Sakrand Sugar Mills Limited

SSML/Acct/138/2017
May 12, 2017

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building, Stock Exchange Road
Karachi.

Sub: FINANCIAL RESULTS FOR THE HALF YEAR ENDED MARCH 31, 2017

Dear Sir,

We have to inform you that the Board of Directors of the Company has approved the accounts for the Half Year ended March 31, 2017 on May 12, 2017 at 41-K, Block-6, P.E.C.H.S., Karachi, declaring no entitlement for the shareholders.

The financial results of the Company are as follows:

	Half-year ended		Quarter ended	
	March 31, 2017	March 31, 2016	**March 31, 2017**	March 31, 2016
	Rupees			
Sales-net	2,131,689,035	1,528,012,240	1,671,830,028	1,256,774,688
Cost of sales	(2,054,934,846)	(1,624,530,872)	(1,517,822,573)	(1,282,200,049)
Gross profit / (loss)	76,754,189	(96,518,632)	154,007,455	(25,425,361)
Operating expenses				
Administrative expenses	(42,221,204)	(70,214,414)	(24,811,669)	(37,228,810)
Distribution cost	(3,126,300)	(3,747,729)	(2,106,950)	(2,700,012)
	(45,347,504)	(73,962,143)	(26,918,619)	(39,928,822)
Operating profit / (loss)	31,406,685	(170,480,775)	127,088,836	(65,354,183)
Finance cost	(14,699,681)	(15,632,344)	(9,263,709)	(9,972,368)
Other charges	-	(164,337)	-	-
Unrealized gain on loan amortization	9,615,411	7,910,086	9,615,411	3,611,407
Other income	736,816	13,350	427,121	13,350
	(4,347,454)	(7,873,245)	778,823	(6,347,611)
Profit / (loss) before tax	27,059,231	(178,354,020)	127,867,659	(71,701,794)
Income tax expense	170,937,110	25,976,638	175,535,700	-
Profit / (loss) after tax	197,996,341	(152,377,382)	303,403,359	(71,701,794)
Earning / (loss) per share - Basic and diluted	8.88	(6.83)	13.60	(3.21)

We will be sending you 200 copies of printed accounts for distribution amongst the members of the Exchange.

Yours truly

Company Secretary

SAKRAND SUGAR MILLS LIMITED

H.O.: 41-K, Block-6, P.E.C.H.S., Karachi-75400, Pakistan. UAN: 111-48-48-48 Tel: 34531642, 34531105, 34522909, 34522934 Fax: 34546456
Sub Office: Room No. 303, 3rd Floor, Continental Trade Center, Block 8, Clifton, Karachi. Ph: 35303291-2
Mills: Deh Tharo Unar Post Office (Qazi Ahmed) Taluka Sakrand, District: Shaheed Benazirabad. Tel: (0244) 321064-5 Fax: (0244) 321067
E-mail: admin@sakrandsugar.com

Sakrand Sugar Mills Limited

SSML/Acct/ 139 / 2017
May 12, 2017

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

ANNOUNCEMENT/MATERIAL INFORMATION

Dear Sir

In accordance with the requirements of applicable provisions of the Securities Act, 2015 and the Rule book of Pakistan Stock Exchange Limited, we hereby convey the following information.

Right Shares

The Board of Directors of M/s Sakrand Sugar Mills Limited (the Company) in its meeting held on May 12, 2017 has decided to increase the paid up share capital of the Company from Rs.223,080,000 to Rs.446,160,000 by issue of 100% right share i.e. 1 right share for every 1 existing ordinary share to be offered at a price of Rs.10 per share i.e. at Par to the members whose name will appear on the Members' Register on the book closure date (Right Issue). These right shares shall rank *pari passu* with the existing shares in all respect.

We are enclosing the Disclosure form (Annexure A) and Extract of resolution of Board of Directors meeting (Annexure B).

The Share Transfer Book of the Company will be closed from June 02, 2017 to June 08, 2017 (both days inclusive). Transfers received at the Company's Shares Registrar's office, M/s JWAFFS Registrar Services (Pvt.) Ltd., 407-408, Al Ameera Centre Shahrah-e-Iraq, Saddar, Karachi-74400 at the close of business on June 01, 2017 will be treated in time for the purpose of entitlements to right shares.

You may please inform the TRE certificate holders of the Exchange accordingly.

Yours Sincerely

For **Sakrand Sugar Mills Limited**

SAKRAND SUGAR MILLS LIMITED

Company Secretary

Encl. as above

H.O.: 41-K, Block-6, P.E.C.H.S., Karachi-75400, Pakistan. UAN: 111-48-48-48 Tel: 34531642, 34531105, 34522909, 34522934 Fax: 34546456
Sub Office: Room No. 303, 3rd Floor, Continental Trade Center, Block 8, Clifton, Karachi. Ph: 35303291-2
Mills: Deh Tharo Unar Post Office (Qazi Ahmed) Taluka Sakrand, District: Shaheed Benazirabad. Tel: (0244) 321064-5 Fax: (0244) 321067
E-mail: admin@sakrandsugar.com

Sakrand Sugar Mills Limited

DISCLOUSRE FORM
Securities Act, 2015
Annexure A

Name of the Company	Sakrand Sugar Mills Limited
Date of Report	May 12, 2017
Exact Name of the Company as specified in its Memorandum	Sakrand Sugar Mills Limited
Registered address of the Company	41, K, Block 6, P.E.C.H.S. Karachi.
Contact Information	Mr. Amad Uddin Company Secretary Tel: 021-35303291-2
Disclosure of inside information by the Company in term of Securities Act, 2015	**Right Shares** The Board of Directors of M/s Sakrand Sugar Mills Limited (the Company) in its meeting held on May 12, 2017 has decided to increase the paid up share capital of the Company from Rs.223,080,000 to Rs.446,160,000 by issue of 100% right share i.e. 1 right share for every 1 existing ordinary share to be offered at a price of Rs.10 per share i.e. at Par to the members whose name will appear on the Members' Register on the book closure date (Right Issue). These right shares shall rank *pari passu* with the existing shares in all respect. We are enclosing the Disclosure form (Annexure A) and Extract of resolution of Board of Directors meeting (Annexure B). The Share Transfer Book of the Company will be closed from June 02, 2017 to June 08, 2017 (both days inclusive). Transfers received at the Company's Shares Registrar's office, M/s JWAFFS Registrar Services (Pvt.) Ltd., 407-408, Al Ameera Centre Shahrah-e-Iraq, Saddar, Karachi-74400 at the close of business on June 01, 2017 will be treated in time for the purpose of entitlements to right shares.

SAKRAND SUGAR MILLS LIMITED

H.O.: 41-K, Block-6, P.E.C.H.S., Karachi-75400, Pakistan. UAN: 111-48-48-48 Tel: 34531642, 34531105, 34522909, 34522934 Fax: 34546456
Sub Office: Room No. 303, 3rd Floor, Continental Trade Center, Block 8, Clifton, Karachi. Ph: 35303291-2
Mills: Deh Tharo Unar Post Office (Qazi Ahmed) Taluka Sakrand, District: Shaheed Benazirabad. Tel: (0244) 321064-5 Fax: (0244) 321067
E-mail: admin@sakrandsugar.com

Sakrand Sugar Mills Limited

Annexure B
EXTRACT

RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF THE COMPANY IN THE MEETING HELD ON May 12, 2017 AT ITS REGISTERED OFFICE AT 41-K, BLOCK-6, P.E.C.H.S., KARACHI.

RESOLVED THAT "the ordinary paid up share capital of Sakrand Sugar Mills Limited be and is hereby increased from Rs.223,080,000 to Rs.446,160,000 by issue of further 22,308,000 ordinary share to be offered as Right Shares at par value of Rs.10 per share in the ratio of 1 right share for every 1 existing ordinary share of Rs.10 each (i.e. 100% right shares) and that these ordinary Right Shares be and are hereby offered to the Company's existing ordinary shareholders as provided under section 86 of the Companies Ordinance, 1984 read with the Companies (Issue of Capital) rules,1996 against payment of value of shares to the Company up to the date as per right allotment letters to be issued."

FURTHER RESOLVED THAT "these right shares when issued shall rank pari passu in all respect with the existing ordinary shares of the Company."

FURTHER RESOLVED THAT "share transfer books of the Company will remain closed from June 02, 2017 to June 08, 2017 (both days inclusive) to determine the entitlement of right shares."

FURTHER RESOLVED THAT "approval be and is hereby granted to allow the members/shareholders of the Company to renounce their right to subscribe right shares in favor of any other person(s)."

FURTHER RESOLVED THAT "the purpose of the right issue, use of the proceeds of right issue, its benefits and the risk factors associated with the right issue in terms of rule 5 (ii) of the Companies (Issue of Capital) rules, 1996 (attached herewith) be and are hereby approved."

FURTHER RESOLVED THAT "three years financial projections based on the proposed 100% right issue (attached herewith) be and are hereby approved."

FURTHER RESOLVED THAT "Mr. Amad Uddin, Chief Financial Officer (CFO) / Company Secretary (CS), be and is hereby singly authorized to execute and sign on behalf of the Company all necessary documents and instruments."

SAKRAND SUGAR MILLS LIMITED

H.O.: 41-K, Block-6, P.E.C.H.S., Karachi-75400, Pakistan. UAN: 111-48-48-48 Tel: 34531642, 34531105, 34522909, 34522934 Fax: 34546456
Sub Office: Room No. 303, 3rd Floor, Continental Trade Center, Block 8, Clifton, Karachi. Ph: 35303291-2
Mills: Deh Tharo Unar Post Office (Qazi Ahmed) Taluka Sakrand, District: Shaheed Benazirabad. Tel: (0244) 321064-5 Fax: (0244) 321067
E-mail: admin@sakrandsugar.com

Sakrand Sugar Mills Limited

FURTHER RESOLVED THAT "Mr. Amad Uddin, CFO / CS, be and is hereby singly authorized to negotiate, finalize and appoint bankers to the right issue for collection of amount of subscription towards right shares and to open and operate the right issue subscription accounts (s) of the Company with the authorized banks."

FURTHER RESOLVED THAT "the draft circular to be sent to the members pursuant to section 86 of the Company's Ordinance, 1984 be and is hereby approved and Mr. Amad Uddin, CFO / CS be and is hereby authorized to sign the same on behalf of the Board of Directors."

FURTHER RESOLVED THAT "Mr. Amad Uddin, CFO / CS, be and is hereby singly authorized and empowered to take all necessary steps and decisions to obtain all approvals required, if any and to sign , execute and deliver applications and document(s) required by SECP/PSX/CDC or any other authority in this regard and to affix common seal of the Company on such document(s), share certificates of title to the shareholders as may be deemed necessary and take or cause to be taken all actions and decisions as may be necessary or incidental for implementation and giving full force to the above resolutions."

FURTHER RESOLVED THAT "Mr. Amad Uddin, CFO / CS, be and is singly authorized and empowered to make any changes in book closure dates and to amend the circular and schedule for issue of right shares and any other documents and to make any amendment in the said documents and schedule and to take all necessary actions and decisions required by SECP/PSX/CDC or any other authority and to take all necessary actions as may be required in this regard including execution of any documents and agreements."

SAKRAND SUGAR MILLS LIMITED

Company Secretary

H.O.: 41-K, Block-6, P.E.C.H.S., Karachi-75400, Pakistan. UAN: 111-48-48-48 Tel: 34531642, 34531105, 34522909, 34522934 Fax: 34546456
Sub Office: Room No. 303, 3rd Floor, Continental Trade Center, Block 8, Clifton, Karachi. Ph: 35303291-2
Mills: Deh Tharo Unar Post Office (Qazi Ahmed) Taluka Sakrand, District: Shaheed Benazirabad. Tel: (0244) 321064-5 Fax: (0244) 321067
E-mail: admin@sakrandsugar.com

Sakrand Sugar Mills Limited

STATEMENT OF PURPOSE, BENEFITS, UTILIZATION OF FUNDS AND FINANCIAL PROJECTIONS

Purpose:

The Company has negotiated a restructuring financing package with a syndicate of banks including Summit Bank Limited and Sindh Bank Limited with the former being the lead bank.

Details are as follows:

Long Term Loan:	Rs 1,000,000,000 priced at three months Kibor + 300 bps.
Repayment:	22 equal quarterly installments starting after completion of 18 months grace period.
Cash Finance:	Rs: 500,000,000 against pledge of sugar stock being working capital finance priced at 3 months Kibor and 350 bps.

Restructuring Conditions:

Fresh Equity Injection:	Rs. 250,000,000
Syndicate Loan:	Rs. 1,000,000,000
Total	**Rs. 1,250,000,000**

Equity Injection is to be executed via right issue and Directors' loan, being primary conditions of the overall restructuring plan.

Utilization:

The proceeds of the complete right issue shall be utilized to settle overdue loans, being a primary condition of the syndicate financing.

Benefits:

Upon successful right issue and settlement of overdue loans, the syndicate loan and cash finance facility shall be disbursed by the banking syndicate.

This shall ensure the following:

1- Clearing overdue liabilities including growers, suppliers and others - creditworthiness
2- Up gradation and maintenance of Plant and Equipment at Mill – improving efficiency
3- Availability of adequate working capital for smooth milling operations.

SAKRAND SUGAR MILLS LIMITED

H.O.: 41-K, Block-6, P.E.C.H.S., Karachi-75400, Pakistan. UAN: 111-48-48-48 Tel: 34531642, 34531105, 34522909, 34522934 Fax: 34546456
Sub Office: Room No. 303, 3rd Floor, Continental Trade Center, Block 8, Clifton, Karachi. Ph: 35303291-2
Mills: Deh Tharo Unar Post Office (Qazi Ahmed) Taluka Sakrand, District: Shaheed Benazirabad. Tel: (0244) 321064-5 Fax: (0244) 321067

Sakrand Sugar Mills Limited

Projections

Sakrand Sugar Mills Limited
Financial Projections

	2017-18	2018-19	2019-20
	Rupees		
Sales	4,919,530,431.48	5,020,791,435.69	5,121,207,264.41
Less: Sales Tax	456,230,658.11	465,355,271.27	474,662,376.69
Net Sales	4,463,299,773.37	4,555,436,164.43	4,646,544,887.71
Cost Of Sales	3,946,374,094.80	4,025,301,576.70	4,105,807,608.23
Gross Profit	516,925,678.57	530,134,587.73	540,737,279.48
Administrative Expenses	30,000,000.00	30,600,000.00	30,600,000.00
Financial Cost	88,600,000.00	91,956,060.65	69,234,047.68
Depreciation	27,000,000.00	24,300,000.00	21,870,000.00
Other Income	141,626,860.0	151,791,290.0	150,000,000.0
Net Profit Before Tax	512,952,538.57	535,069,817.08	569,033,231.80
Taxation -minimum	44,632,997.73	45,554,361.64	120,458,793.00
Net Profit After Taxation	468,319,540.84	489,515,455.44	448,574,438.80
EPS (44,616,000 Shares)	10.49667251	10.9717468	10.05411599

SAKRAND SUGAR MILLS LIMITED

H.O.: 41-K, Block-6, P.E.C.H.S., Karachi-75400, Pakistan. UAN: 111-48-48-48 Tel: 34531642, 34531105, 34522909, 34522934 Fax: 34546456
Sub Office: Room No. 303, 3rd Floor, Continental Trade Center, Block 8, Clifton, Karachi. Ph: 35303291-2
Mills: Deh Tharo Unar Post Office (Qazi Ahmed) Taluka Sakrand, District: Shaheed Benazirabad. Tel: (0244) 321064-5 Fax: (0244) 321067

Sakrand Sugar Mills Limited

Sakrand Sugar Mills Limited
Financial Projections

	September 30, 2018	September 30, 2019	September 30, 2020
	Rupees		
ASSETS			
Non-Current Assets			
Property, plant and equipment	3,011,248,854	3,051,948,854	3,030,078,854
Long term investments	199,625,710	105,125,000	-
Long term loans	284,297	284,297	284,297
Long term deposits	1,723,859	1,827,290	1,936,928
Current Assets			
Stores, spares and loose tools	42,247,182	50,696,618	60,835,942
Stock in trade	6,578,802	6,710,378	6,374,859
Trade debts - unsecured (considered good)	-	-	-
Loans and advances	20,526,429	21,552,750	22,630,388
Investments- Held for Trading	-	-	-
Prepayments and other receivables	5,138,263	6,936,655	6,589,822
Taxation refundable	74,453,345	89,344,013	116,147,217
Cash and bank balances	579,954,595	488,749,206	644,329,152
	728,898,615	663,989,621	856,907,380
Total Assets	3,941,781,336	3,823,175,063	3,889,207,459
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital			
60,000,000 Ordinary shares of Rs. 10/-each	600,000,000	600,000,000	600,000,000
Issued, subscribed and paid-up capital	446,160,000	446,160,000	446,160,000
Accumulated (losses) / Profits	(417,579,902)	47,635,553	474,339,992
	28,580,098	493,795,553	920,499,992
Surplus on revaluation of fixed assets	2,057,161,173	2,057,161,173	2,057,161,173
Non-Current Liabilities			
Subordinate loan from directors	138,921,502	138,921,502	138,921,502
Deferred taxation	-	-	-
Long term finance - secured			
Markup bearing	194,604,683	83,312,683	-
Syndicate Long Term Loan	1,000,000,000	818,181,820	636,363,640
Markup free	-	-	-
	1,194,604,683	901,494,503	636,363,640
Provision for gratuity	11,558,365	12,251,867	13,232,017
Current Liabilities			
Trade and other payables	488,805,515	196,561,449	105,720,623
Short term borrowings	-	-	-
Mark up accrued	22,150,000	22,989,015	17,308,512
Current portion of non current liabilities	-	-	-
	510,955,515	219,550,464	123,029,135
Contingencies and Commitments			
Total Equities and Liabilities	3,941,781,336	3,823,175,063	3,889,207,459

SAKRAND SUGAR MILLS LIMITED

Sakrand Sugar Mills Limited

Note:
The financial projections provided herein above are based on the perception of the Directors regarding the performance of the business in the current business environment. The company or its directors do not accept any liability for any investment decisions by any person on the basis of the above financial projections.

Mr. Dinshaw H. Anklesaria	D.H. Anklesaria	Chief Executive/Director
Mr. Jamail Akbari		Chairman/Director
Syed Abid Hussain		Director
Mr. Abdul Naeem Quraishi		Director
Mr. Neville Mehta		Director
Mrs. Fatma Gulamali		Director
Dr. Jamshed H. Anklesaria		Director

SAKRAND SUGAR MILLS LIMITED