230,000,000
Tara Chand	Director	Subordinate loan payable	30,000,000	30,000,000
Besham Kumar	Director	Subordinate loan payable	4,000,000	4,000,000
Deeo Mal Essarani	Director	Subordinate loan payable	48,000,000	48,000,000
Dileep Kumar	Director	Subordinate loan payable	59,000,000	59,000,000
Asha Ram	Sponsor	Subordinate loan payable	9,000,000	9,000,000
Hasso Mal	Sponsor	Subordinate loan payable	24,000,000	24,000,000
Jagdesh Kumar	Sponsor	Subordinate loan payable	6,000,000	6,000,000
Jetha Nand	Sponsor	Subordinate loan payable	34,000,000	34,000,000
Prem Chand	Sponsor	Subordinate loan payable	4,000,000	4,000,000



19. OPERATING SEGMENT

These financial statements have been prepared on the basis of single reportable segment. The category-wise disclosures required by the accounting and reporting standards as applicable in Pakistan are as follows:

Revenue from sale of sugar represents 73.70% (March 31, 2024: 70.39%) of the total revenue whereas remaining represent revenue from sale of molasses and bagasse.

31.12% (March 31, 2024: Nil%) revenue of the Company relates to customers outside Pakistan.

All non-current assets of the Company at March 31, 2025 and September 30, 2024 were located in Pakistan.

20. FAIR VALUE OF ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Level 1 : Quoted market price (unadjusted) in an active market.

Level 2 : Valuation techniques based on observable inputs.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

Presently, items in the financial statements that are carried at fair value are freehold land, factory building, non-factory building and plant and machinery. On a periodic basis, the Company engages an independent external valuer to carry out a fresh revaluation of these operating fixed assets to ensure that their carrying amounts in the financial statements do not differ materially from that which would be determined using fair value at the end of the reporting period. Such valuation usually involves the use of observable and unobservable inputs; however, the weightage of observable inputs used is considered as significant. Accordingly, the Company classifies the aforesaid classes of operating fixed assets within Level 2 of the fair value hierarchy.

The management considers that the fair value of all other assets and liabilities recognised in the financial statements approximate their fair value.

21. CASH AND CASH EQUIVALENTS

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



	(Un-audited) March 31, 2025 Rupees	(Un-audited) March 31, 2024 Rupees
Cash and bank balances	186,918,031	192,712,606
Short term borrowings - Running finance	(876,481,042)	(1,493,648,144)
	<u>(689,563,011)</u>	<u>(1,300,935,538)</u>

22. GENERAL

22.1 Reclassification of corresponding figures

In these financial statements, the following corresponding figures have been rearranged and reclassified, for the purposes of comparison and better presentation.

Reclassified from component	Reclassified to component	Note	Rupees
Deferred liabilities	Trade and other payables	3	<u>4,396,780</u>
(Provision for compensated absences)	(Provision for compensated absences)		
Other operating expenses (Workers' welfare fund expense)	Levies (Workers' welfare fund expense)	16	<u>2,905,158</u>
Other operating expenses (Workers' profit participation fund expense)	Levies (Workers' profit participation fund expense)	16	<u>6,774,317</u>

22.2 Date of authorization of the financial statements for issue

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on May 23, 2025.

22.3 Level of rounding

Figures in these financial statements have been rounded off to the nearest rupee.

DR. TARA CHAND
Chief Executive

MAHESH KUMAR
Director

SAQIB GHAFFAR
Chief Financial Officer

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Sindh Abadgar's Sugar Mills Limited

209, 2nd Floor, Progressive Plaza, Beaumont Road, Karachi-Pakistan.

Tel : 35638212-13 Fax : (92-21) 35638219 E-mail : sasm@unitedgroup.org.pk

Mill : Deh Deenpur, Taluka Butri Shah Karim, Distt. Tando Mohammad Khan Sindh, Pakistan.
Phones : 0315-201617, E-mail : sasmtmk@unitedgroup.org.pk