CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2016
(Unaudited)

CASH FLOW FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>1st Quarter December 2016</th>
<th>1st Quarter December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss before taxation</td>
<td>(106,900,426)</td>
<td>(106,484,776)</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>26,075,531</td>
<td>30,069,593</td>
</tr>
<tr>
<td>Financial cost</td>
<td>5,123,172</td>
<td>7,061,970</td>
</tr>
<tr>
<td>Gain on disposal of property, plant &amp; equipment</td>
<td>(387,149)</td>
<td>-</td>
</tr>
<tr>
<td>Gain on amortisation of investment</td>
<td>(9,320,237)</td>
<td>(8,290,036)</td>
</tr>
<tr>
<td>Operating loss before working capital changes</td>
<td>14,659,233</td>
<td>14,659,233</td>
</tr>
</tbody>
</table>

(Decrease) / Increase in current assets:
- Store, spares and lease assets | (10,347,273) | 1,051,782 |
- Stock in trade | (111,427,241) | (73,561,206) |
- Trade debtors | (5,417,268) | (5,041,144) |
- Loans and advances | (2,483,706) | 1,159,331 |
- Prepayment and other receivables | (183,530,507) | (209,127,426) |

Increase in current liabilities:
- Trade and other payables | 227,896,969 | 153,724,412 |
- Finance lease liability (fair value) | 63,670,788 | 63,670,788 |
- Corporation tax | (2,926,227) | (2,491,305) |
- Financial lease liability (book value) | (4,872,253) | (3,140,516) |
- Interest paid | 495,733,610 | 495,733,610 |

Net cash (used in) / generated from operating activities | 118,733,387 | 32,460,098 |

CASH FLOW FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(1,529,978)</td>
</tr>
<tr>
<td>Proceeds from disposal of property, plant and equipment</td>
<td>1,049,840</td>
</tr>
<tr>
<td>Long term deposits</td>
<td>(158,060)</td>
</tr>
<tr>
<td>Long term loans</td>
<td>(152,936)</td>
</tr>
</tbody>
</table>

Net cash used in investing activities | (1,499,995) |

CASH FLOW FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan from directors</td>
<td>173,155,000</td>
</tr>
<tr>
<td>Repayment of bank loans</td>
<td>-</td>
</tr>
<tr>
<td>Net cash generated from / (used in) financing activities</td>
<td>173,155,000</td>
</tr>
</tbody>
</table>

Net cash and cash equivalents at the end of the period | 21,234,638 |

The amounts noted from are integral parts of these financial statements.

DINSHAW H. ANKLEASRIA  
Chief Executive/Director  
Dated: March 01, 2017

SYED ARID HUSSAIN
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2016
(Unaudited)

<table>
<thead>
<tr>
<th>Description</th>
<th>31-12-2016</th>
<th>31-12-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at October 31, 2015</td>
<td>227,890,080</td>
<td>301,713,717</td>
</tr>
<tr>
<td>Change in Share Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common shares issued &amp; purchased in capital</td>
<td>(81,404,790)</td>
<td></td>
</tr>
<tr>
<td>Total comprehensive loss</td>
<td>(38,494,709)</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income for the period</td>
<td>(115,001,914)</td>
<td></td>
</tr>
</tbody>
</table>

Balance as at December 31, 2015 | 227,890,080 | (114,514,096) |

Balance as at December 31, 2016 | 227,890,080 | (114,514,096) |

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2016

1. These financial statements are unaudited and are being submitted to the shareholders as required by the Securities and Exchange Commission of Pakistan vide circular No.2-(2)SE-2001 dated November 05, 2001, with reference to SRO No. 7641(2001).

2. These financial statements have been prepared in compliance with the requirements of International Accounting Standards-34 “Interim financial reporting” as adopted by the Institute of Chartered Accountants of Pakistan which are applicable to the Company.

3. The accounting policies and method of computation allowed for the preparation of these accounts are same as those applied in the preparation of the preceding annual accounts of the Company for the year ended September 30, 2016.

4. Figures have been rounded off to the nearest rupee.

DINSHAW H. ANKLEASRIA  
Chief Executive/Director  
Dated: March 01, 2017

SYED ARID HUSSAIN
Director

SARAND SUGAR MILLS LIMITED

IST QUARTER UNAUDITED ACCOUNTS
December 31, 2016
On behalf of the Board of Directors, it is my privilege to present to you the unaudited interim condensed financial statements of the Company for the quarter ended December 31, 2016.

The financial results show an operating loss of Rs. 95,562 million and a net loss of Rs. 105,126 million as compared to operating loss of Rs. 140,455 million of the corresponding period 2015-16.

Operating Results

<table>
<thead>
<tr>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duration of season</td>
<td>47</td>
</tr>
<tr>
<td>Sugar cane crushed MT</td>
<td>123,083</td>
</tr>
<tr>
<td>Sugar produced MT</td>
<td>9,250</td>
</tr>
<tr>
<td>Sugar recovery %</td>
<td>8.5807 %</td>
</tr>
<tr>
<td>Molasses produced MT</td>
<td>4,750</td>
</tr>
<tr>
<td>Molasses recovery %</td>
<td>4.141</td>
</tr>
</tbody>
</table>

The Mill started crushing season on November 15, 2016 and till closing date of quarter i.e. December 31, 2016, total crushing was 123,083 M.T. producing 9,250 M.T. of sugar with an average recovery of 8.5807%, as compared to previous periods crushing of 115,614 M.T. producing 10,405 M.T. of sugar with an average recovery of 9.5611%.

The Government of Sindh vide notification No.KU-43/337/2016-17 dated October 31, 2016 fixed the minimum support price for the season 2016-17 at Rs. 325 per 40 kg and Rs. 0.50 per 40 kg for each 0.1 percent of excess sugar recovery above 8.7 percent as quality premium (2015-16; Rs. 172 per 40 kg and Rs. 0.50 per 40 kg for each 0.1 percent of excess sugar recovery above 8.7 percent as quality premium).

During the period, sugarcane available in Mills’ zone area contains low sugar content which resulted in high production cost of sugar. Further, distress sugar prices, high rate of sugarcane and continuing liquidity issues contributed towards a gross loss. In addition, the group’s pending payments also had a negative effect on supply of good quality sugarcane.

Beside heavy losses of the Company and all the hardships faced by the industry, the management of the Company is doing their best efforts to keep smooth operations of the Company.

DINESH H. ANKLESARIA
Chief Executive

Dated: March 01, 2017

SYED ARID HUSSAIN
Director

Dated: March 01, 2017

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